

Chapter 6 Review and Analysis of Financial Conditions, Operating Results and Risk Management

Balance Sheet Analysis

Consolidated balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities and equity:

1. Investments rose mainly due to increased cross-industry strategic investments.
2. Intangible assets rose mainly due to an increase in concession licenses and goodwill acquired through the merger with Taiwan Star.
3. Other assets rose mainly due to an increase in right-of-use assets acquired through the merger with Taiwan Star.
4. Non-current liabilities rose mainly due to an increase in long-term borrowings.
5. Paid-in capital rose mainly due to issuance of new shares.

2022 - 2023 Consolidated Balance Sheet

Unit: NT\$'000, %

	2022	2023	YoY change	
			Amount	%
Current assets	41,439,100	44,158,164	2,719,064	6.56
Investments	7,761,891	9,382,627	1,620,736	20.88
Property, plant and equipment	44,247,993	50,676,171	6,428,178	14.53
Intangible assets	76,871,365	111,413,273	34,541,908	44.93
Other assets	22,751,317	27,334,126	4,582,809	20.14
Total assets	193,071,666	242,964,361	49,892,695	25.84
Current liabilities	69,568,116	75,728,342	6,160,226	8.85
Non-current liabilities	50,652,770	73,851,865	23,199,095	45.80
Total liabilities	120,220,886	149,580,207	29,359,321	24.42
Paid-in capital	35,192,336	37,232,618	2,040,282	5.80
Capital surplus	15,326,778	31,302,785	15,976,007	104.24
Retained earnings	43,380,772	45,681,373	2,300,601	5.30
Other equity and treasury stock	(29,429,130)	(29,393,228)	35,902	(0.12)
Non-controlling interests	8,380,024	8,560,606	180,582	2.15
Total equity	72,850,780	93,384,154	20,533,374	28.19

Stand-alone balance sheet analysis

Explanation of significant changes (at least a 20% change) in the past two years' assets, liabilities, and equity:

1. Property, plant and equipment rose mainly due to an increase in telecommunications equipment acquired through the merger with Taiwan Star.
2. Intangible assets rose mainly due to an increase in concession licenses and goodwill acquired through the merger with Taiwan Star.
3. Non-current liabilities rose mainly due to an increase in long-term borrowings.
4. Paid-in capital rose mainly due to issuance of new shares.

2022- 2023 Stand-alone Balance Sheet

Unit: NT\$'000, %

	2022	2023	YoY change	
			Amount	%
Current assets	19,397,247	22,886,443	3,489,196	17.99
Investments	51,164,875	54,194,863	3,029,988	5.92
Property, plant and equipment	24,806,240	30,780,719	5,974,479	24.08
Intangible assets	57,114,882	92,033,846	34,918,964	61.14
Other assets	19,092,221	21,479,079	2,386,858	12.50
Total assets	171,575,465	221,374,950	49,799,485	29.02
Current liabilities	62,137,094	70,429,154	8,292,060	13.34
Non-current liabilities	44,967,615	66,122,248	21,154,633	47.04
Total liabilities	107,104,709	136,551,402	29,446,693	27.49
Paid-in capital	35,192,336	37,232,618	2,040,282	5.80
Capital surplus	15,326,778	31,302,785	15,976,007	104.24
Retained earnings	43,380,772	45,681,373	2,300,601	5.30
Other equity and treasury stock	(29,429,130)	(29,393,228)	35,902	(0.12)
Total equity	64,470,756	84,823,548	20,352,792	31.57

Impact of changes in financial conditions on financial results: No significant impact.

Preventive measures: Not applicable.