

Taiwan Mobile Co., Ltd. and Subsidiaries
Consolidated Financial Statements for the
Three Months Ended March 31, 2013 and 2012, and
Independent Accountants' Review Report

Independent Accountants' Review Report

The Board of Directors and Shareholders
Taiwan Mobile Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. and subsidiaries as of March 31, 2013, January 1, March 31 and December 31, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2013 and 2012. These interim consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim consolidated financial statements based on our reviews.

We conducted our reviews in accordance with the Statement of Auditing Standards No. 36 "Review of Financial Statements" in the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the interim consolidated financial statements referred to in the first paragraph in order for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34 "Interim Financial Reporting" endorsed by Financial Supervisory Commission, R.O.C.

As discussed in Note 4(f) and 15 to the interim consolidated financial statements, effective January 1, 2013, Taiwan Mobile Co., Ltd. changed the recognition method for bundle sales from residual value method to relative fair value method, and has retrospectively restated all the comparative consolidated financial statements in 2012.

KPMG
Taipei, Taiwan (the Republic of China)
April 30, 2013

Notes to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JANUARY 1, MARCH 31, DECEMBER 31, 2012 AND MARCH 31, 2013
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

ASSETS		2013.3.31		2012.12.31		2012.3.31		2012.1.1		LIABILITIES AND EQUITY		2013.3.31		2012.12.31		2012.3.31		2012.1.1	
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS		CURRENT LIABILITIES																	
1100	Cash and Cash equivalents (Notes 4, 6(a) and 7)	\$ 7,108,585	7	7,223,640	7	5,615,057	6	6,693,992	7	2100	Short-term borrowings (Notes 4, 6(j) and 7)	\$ 3,415,825	3	3,158,440	3	5,612,118	6	9,000,000	9
1110	Current financial assets at fair value through profit or loss (Notes 4 and 6(b))	-	-	-	-	60,296	-	60,186	-	2110	Short-term notes and bills payable (Notes 4 and 6(j))	-	-	-	-	-	-	899,273	1
1125	Current available-for-sale financial assets (Notes 4 and 6(b))	201,702	-	205,397	-	197,572	-	217,351	-	2150	Notes payable	202,376	-	360,669	-	202,270	-	641,166	1
1170	Accounts and notes receivable, net (Note 4 and 6(c))	12,824,909	12	12,732,802	13	10,500,858	11	10,752,650	11	2170	Accounts payable	5,988,073	6	7,354,917	7	5,150,807	6	5,703,992	6
1180	Accounts receivable due from related parties, net (Note 7)	71,815	-	71,039	-	117,848	-	129,019	-	2180	Accounts payable to related parties (Notes 7)	52,506	-	64,377	-	-	-	-	-
1200	Other receivables	960,908	1	741,489	1	716,651	1	882,986	1	2200	Other payables (Notes 7)	9,520,082	9	9,292,146	10	8,945,974	9	9,697,842	10
1220	Current tax assets	101,715	-	106,091	-	107,328	-	105,122	-	2230	Current tax liabilities (Notes 4)	2,076,391	2	1,523,604	2	1,939,499	2	1,331,623	1
130x	Inventories (Note 4 and 6(d))	3,483,166	3	2,566,900	3	2,481,175	3	2,004,103	2	2250	Current provisions (Notes 4 and 6(m))	142,870	-	120,610	-	92,980	-	90,014	-
1410	Prepayments (Note 7)	991,621	1	737,498	1	628,840	1	638,549	1	2310	Advance receipts (Notes 6(k))	3,227,245	3	3,109,824	3	2,786,486	3	3,053,670	3
1470	Other current assets (Notes 6(i), 7 and 8)	464,324	1	484,971	-	172,654	-	119,103	-	2320	Long-term liabilities, current portion (Notes 6(l))	4,000,000	4	4,000,000	4	4,000,000	4	4,000,000	4
	Total current assets	<u>26,208,745</u>	<u>25</u>	<u>24,869,827</u>	<u>25</u>	<u>20,598,279</u>	<u>22</u>	<u>21,603,061</u>	<u>22</u>	2399	Other current liabilities, others	1,043,351	1	968,832	1	711,339	1	774,831	1
NON-CURRENT ASSETS		NON-CURRENT LIABILITIES																	
1523	Non-current available-for-sale financial assets (Note 4 and 6(b))	1,283,271	1	1,127,655	1	1,335,144	1	1,123,144	1	2530	Bonds payable (Notes 6(l))	8,995,369	9	8,995,180	9	4,000,000	4	4,000,000	4
1543	Non-current financial assets at cost (Notes 4 and 6(b))	181,328	-	181,328	-	186,276	-	186,276	-	2550	Non-current provisions (Notes 5 and 6(m))	783,856	1	755,195	1	681,204	1	670,001	1
1546	Non-current bond investment without active market (Notes 4 and 6(b))	500,000	1	500,000	1	500,000	1	500,000	1	2570	Deferred tax liabilities (Notes 4)	2,349,609	2	2,119,747	2	1,794,614	1	1,628,204	1
1550	Investments accounted for using equity method (Notes 4 and 6(e))	1,465,638	2	1,248,562	1	556,555	1	562,812	1	2640	Accrued pension liabilities (Notes 4, 5 and 6(o))	116,298	-	116,237	-	107,216	-	106,748	-
1600	Property, plant and equipment (Notes 4 and 6(f))	42,467,432	41	40,593,173	40	40,957,838	42	41,470,962	43	2645	Guarantee deposits	824,563	1	810,436	1	769,681	1	738,932	1
1760	Investment property, net (Notes 4 and 6(g))	299,289	-	299,991	-	302,097	-	302,799	-	2670	Other non-current liabilities, others	19,744	-	19,744	-	19,744	-	19,744	-
1791	3G concession license (Notes 4 and 6(h))	4,299,327	4	4,486,254	4	5,047,037	5	5,233,964	5		Total non-current liabilities	<u>13,089,439</u>	<u>13</u>	<u>12,816,539</u>	<u>13</u>	<u>7,372,459</u>	<u>7</u>	<u>7,163,629</u>	<u>7</u>
1805	Goodwill (Notes 4, 5 and 6(h))	15,845,930	15	15,845,930	16	15,845,930	16	15,845,930	16		Total liabilities	<u>42,758,158</u>	<u>41</u>	<u>42,769,958</u>	<u>43</u>	<u>36,813,932</u>	<u>38</u>	<u>42,356,040</u>	<u>43</u>
1821	Other intangible assets, net (Notes 4 and 6(h))	6,318,788	6	6,321,970	7	6,455,009	7	6,525,944	7	EQUITY ATTRIBUTABLE TO OWNERS									
1840	Deferred tax assets (Notes 4 and 5)	1,033,721	1	1,072,844	1	1,140,985	1	1,181,857	1	OF PARENT (Notes 6(p) and (q))									
1900	Other non-current assets, others (Notes 6(i), 7 and 8)	4,511,996	4	3,865,717	4	3,493,051	4	3,103,135	3	3110	Ordinary share	34,208,328	33	34,208,328	34	34,208,328	35	34,208,328	35
		78,206,720	75	75,543,424	75	75,819,922	78	76,036,823	78	3200	Capital surplus	12,431,851	12	12,431,851	12	12,431,851	13	12,431,851	13
											Retained earnings :								
										3310	Legal reserve	18,061,894	17	18,061,894	18	16,715,018	17	16,715,018	17
										3320	Special reserve	-	-	-	-	821,741	1	821,741	1
										3350	Unappropriated retained earnings	26,412,987	25	22,606,173	23	24,771,840	26	20,721,444	21
										3400	Other equity interest	497,322	1	340,026	-	541,066	1	356,218	1
										3500	Treasury share	(31,077,183)	(30)	(31,077,183)	(31)	(31,077,183)	(32)	(31,077,183)	(32)
											Total equity attributable to owners of parent	<u>60,535,199</u>	<u>58</u>	<u>56,571,089</u>	<u>56</u>	<u>58,412,661</u>	<u>61</u>	<u>54,177,417</u>	<u>56</u>
										36xx	Non-controlling interests	1,122,108	1	1,072,204	1	1,191,608	1	1,106,427	1
											Total equity	<u>61,657,307</u>	<u>59</u>	<u>57,643,293</u>	<u>57</u>	<u>59,604,269</u>	<u>62</u>	<u>55,283,844</u>	<u>57</u>
TOTAL		<u>\$ 104,415,465</u>	<u>100</u>	<u>100,413,251</u>	<u>100</u>	<u>96,418,201</u>	<u>100</u>	<u>97,639,884</u>	<u>100</u>	TOTAL	<u>\$ 104,415,465</u>	<u>100</u>	<u>100,413,251</u>	<u>100</u>	<u>96,418,201</u>	<u>100</u>	<u>97,639,884</u>	<u>100</u>	

The accompanying notes are an integral part of the consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

		<u>2013</u>		<u>2012</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	OPERATING REVENUES (Notes 4, 6(s) and 7)	\$ 26,557,067	100	24,759,775	100
5000	OPERATING COSTS (Notes 4, 7 and 12)	<u>16,874,357</u>	<u>64</u>	<u>15,360,917</u>	<u>62</u>
5900	GROSS PROFIT FROM OPERATIONS	<u>9,682,710</u>	<u>36</u>	<u>9,398,858</u>	<u>38</u>
6000	OPERATING EXPENSES (Notes 4, 7 and 12)				
6100	Marketing	3,460,440	13	3,104,753	12
6200	Administrative	<u>1,248,846</u>	<u>5</u>	<u>1,131,134</u>	<u>5</u>
		<u>4,709,286</u>	<u>18</u>	<u>4,235,887</u>	<u>17</u>
6500	NET OTHER INCOME AND EXPENSES (Notes 6(t))	<u>13,942</u>	<u>-</u>	<u>14,375</u>	<u>-</u>
6900	NET OPERATING INCOME	<u>4,987,366</u>	<u>18</u>	<u>5,177,346</u>	<u>21</u>
	NON-OPERATING INCOME AND EXPENSES				
7010	Other income (Notes 6(u))	23,760	-	23,820	-
7020	Other gains and losses, net (Notes 6(u))	(230,452)	(1)	(119,774)	(1)
7050	Financial costs (Notes 6(u))	(79,954)	-	(86,297)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Notes 4 and 6(e))	<u>2,345</u>	<u>-</u>	<u>(6,257)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>(284,301)</u>	<u>(1)</u>	<u>(188,508)</u>	<u>(1)</u>
7900	PROFIT BEFORE TAX	4,703,065	17	4,988,838	20
7950	TAX EXPENSE (Notes 6(p))	<u>847,403</u>	<u>3</u>	<u>848,698</u>	<u>4</u>
8200	PROFIT	<u>3,855,662</u>	<u>14</u>	<u>4,140,140</u>	<u>16</u>
8300	OTHER COMPREHENSIVE INCOME (LOSS) :				
8310	Exchange differences on translation	6,430	-	(11,936)	-
8325	Unrealized gains on available-for-sale financial assets	<u>151,922</u>	<u>1</u>	<u>192,221</u>	<u>1</u>
8300	OTHER COMPREHENSIVE INCOME (AFTER TAX)	<u>158,352</u>	<u>1</u>	<u>180,285</u>	<u>1</u>
8500	COMPREHENSIVE INCOME	<u>\$ 4,014,014</u>	<u>15</u>	<u>4,320,425</u>	<u>17</u>
	PROFIT, ATTRIBUTABLE TO :				
8610	Owners of parent	\$ 3,806,814	14	4,050,396	16
8620	Non-controlling interests	<u>48,848</u>	<u>-</u>	<u>89,744</u>	<u>-</u>
		<u>\$ 3,855,662</u>	<u>14</u>	<u>4,140,140</u>	<u>16</u>
	COMPREHENSIVE INCOME, ATTRIBUTABLE TO :				
8710	Owners of parent	\$ 3,964,110	15	4,235,244	17
8720	Non-controlling interests	<u>49,904</u>	<u>-</u>	<u>85,181</u>	<u>-</u>
		<u>\$ 4,014,014</u>	<u>15</u>	<u>4,320,425</u>	<u>17</u>
	EARNINGS PER SHARE(Notes 4 and 6(r))				
9750	BASIC	<u>\$ 1.42</u>		<u>1.51</u>	
9850	DILUTED	<u>\$ 1.41</u>		<u>1.50</u>	

The accompanying notes are an integral part of the consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

Equity Attributable to Owners of Parent

	Retained Earnings					Other Equity Interest		Treasury Share	Total	Non-controlling Interests	Total Equity
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated	Exchange Differences on Translation	Unrealized Gain (Loss) on Available-for-Sale Financial Assets				
BALANCE, JANUARY 1, 2012	\$ 34,208,328	12,431,851	16,715,018	821,741	15,297,352	34,231	321,987	(31,077,183)	48,753,325	1,106,427	49,859,752
Effects of retrospective application and retrospective restatement	-	-	-	-	5,424,092	-	-	-	5,424,092	-	5,424,092
Balance after adjustments	34,208,328	12,431,851	16,715,018	821,741	20,721,444	34,231	321,987	(31,077,183)	54,177,417	1,106,427	55,283,844
Profit for the three months ended March 31, 2012	-	-	-	-	4,050,396	-	-	-	4,050,396	89,744	4,140,140
Other comprehensive income for the three months ended March 31, 2012	-	-	-	-	-	(7,373)	192,221	-	184,848	(4,563)	180,285
Total comprehensive income for the three months ended March 31, 2012	-	-	-	-	4,050,396	(7,373)	192,221	-	4,235,244	85,181	4,320,425
BALANCE, MARCH 31, 2012	\$ 34,208,328	12,431,851	16,715,018	821,741	24,771,840	26,858	514,208	(31,077,183)	58,412,661	1,191,608	59,604,269
BALANCE, JANUARY 1, 2013	\$ 34,208,328	12,431,851	18,061,894	-	22,606,173	25,483	314,543	(31,077,183)	56,571,089	1,072,204	57,643,293
Profit for the three months ended March 31, 2013	-	-	-	-	3,806,814	-	-	-	3,806,814	48,848	3,855,662
Other comprehensive income for the three months ended March 31, 2013	-	-	-	-	-	5,374	151,922	-	157,296	1,056	158,352
Total comprehensive income for the three months ended March 31, 2013	-	-	-	-	3,806,814	5,374	151,922	-	3,964,110	49,904	4,014,014
BALANCE, MARCH 31, 2013	\$ 34,208,328	12,431,851	18,061,894	-	26,412,987	30,857	466,465	(31,077,183)	60,535,199	1,122,108	61,657,307

The accompanying notes are an integral part of the consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 4,703,065	4,988,838
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	2,160,783	2,078,717
Amortization expense	307,823	325,355
Loss on disposal of property, plant and equipment	240,731	106,850
Interest expense	76,671	83,250
Provision for bad debt expense	52,826	21,008
Interest income	(13,851)	(12,731)
Share of (profit) loss of associates and joint ventures accounted for using equity method	(2,345)	6,257
Pension	(232)	288
Net (gain) on financial assets or liabilities at fair value through profit or loss	-	(110)
Others	28	(90)
Total adjustments to reconcile profit (loss)	2,822,434	2,608,794
Changes in operating assets and liabilities		
Notes receivable	14,514	607
Accounts receivable	(551,276)	(233,454)
Accounts receivable due from related parties	(776)	11,171
Other receivables	(179,618)	225,549
Inventories	(916,266)	(477,072)
Prepayments	(254,123)	9,709
Other current assets	(19,592)	(2,282)
Other non-current assets	(6,718)	(3,238)
Notes payable	(158,293)	(438,896)
Accounts payable	(1,366,844)	(553,189)
Accounts payable to related parties	(11,871)	-
Other payables	(354,408)	(752,033)
Provisions	19,653	3,240
Advance receipts	117,421	(267,184)
Other current liabilities	74,519	(63,492)
Total changes in operating assets and liabilities	(3,593,678)	(2,540,564)
Net cash inflows generated from operating activities	3,931,821	5,057,068
Interest paid	(7)	-
Income taxes refund (paid)	8,675	(7,169)
Net cash flows from operating activities	3,940,489	5,049,899

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW(Continued)
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,752,436)	(1,710,034)
Acquisition of investments accounted for using equity method	(214,500)	-
Decrease in other financial assets	201,940	8,635
Increase in prepayments for equipments	(175,186)	(43,851)
Increase in prepayments for investments	(175,150)	-
Increase in other financial assets	(162,273)	(51,443)
Increase in refundable deposits	(52,191)	(29,753)
Decrease in refundable deposits	49,651	19,162
Acquisition of computer software and other intangible assets	(44,195)	(50,665)
Interest received	15,009	12,649
Proceeds from disposal of property, plant and equipment	1,040	689
Net cash used in investing activities	(4,308,291)	(1,844,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	13,552,213	22,112,118
Decrease in short-term borrowings	(13,300,000)	(25,500,000)
Increase in guarantee deposits received	44,802	48,815
Decrease in guarantee deposits received	(30,905)	(15,846)
Interest paid	(17,213)	(23,466)
Decrease in short-term notes and bills payable	-	(900,000)
Net cash flows from (used in) financing activities	248,897	(4,278,379)
EFFECT OF EXCHANGES ON CASH AND CASH EQUIVALENTS	3,850	(5,844)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(115,055)	(1,078,935)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,223,640	6,693,992
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 7,108,585	5,615,057

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Taiwan Mobile Co., Ltd. (TWM) was incorporated in the Republic of China (ROC) on February 25, 1997. TWM's shares began to trade on the ROC Over-the-Counter Securities Exchange (known as the GreTai Securities Market) on September 19, 2000. On August 26, 2002, TWM's shares were listed on the Taiwan Stock Exchange. TWM mainly renders wireless communication services.

TWM's services are under the type I license issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows TWM to provide services for 15 years from 1997 onwards. The license had been renewed and its expiry date had been extended to June 2017 by the National Communications Commission (NCC) on November 14, 2012. It also entails the payment of an annual license fee consisting of 2% of the second generation (2G) wireless communication service revenues. On March 24, 2005, TWM received the third generation (3G) concession operation license issued by the DGT. The 3G license allows TWM to provide services from the issuance date of the license to December 31, 2018.

The consolidated financial statements of TWM as at and for the period ended 31 March 2013 comprise of TWM and its subsidiaries (the Group).

2. APPROVAL DATE AND PROCEDURES OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors presented the interim consolidated financial statements on April 30, 2013.

3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

- (a) New standards and interpretations endorsed by the Financial Supervisory Commission R.O.C. ("FSC") but not yet in effect.

International Accounting Standards Board ("IASB") issued International Financial Reporting Standard 9 Financial Instruments ("IFRS 9"), which took effect on January 1, 2013. This standard had been endorsed by the FSC; however, the effective date has not been announced. In accordance with the rules by the FSC, early adoption is not permitted, and companies shall follow the guidance in accordance to the 2009 version of the International Accounting Standard 39 Financial Instruments ("IAS 39"). At the adoption of this new standard, it is expected there will be impacts to the classification and measurement of financial instruments in the consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) New standards and interpretations not yet endorsed by the FSC

A summary of the new standards and amendments issued by the IASB that may have impacts to the consolidated financial statements have not yet been endorsed by the FSC:

<u>Issue Date</u>	<u>New Standards and Amendments</u>	<u>Description</u>	<u>Effective Date per IASB</u>
May 12, 2011	IFRS 10 Consolidated Financial Statements	On May 12, 2011, the IASB issued a series of standards and amendments related to consolidation, joint arrangements, and investments. The new standards provide a single model in determining whether an entity has control over an investee (including special purpose entities), other than consolidation process, in which the original guidance and method applies. In addition, joint arrangements are separated into joint operations (concepts from joint controlled assets and joint controlled operations), and joint venture (concepts from jointly controlled entities), and the new standards remove the proportionate consolidation method.	January 1, 2013
June 28, 2012	IFRS 11 Joint Arrangements IFRS 12 Disclosure of Interests in Other Entities Amended IAS 27 Separate Financial Statements Amended IAS 28 Investments in Associates and Joint Ventures	On June 28, 2012, the amendments clarify the guidance over the transition period.	
May 12, 2011	IFRS 13 Fair Value Measurement	IFRS 13 replaces fair value measurement guidance in other standards, and integrates them as one single guidance	January 1, 2013
June 16, 2011	Amended IAS 1 Presentation of Financial Statements	Items presented in other comprehensive income shall be expressed respectively based on whether they are potentially reclassifiable to profit or loss subsequently.	July 1, 2012

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Issue Date	New Standards and Amendments	Description	Effective Date per IASB
June 16, 2011	Amended IAS 19 Employee Benefits	The amendments eliminate the corridor method and require enterprises to recognize changes in the net defined benefit liability (asset) into profit or loss; in addition, require the immediate recognition of past service cost.	January 1, 2013

As the standards and amendments above have not been endorsed by the FSC, therefore, TWM is not able to assess the impact to the consolidated financial statements at the time of initial adoption.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies presented in the interim financial statements are summarized as follows. Except for those described individually, the significant accounting policies have been applied consistently to all periods presented in these interim financial statements, and have been applied consistently to the opening balance sheet as of January 1, 2012, which is prepared for the purpose of transition to the IFRSs endorsed by the FSC (R.O.C).

The consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language financial statements, the Chinese version shall prevail.

Statement of Compliance

The interim consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (the Guidelines) and IAS 34 “Interim Financial Reporting” are endorsed by the FSC. The interim consolidated financial statements do not present full disclosures required by the Guidelines and IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (Taiwan-IFRSs) for annual consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The interim consolidated financial statements are included in the period of the first annual financial statements that apply the Guidelines and Taiwan-IFRSs. The interim consolidated financial statements also apply IFRS 1 “First-time Adoption of International Financial Reporting Standards”. An explanation of how the transition to IFRSs has affected the reported financial position, financial performance, and cash flows of the Group is provided in note 15.

Basis of Preparation

a. Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss that are measured at fair value.

The first balance sheet at the date of transition has been measured and recognized in accordance with the IFRS 1 “First-time Adoption of International Financial Reporting Standards”. The Group retrospectively applied the regulations in IFRSs, except for exemption choices and the part which IFRSs forbids to retrospectively apply with.

b. Functional and presentation currency

The functional currency of each individual consolidated entities is determined based on the primary economic environment in which the entities operate. The Group consolidated financial statements are presented in New Taiwan Dollar, which is TWM’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

Basis of Consolidation

a. Principles of preparation of interim consolidated financial statements

The consolidated financial statements comprised TWM and its subsidiaries.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date the control commences until the date that control ceases. The comprehensive income of the subsidiaries is attributed to TWM’s owners’ equity and non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Intra-group balances and transactions, and any unrealized income and expenses arising from the intra-group transactions are eliminated in preparing the consolidated financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

b. The subsidiaries included in the interim consolidated financial statements.

The consolidated entities were as follows:

<u>Investor</u>	<u>Subsidiary</u>	<u>Main Business and Products</u>	<u>Percentage of Direct Ownership</u>				<u>Note</u>
			<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>	
TWM	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00	100.00	100.00	100.00	-
WMT	Taiwan Win TV Broadcasting Co., Ltd. (TWTV)	Entertainment	-	-	-	100.00	TWTV was merged by WMT and dissolved on March 1, 2012.
WMT	Fubon Multimedia Technology Co., Ltd. (FMT)	Wholesale and retail sales via traditional and online shopping channels	50.64	50.64	50.64	50.64	-
FMT	Fu Sheng Travel Service Co., Ltd. (FST)	Travel agent	100.00	100.00	100.00	100.00	-
FMT	Fuli Life Insurance Agent Co., Ltd. (FLI)	Life insurance agent	100.00	100.00	100.00	100.00	-
FMT	Fuli Property Insurance Agent Co., Ltd. (FPI)	Property insurance agent	100.00	100.00	100.00	100.00	-
FMT	Asian Crown International Co., Ltd (Asian Crown (BVI))	Investment	100.00	100.00	100.00	100.00	-
Asia Crown (BVI)	Fortune Kingdom Corporation (Fortune Kingdom)	Investment	100.00	100.00	100.00	100.00	-
Fortune Kingdom	Hong Kong Fubon Multimedia Technology Co., Ltd. (HK Fubon Multimedia)	Investment	100.00	100.00	100.00	100.00	-
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd. (FGE)	Wholesale and retail sales	80.00	80.00	80.00	80.00	-

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor	Subsidiary	Main Business and Products	Percentage of Direct Ownership				Note
			2013.3.31	2012.12.31	2012.3.31	2012.1.1	
WMT	Tai Fu Media Technology Co., Ltd. (TFMT)	Investment	-	-	-	100.00	TFMT was dissolved and merged by WMT on March 1, 2012.
WMT	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00	100.00	100.00	100.00	(Note 1)
GWMT	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV service provider	6.83	6.83	6.83	6.83	-
WMT	Fu Jia Leh Media Technology Co., Ltd. (FJLMT)	Investment	-	-	-	100.00	Note 1 and FJLMT were dissolved and were merged by TFNM on March 2, 2012.
WMT	Fu Sin Media Technology Co., Ltd. (FSMT)	Investment	-	-	-	100.00	Note 1 and FSMT were dissolved and were merged by TFNM on March 2, 2012.
WMT	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00	100.00	100.00	100.00	(Note 1)
GFMT	Union Cable TV Co., Ltd. (UCTV)	Cable TV service provider	0.76	0.76	0.76	0.76	-
WMT	Win TV Broadcasting Co., Ltd. (WTVB)	TV program provider	100.00	100.00	100.00	100.00	(Note 2)
WMT	TFN Media Co., Ltd. (TFNM)	Cable broadband and value-added services provider	100.00	100.00	100.00	100.00	(Note 2)
TFNM	UCTV	Cable TV service provider	99.22	99.22	99.22	99.22	-
TFNM	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV service provider	100.00	100.00	100.00	100.00	-
TFNM	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV service provider	29.53	29.53	29.53	29.53	Another 70.47% shares were held under trustee accounts
TFNM	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV service provider	100.00	100.00	100.00	100.00	(Note 3)
TFNM	GCTV	Cable TV service provider	92.38	92.38	92.38	92.38	-

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor	Subsidiary	Main Business and Products	Percentage of Direct Ownership				Note
			2013.3.31	2012.12.31	2012.3.31	2012.1.1	
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	Online music platform	100.00	100.00	100.00	100.00	-
TKT	ezPeer Multimedia Ltd. (ezPeer Samoa)	Investment	100.00	100.00	100.00	100.00	-
TWM	Taiwan Cellular Co., Ltd. (TCC)	Investment	100.00	100.00	100.00	100.00	-
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed-line service provider	100.00	100.00	100.00	100.00	-
TFN	TFN HK Ltd.	Telecommunications service provider	100.00	100.00	100.00	100.00	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00	100.00	100.00	100.00	-
TCC	Taiwan Digital Communications Co., Ltd. (TDC)	TV program production and mobile phones wholesale	100.00	100.00	100.00	100.00	-
TCC	TCC Investment Co., Ltd. (TCCI)	Investment	100.00	100.00	100.00	100.00	TCCI, TID and TUI collectively owned 730,726 thousand shares of TWM representing 21.36% of total outstanding shares as of March 31, 2013.
TCCI	TCCI Investment & Development Co., Ltd. (TID)	Investment	100.00	100.00	100.00	100.00	-
TCC	TWM Holding Co., Ltd. (TWM Holding)	Investment	100.00	100.00	100.00	100.00	-
TWM Holding	TWM Communications (Beijing) Co., Ltd. (TWMC)	Mobile application development and design	100.00	100.00	100.00	100.00	-
TCC	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and telephone marketing	100.00	100.00	100.00	100.00	-
TT&T	Taiwan Super Basketball Co., Ltd. (TSB)	Basketball team management	100.00	100.00	100.00	100.00	-
TT&T	TT&T Holdings Co., Ltd. (TT&T Holdings)	Investment	100.00	100.00	100.00	100.00	-
TT&T Holdings	Xiamen Taifu Teleservices & Technologies Co., Ltd.	System integration, management, analysis and development of CRM application and information consulting services	100.00	100.00	100.00	100.00	-

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 1: Became a subsidiary of WMT, which merged TFMT on March 1, 2012.

Note 2: Became a subsidiary of WMT due to the spin-off of WTVB and TFNM into TFMT from TCCI on February 8, 2012. Then, TFMT was merged by WMT on March 1, 2012.

Note 3: FSMT originally owned 3.34% of the shares of PCTV. Then, FSMT was merged by TFNM on March 2, 2012. Thus TFNM owned all the shares of PCTV.

Foreign Currency

Foreign currency transactions are recorded initially using the respective functional currencies of the Group's entities at the spot exchange rate on the date of the transaction. At each subsequent balance sheet dates:

- Foreign currency monetary amounts are reported using the closing rate.
- Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction.
- Non-monetary items carried at fair value should be reported at the rate that existed when the fair values were determined.

Exchange differences arising on non-monetary items carried at fair value (for example, equity instruments) are recognized in profit or loss. If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income.

For the purpose of preparing consolidated financial statements, the assets and liabilities of foreign operations are translated to New Taiwan Dollars (NTD) using exchange rates at the reporting date. The income and expenses of foreign operations are translated at average exchange rate for the period. Exchange differences are recognized in other comprehensive income, and accumulated in equity.

Classification of Current and Non-current Assets and Liabilities

The Group classifies an asset as current when any one of the following requirements is met. Assets that are not classified as current are non-current assets.

- 1.It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- 2.It holds the asset primarily for the purpose of trading;

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- 3.It expects to realize the asset within twelve months after the reporting period; or
- 4.The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

- 1.It expects to settle the liability in its normal operating cycle;
- 2.It holds the liability primarily for the purpose of trading;
- 3.The liability is due to be settled within twelve months after the reporting period; or
- 4.It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Voluntary Change of Accounting Policy

In response to the development of IAS 18 Revenue, the Group consulted the practical experiences from most of the telecommunication service providers abroad and professional investigation of accounting firm, and changed recognition method for bundle sales from residual value method to relative fair value method on January 1, 2013. Instead of recognizing revenue from the proceeds of telecommunication service charge and sales of inventories, total price of the contract is allocated based on relative fair values of each component, which fairly presents transactions and attributes gain and loss to correct accounting period. The change stated above contributed a \$5,424,092 thousand increase in retained earnings on January 1, 2012 and a \$1,748,679 thousand increase in consolidated profit for the year ended December 31, 2012. Please refer to note 15 for the balances and accounts which have retrospectively applied in each period.

KPMG (ROC), who provides attestation service to the Group, was designated to issue an opinion on the change of accounting policy. The report was approved by the Board of Directors on January 31, 2013 and is being subsequently declared. It will be submitted to the nearest shareholders' meeting.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash, cash in bank and short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instruments.

a. Financial assets

The Group adopts trade date accounting to recognize and derecognize financial assets. Financial assets are classified into the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets and receivables.

(1) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired or occurred principally for the purpose of selling or repurchasing in the short term.

This type of financial asset is measured at fair value at the time of initial recognition, and transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend and interest income, are recognized in profit or loss, and are included in other revenue and expenses in statements of comprehensive income.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at cost less impairment loss, and are included in the financial assets measured at cost.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognized initially at fair value, plus, any directly attributable transaction cost. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and dividend income, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss, and is included in other income and expenses in statement of comprehensive income.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at cost less impairment loss, and are included in financial assets measured at cost.

(3) Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value, plus, any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses, other than insignificant interest on short-term receivables.

Receivables are comprised of trade receivables, other receivables, and investment in debt security with no active market.

(4) Impairment of financial assets

A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets that can be estimated reliably.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an available-for-sale investment in an equity security, a significant or prolonged decline in its fair value below its cost is accounted for as objective evidence of impairment.

Receivables are assessed if any impairment has occurred at every reporting date. Receivables is impaired if, and only if, there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets that can be estimated reliably. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows (taking account to the guarantee and collateral) discounted at the asset's original effective interest rate.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversible in subsequent periods.

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss.

Impairment losses recognized on available-for-sale equity security are not reversed through profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income, and accumulated in other equity.

An impairment loss in respect of a financial asset is reduced from the carrying amount, except for trade receivables, in which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Any subsequent recovery of receivable written off is recorded in the allowance account. Changes in the amount of the allowance accounts are recognized into profit or loss.

Impairment losses and recoveries are recognized in profit or loss, and it is included in comprehensive income statement of comprehensive income account.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(5) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights of the cash inflow from the asset are terminated, or when the group transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

b. Financial liabilities

(1) Recognition

Financial liabilities not classified as held-for-trading, or designated as at fair value through profit or loss, which comprise of loans and borrowings, trade and other payables and bonds payables, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method.

(2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories are assessed respectively by specific items unless those with similar characteristics are collectively assessed. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses. Weighted-average method is used in calculation of cost.

Investment in Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill which is arising from the acquisition less any accumulated impairment losses. Goodwill is not permit amortization.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Unrealized profits resulting from the transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group's share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Property, Plant and Equipment

a. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that eligible for capitalization.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated with separate depreciation rate or depreciation method.

Property, plant and equipment are derecognized when disposed or expected to have no future economic benefits generated through usage. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

b. Reclassification to investment property

The property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

c. Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the amount can be reliably measured. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance is expensed as incurred.

d. Depreciation

The depreciable amount of an asset is determined after deducting its residual amount and it shall be allocated with direct method over its useful life. Each significant item of property, plant and equipment shall be evaluated respectively and depreciated separately if it possesses different useful life. The depreciation charge for each period shall be recognized in profit or loss.

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. If there is reasonably certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise, the asset is depreciated over the shorter of the lease term and its useful life.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(1)buildings	20~55years
(2)telecommunication equipment	2~15years
(3)office equipment	3~8 years
(4)leased assets	20 years
(5)miscellaneous equipment	2~8 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investment Property

Investment property is the property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Leases

Leases in terms of which the Lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. Other leases are operating leases. Receivables collected are periodically recognized as rental income during the lease contract.

Under an operating lease, rental income or lease payments were recognized as income or expense, respectively, on a straight-line basis over the lease term.

Under a finance leased asset, it is recognized on a net basis as lease receivable when the Group is a lessor. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the receivable.

Intangible Assets

a. Goodwill

Goodwill that is arising from business combination has been included in the intangible asset. Goodwill is measured at cost less accumulated impairment losses. Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates includes goodwill, which kind of investment of impairment losses are recognized as a part of the carrying amount of the investment, not associated to goodwill and any other assets.

b. Other Intangible Assets

Other intangible assets that are acquiring through business combinations or internally developing are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets that are acquired through business combinations are measured at acquisition-date fair value, and recognized along with goodwill.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

c. Amortization

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual values.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with indefinite useful life, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

(1)3G concession license	13 years and 9 months
(2)Computer software	3~10 years
(3)Customer relationship	6~20 years
(4)Trademarks	10 years

The amortization method, the amortization period, and the residual value for an intangible asset with a finite useful life shall be reviewed at each financial year-end. Such changes shall be accounted for as changes in accounting estimates.

Impairment of Non-financial Assets

The Group measures whether impairment occurred in non-financial assets (except for inventories, deferred income tax assets and employee benefits) on every reporting date, and estimates its recoverable amount. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group will have to determine the recoverable amount for the asset's cash-generating unit (CGU).

The recoverable amount for individual asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group should assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notwithstanding whether indicators exist, recoverability of goodwill and intangible assets with indefinite useful lives or those not yet in use are required to be tested at least annually. Impairment loss is recognized if the recoverable amount is less than the carrying amount.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units or group of units. If the carrying amount of the cash-generating units exceeds the recoverable amount of the unit, the entity shall recognize the impairment loss and the impairment loss shall be allocated to reduce the carrying amount of each asset in the unit. Reversal of an impairment loss for goodwill is prohibited.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

a. Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

b. Restoration

The Restoration cost for property, plant and equipment that were originally acquired or used by the Group for a period of time with dismantling, relocating, and restoring to the previous state should be recognized as an addition to the assets and accrued as a potential liability accordingly.

Treasury Share

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly accountable costs), and net of tax. Shares that are owned by TWM's subsidiaries are seen as identical to treasury share.

Gains on disposal of treasury shares should be recognized under Capital Reserve – Treasury Shares Transactions; Losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there is insufficient capital reserve to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weight average method of different types of repurchase.

Employee Benefits

a. Retirement benefit plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

A defined benefit plan uses projected unit credit method to calculate actuarial valuation. The Group recognizes Actuarial gains and losses from defined benefit obligation in other comprehensive income immediately when the gains and losses occur. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, change in the present value of defined benefit obligation and any related actuarial gains or losses and past service cost that had not previously been recognized.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year.

b.Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Income Tax

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This should be recognized and allocated to current and deferred taxes based on its proportionate size.

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations, or are recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

a.Current taxes

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date, or the actual legislative tax rate; as well as tax adjustments related to prior years.

Additional 10% surtax on undistributed earnings calculated through income tax laws are recognized in current taxes at the year which the shareholders' meeting resolution.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

b. Deferred taxes

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. A deferred tax asset is recognized when TWM has a great chance to have a taxable profit to offset deductible temporary differences, deduction of losses and deduction of taxes accrued from buying equipment, research and development and employee training. Deferred taxes shall not be recognized for temporary differences from the following exceptions:

- (1) Assets and liabilities that are initially recognized but not related to the business combination, and have no effect on net income or taxable gains (losses) during the transaction.
- (2) Temporary differences arising from equity investments on subsidiaries or joint ventures, where there is a high probability that such temporary differences will not reverse.
- (3) Initial recognition of goodwill.

Deferred taxes are measured based on the statutory tax rate on the reporting date; or the actual legislative tax rate, during the year of expected asset realization or debt liquidation. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset should be recognized for the carry-forward of unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Income tax expenses recognized in equity balances or other comprehensive income shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on the temporary differences between the carrying amount and the tax basis of related assets and liabilities on reporting date.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue from bundle sales is recognized with relative fair value method and total price of the contract is allocated based on relative fair values to each component as revenue.

a. Service revenues from mobile communication services, wireless services, fixed network services, and value-added services, net of any applicable discount, are billed at predetermined rates; the fixed monthly fees on the basic cable TV services are accrued.

b. Inventory sales

Revenue from sales of inventories is recognized as conditions mentioned bellow are all satisfied; amount of sales allowance is reasonably estimated based on previous experiences and other relevant factors.

- (1) The Group has transferred significant risks and returns of ownership to the counterparty;
- (2) The Group has not involved in any control activities and maintained effective control over the inventories sold;
- (3) The amount can be reliably measured;
- (4) Economic benefits relevant to the transactions will probably flow into the Group
- (5) Costs related to the transactions, whether incurred or expected, can be reliably measured.

Generally, revenue is recognized as inventories and ownerships are delivered.

c. Customer loyalty program

The amount allocated to the customer loyalty program is estimated at fair value. Revenue is recognized when the third party has fulfilled its obligations.

d. Commissions

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Group.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

e.Dividend and interest

Dividend income attributable to investments is recognized on the date that the Group's right to receive payment is established and under the premise that the associated economic benefits will probably flow into TWM and the amount can be reliably measured.

Interest which arose from financial instruments is recognized when the economic benefits will probably flow into TWM and the amount can be reliably measured. Recognition is based on accrual basis and revenue is in accordance with weighted average outstanding principal and effective interest.

Business Combination

Upon conversion to IFRSs that is endorsed by the Financial Supervisory Commission, R.O.C., the Group recognized the amount of goodwill for those acquisitions occurred prior to 1 January 2012, based on the Guidelines issued by Financial Supervisory Commission in 10 January 2009 and the financial accounting standards and interpretation issued by the Accounting Research and Development Foundation. (The former GAAP)

**5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the interim consolidated financial statements in conformity with IFRSs (in accordance with IAS 34 "Interim Financial Reporting" endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the interim consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which is in conformity with Taiwan-IFRSs.

Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- a.Note 6(h) , Impairment assessment of goodwill, key assumptions used in discounted cash flow projection are included
- b.Note 6(m) , Provisions and contingencies
- c.Note 6(o) , Measurement of defined benefit obligations
- d.Note 6(p) , Utilization of tax losses

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. DESCRIPTION OF THE SIGNIFICANT ACCOUNTS

a. Cash and Cash Equivalents

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Time deposits	\$ 3,136,062	3,368,975	2,685,091	2,831,445
Government bonds with repurchase rights	2,127,674	2,316,352	1,733,415	2,607,596
Cash in banks	1,657,550	1,317,845	913,116	1,135,422
Cash on hand	175,949	207,380	75,631	19,989
Revolving funds	11,350	13,088	12,907	12,558
Short-term notes and bills with repurchase rights	-	-	194,897	86,982
	<u>\$ 7,108,585</u>	<u>7,223,640</u>	<u>5,615,057</u>	<u>6,693,992</u>

Refer to notes 6(x) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

b. Financial Assets

Current	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Current financial assets at fair value through profit or loss				
Beneficiary certificates – Open-end mutual fund	\$ -	-	60,296	60,186
Available-for-sale financial assets				
Domestic listed stocks- Chunghwa Telecom Co., Ltd.	201,702	205,397	197,572	217,351
	<u>\$ 201,702</u>	<u>205,397</u>	<u>257,868</u>	<u>277,537</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Non-current	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Available-for-sale financial assets				
Domestic emerging stocks				
Taiwan High Speed Rail Corporation	\$ 1,283,271	1,127,655	1,335,144	1,123,144
Financial assets at cost				
Domestic unlisted stocks				
Arcoa Communication Co., Ltd.	67,731	67,731	67,731	67,731
Great Taipei Broadband Co., Ltd.	39,627	39,627	41,241	41,241
Parawin Venture Capital Corp.	16,873	16,873	20,207	20,207
WEB Point Co., Ltd.	6,773	6,773	6,773	6,773
Foreign unlisted stocks				
Bridge Mobile Pte Ltd.	50,324	50,324	50,324	50,324
	<u>\$ 181,328</u>	<u>181,328</u>	<u>186,276</u>	<u>186,276</u>
Bond investment without active market				
Taiwan High Speed Rail Corporation – unlisted convertible preferred stock – series A	500,000	500,000	500,000	500,000
	<u>\$ 1,964,599</u>	<u>1,808,983</u>	<u>2,021,420</u>	<u>1,809,420</u>

The aforementioned investments held by the Group are measured at cost less impairment loss at year end given that the range of reasonable fair value estimates is significant and the probability for each estimate cannot be reasonably determined, therefore, the Group management determines that the fair value cannot be measured reliably.

The Group discloses the related risks and information in Notes 6(w) and 6(x).

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, there were no financial assets pledged as collateral.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

c. Accounts and Notes receivable, net

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Notes receivable	\$ 28,196	42,710	22,816	23,423
Accounts receivable	13,125,104	13,006,025	10,756,577	11,014,201
Less: allowance for doubtful accounts	(328,391)	(315,933)	(278,535)	(284,974)
Accounts receivable, net	<u>12,796,713</u>	<u>12,690,092</u>	<u>10,478,042</u>	<u>10,729,227</u>
Total	<u>\$ 12,824,909</u>	<u>12,732,802</u>	<u>10,500,858</u>	<u>10,752,650</u>

Movements of allowance for doubtful receivables for the three months ended March 31, 2013 and 2012 are as follows:

	For the three months ended	
	March 31	
	<u>2013</u>	<u>2012</u>
Beginning balance	\$ 315,933	284,974
Add: Provision	40,497	11,471
Reversal	58,943	76,329
Less: Write-off	(86,982)	(94,239)
Ending balance	<u>\$ 328,391</u>	<u>278,535</u>

In January, 2013 and 2012, the Group entered into an accounts receivable factoring contract with HC First Asset Management Co., Ltd. The Group sold \$1,242,340 thousand and \$2,380,002 thousand of the overdue accounts receivable, which had been written off, to HC First Asset Management Co., Ltd., respectively. The aggregate selling price was \$40,249 thousand and \$59,558 thousand, respectively. Under this contract, the Group would no longer assume the risk on this receivable.

d. Inventories

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Commodity inventories	\$ 3,445,565	2,555,680	2,481,175	2,004,103
Materials for maintenance	37,601	11,220	-	-
	<u>\$ 3,483,166</u>	<u>2,566,900</u>	<u>2,481,175</u>	<u>2,004,103</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the three months ended March 31, 2013 and 2012, cost of goods sold recognized in consolidated comprehensive income was \$9,074,888 thousand and \$7,428,875 thousand, respectively. For the three months ended March 31, 2013 and 2012, cost of goods sold includes a gain of \$17,714 thousand due to the reversal of inventory write-down and a loss of \$19,693 thousand due to the decrease of net realizable value, respectively.

There were no inventories pledged as collaterals as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012.

e. Investments Accounted for Using Equity Method

The Group's investment income (loss) recognized for the three months ended March 31, 2013 and 2012 were \$2,345 thousand income and \$6,257 thousand loss, respectively. Summaries of the associates' financial information are as follows:

Company invested	2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
Taipei New Horizons Co., Ltd. (TNH)	\$ 804,043	49.90	811,841	49.90	556,555	49.90	562,812	49.90
Taiwan Pelican Express Co., Ltd. (TPE)	369,943	20.00	359,643	20.00	-	-	-	-
Kbro Media Co., Ltd.	291,652	32.50	77,078	32.50	-	-	-	-
	<u>\$ 1,465,638</u>		<u>1,248,562</u>		<u>556,555</u>		<u>562,812</u>	

Financial information of the Group's associates are as follows (Not adjusted to the Group's ownership ratio)

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Total assets	<u>\$ 8,508,529</u>	<u>7,145,291</u>	<u>2,676,598</u>	<u>2,250,148</u>
Total liabilities	<u>\$ 4,501,543</u>	<u>4,047,207</u>	<u>1,561,257</u>	<u>1,122,268</u>

	For the three months ended March 31	
	2013	2012
Operating revenues	<u>\$ 673,928</u>	<u>-</u>
Profit (Loss)	<u>\$ 35,264</u>	<u>(12,538)</u>
Other comprehensive income	<u>\$ 832</u>	<u>-</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(1)TNH

TNH was established to invest in a property development project located on the old Songshan Tobacco Factory site. On January 15, 2009, TNH signed a 50-year BOT contract with the Taipei City Government.

On May 15, 2012, TNH's board of directors resolved to increase TNH's capital by \$550,000 thousand, divided into 55,000 thousand shares with par value of \$10 per share, with a record date of November 6, 2012. TWM subscribed for the shares based on its proportion of the shareholding, which remains at 49.9%.

On December 19, 2012, TNH's board of directors resolved to increase TNH's capital by \$1,650,000 thousand, divided into 165,000 thousand shares with par value of \$10 per share. TWM subscribed for the shares based on its proportion of the shareholding, which remains at 49.9%. TWM paid \$174,650 thousand as of March 31, 2013 and recognized the investment in Other non-current assets, others account. Please refer to Note 6(i) Other assets — others.

(2)TPE

In August 2012, FMT, TWM's subsidiary, acquired 20% of TPE.

(3)Kbro Media Co., Ltd.

In August 2012, TFNM, TWM's subsidiary, acquired 32.5% of Kbro Media Co., Ltd.

On December 26, 2012, Kbro Media Co., Ltd.'s board of directors resolved to increase Kbro Media Co., Ltd.'s capital by \$660,000 thousand, divided into 66,000 thousand shares with par value of \$10 per share, with a record date of January 31, 2013. TFNM subscribed for the shares based on its proportion of the shareholding, which remains at 32.5%.

The Group didn't receive any dividend from equity investees for the three months ended March 31, 2013 and 2012.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

f. Property, Plant and Equipment

Movements of the cost, depreciation and impairment loss of property, plant and equipment of the Group for the three months ended March 31, 2013 and 2012 are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Telecommunication equipment</u>	<u>Lease Assets</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:								
Balance, January 1, 2013	\$ 6,735,900	4,505,680	141,867	70,234,280	1,285,920	3,752,461	3,915,581	90,571,689
Additions	-	840	5,040	64,606	-	77,122	4,123,964	4,271,572
Reclassification	2,008,573	824,230	-	1,857,299	-	101,184	(4,793,512)	(2,226)
Disposals	-	-	(14)	(875,685)	-	(33,234)	(2,074)	(911,007)
Effect of exchange rate changes	-	-	107	5,900	-	2,562	-	8,569
Balance, March 31, 2013	<u>\$ 8,744,473</u>	<u>5,330,750</u>	<u>147,000</u>	<u>71,286,400</u>	<u>1,285,920</u>	<u>3,900,095</u>	<u>3,243,959</u>	<u>93,938,597</u>
Balance, January 1, 2012	\$ 6,457,641	4,459,906	142,497	66,400,797	1,285,920	3,066,863	2,788,504	84,602,128
Additions	-	323	2,318	186,685	-	12,105	1,432,382	1,633,813
Reclassification	-	(548)	57	1,334,308	-	135,290	(1,422,977)	46,130
Disposals	-	(1,385)	(129)	(370,068)	-	(4,334)	(79)	(375,995)
Effect of exchange rate changes	-	-	(384)	(4,076)	-	(1,828)	-	(6,288)
Balance, March 31, 2012	<u>\$ 6,457,641</u>	<u>4,458,296</u>	<u>144,359</u>	<u>67,547,646</u>	<u>1,285,920</u>	<u>3,208,096</u>	<u>2,797,830</u>	<u>85,899,788</u>
Accumulated depreciation and impairment:								
Balance, January 1, 2013	\$ 83,426	1,415,708	112,400	45,302,209	680,182	2,384,591	-	49,978,516
Depreciation in this period	-	41,472	5,930	1,919,149	16,121	176,748	-	2,159,420
Reclassification	-	(357)	-	-	-	1,019	-	662
Disposals	-	-	(14)	(639,221)	-	(30,001)	-	(669,236)
Effect of exchange rate changes	-	-	27	1,105	-	671	-	1,803
Balance, March 31, 2013	<u>\$ 83,426</u>	<u>1,456,823</u>	<u>118,343</u>	<u>46,583,242</u>	<u>696,303</u>	<u>2,533,028</u>	<u>-</u>	<u>51,471,165</u>
Balance, January 1, 2012	\$ 83,426	1,222,690	102,026	39,285,292	615,702	1,822,030	-	43,131,166
Depreciation in this period	-	42,157	6,458	1,855,650	16,120	161,997	-	2,082,382
Reclassification	-	(5,181)	-	-	-	2,703	-	(2,478)
Disposals	-	(1,244)	(129)	(264,393)	-	(2,690)	-	(268,456)
Effect of exchange rate changes	-	-	(316)	(72)	-	(276)	-	(664)
Balance, March 31, 2012	<u>\$ 83,426</u>	<u>1,258,422</u>	<u>108,039</u>	<u>40,876,477</u>	<u>631,822</u>	<u>1,983,764</u>	<u>-</u>	<u>44,941,950</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Telecommunication equipment</u>	<u>Lease Assets</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Carrying amount:								
Balance, January 1, 2013	<u>\$ 6,652,474</u>	<u>3,089,972</u>	<u>29,467</u>	<u>24,932,071</u>	<u>605,738</u>	<u>1,367,870</u>	<u>3,915,581</u>	<u>40,593,173</u>
Balance, March 31, 2013	<u>\$ 8,661,047</u>	<u>3,873,927</u>	<u>28,657</u>	<u>24,703,158</u>	<u>589,617</u>	<u>1,367,067</u>	<u>3,243,959</u>	<u>42,467,432</u>
Balance, January 1, 2012	<u>\$ 6,374,215</u>	<u>3,237,216</u>	<u>40,471</u>	<u>27,115,505</u>	<u>670,218</u>	<u>1,244,833</u>	<u>2,788,504</u>	<u>41,470,962</u>
Balance, March 31, 2012	<u>\$ 6,374,215</u>	<u>3,199,874</u>	<u>36,320</u>	<u>26,671,169</u>	<u>654,098</u>	<u>1,224,332</u>	<u>2,797,830</u>	<u>40,957,838</u>

Capitalized interest for the three months ended March 31, 2013 and 2012 were \$4,379 thousand and \$3,465 thousand, respectively, with capitalization rates ranging from 1.36% to 1.60% and 1.68% to 1.92%, respectively.

There were no property, plant and equipment pledged as collaterals as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively.

g. Investment Property

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Land:				
Cost	<u>\$ 216,465</u>	<u>216,465</u>	<u>216,465</u>	<u>216,465</u>
Buildings:				
Cost	\$ 113,168	113,168	113,168	113,168
Accumulated depreciation	<u>30,344</u>	<u>29,642</u>	<u>27,536</u>	<u>26,834</u>
Carrying amount	<u>\$ 82,824</u>	<u>83,526</u>	<u>85,632</u>	<u>86,334</u>
Total investment property	<u>\$ 299,289</u>	<u>299,991</u>	<u>302,097</u>	<u>302,799</u>
Fair value	<u>\$ 652,167</u>	<u>654,623</u>	<u>667,514</u>	<u>667,514</u>

Properties were reclassified from property, plant and equipment to investment property since the property were no longer used by the Group and were decided to lease to a third party.

Fair value of a property is determined through income approach and comparative approach by the independent appraisal company.

There were no investment properties pledged as collaterals as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, respectively.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

h. Intangible Assets

The cost, amortization and impairment loss of intangible assets of the Group for the three months ended March 31, 2013 and 2012 are as follows:

	3G concession license	Goodwill	Computer software	Customer relationship	Operating rights	Trademarks	Other Intangible Assets	Total
Cost:								
Balance, January 1, 2013	\$ 10,281,000	15,845,930	1,664,031	2,849,197	1,382,000	2,517,290	5,631	34,545,079
Addition	-	-	49,389	-	-	450	-	49,839
Disposals	-	-	(31,042)	-	-	-	-	(31,042)
Reclassification	-	-	67,309	-	-	-	-	67,309
Effect of exchange rate changes	-	-	748	-	-	-	121	869
Balance, March 31, 2013	<u>\$ 10,281,000</u>	<u>15,845,930</u>	<u>1,750,435</u>	<u>2,849,197</u>	<u>1,382,000</u>	<u>2,517,740</u>	<u>5,752</u>	<u>34,632,054</u>
Balance, January 1, 2012	\$ 10,281,000	15,845,930	1,399,057	2,849,197	1,382,000	2,516,947	2,864	34,276,995
Addition	-	-	50,009	-	-	-	-	50,009
Reclassification	-	-	17,790	-	-	-	-	17,790
Effect of exchange rate changes	-	-	(406)	-	-	-	(22)	(428)
Balance, March 31, 2012	<u>\$ 10,281,000</u>	<u>15,845,930</u>	<u>1,466,450</u>	<u>2,849,197</u>	<u>1,382,000</u>	<u>2,516,947</u>	<u>2,842</u>	<u>34,344,366</u>
Amortization and impairment loss:								
Balance, January 1, 2013	\$ 5,794,746	-	1,232,525	860,198	-	400	3,056	7,890,925
Amortization	186,927	-	76,205	44,375	-	26	289	307,822
Disposals	-	-	(31,042)	-	-	-	-	(31,042)
Effect of exchange rate changes	-	-	261	-	-	-	43	304
Balance, March 31, 2013	<u>\$ 5,981,673</u>	<u>-</u>	<u>1,277,949</u>	<u>904,573</u>	<u>-</u>	<u>426</u>	<u>3,388</u>	<u>8,168,009</u>
Balance, January 1, 2012	\$ 5,047,036	-	940,532	681,090	-	273	2,226	6,671,157
Amortization	186,927	-	93,241	44,978	-	27	181	325,354
Effect of exchange rate changes	-	-	(107)	-	-	-	(14)	(121)
Balance, March 31, 2012	<u>\$ 5,233,963</u>	<u>-</u>	<u>1,033,666</u>	<u>726,068</u>	<u>-</u>	<u>300</u>	<u>2,393</u>	<u>6,996,390</u>
Carrying amounts:								
Balance, January 1, 2013	<u>\$ 4,486,254</u>	<u>15,845,930</u>	<u>431,506</u>	<u>1,988,999</u>	<u>1,382,000</u>	<u>2,516,890</u>	<u>2,575</u>	<u>26,654,154</u>
Balance, March 31, 2013	<u>\$ 4,299,327</u>	<u>15,845,930</u>	<u>472,486</u>	<u>1,944,624</u>	<u>1,382,000</u>	<u>2,517,314</u>	<u>2,364</u>	<u>26,464,045</u>
Balance, January 1, 2012	<u>\$ 5,233,964</u>	<u>15,845,930</u>	<u>458,525</u>	<u>2,168,107</u>	<u>1,382,000</u>	<u>2,516,674</u>	<u>638</u>	<u>27,605,838</u>
Balance, March 31, 2012	<u>\$ 5,047,037</u>	<u>15,845,930</u>	<u>432,784</u>	<u>2,123,129</u>	<u>1,382,000</u>	<u>2,516,647</u>	<u>449</u>	<u>27,347,976</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(1)Customer relationship, trademarks and operating rights

The Group measures the fair value of the acquired assets when acquisition occurs, and identifies the fair value and amortization periods of the intangible assets which conform to materiality and relative standards. Although parts of the intangible assets such as operating rights and trademarks have legal useful life, which can be extended, the Group regards these assets as intangible assets with indefinite useful life.

- (a)On April 17, 2007, TFN, TWM's 100%-owned subsidiary, acquired more than 50% of the former Taiwan Fixed Network Co., Ltd (the former TFN) through a public tender offer. TWM divided the former TFN and its subsidiaries into two cash-generating units: fixed network service and cable television business. Accordingly, customer relationship and operating rights are identified as major intangible assets.
- (b)Taiwan United Communication Co., Ltd. (TUC) was established on April 14, 2007, and was merged into TFN on January 1, 2008. In September 2007, TUC, TWM's 100%-owned subsidiary, acquired more than 50% of Taiwan Telecommunication Network Services Co., Ltd. (TTN) shares. TTN was merged into TFN on August 1, 2008. TWM measured the fair value of the acquired assets and viewed TTN's ISP services as one cash-generating unit. Accordingly, customer relationship is identified as a major intangible asset.
- (c)On September 1, 2010, TFNM, TWM's 100%-owned subsidiary, acquired 55% of TKT. On August 12, 2011, TFNM acquired 45% of TKT. TWM measured the fair value of the acquired assets and viewed TKT's wireless services as one cash-generating unit. Accordingly, trademarks and customer relationship are identified as major intangible assets.
- (d)On July 13, 2011, WMT, TWM's 100%-owned subsidiary, acquired more than 50% of the FMT. TWM measured the fair value of the acquired assets and viewed FMT's retailing as one cash-generating unit. Accordingly, trademarks are identified as major intangible assets.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Goodwill

The carrying amounts of goodwill allocated to above units were mentioned as follows:

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Mobile communication service	\$ 7,238,758	7,238,758	7,238,758	7,238,758
Fixed network service	357,970	357,970	357,970	357,970
Cable television business	3,269,636	3,269,636	3,269,636	3,269,636
Retail business	4,979,566	4,979,566	4,979,566	4,979,566
	<u>\$ 15,845,930</u>	<u>15,845,930</u>	<u>15,845,930</u>	<u>15,845,930</u>

(3) Impairment of assets

In conformity with IAS No. 36 “Impairment of Assets,” the Group identified the smallest identifiable group of cash-generating units, which were engaged in mobile communication services, fixed network services, cable television business and the retail business, were viewed as separate, independent cash-generating units.

The recoverable amounts of the operating assets and intangible assets were evaluated by business type, and the critical assumptions used for this evaluation were as follows:

(a) Wireless service

(i) Assumptions on cash flows

The expected future cash flows were estimated on the basis of previous experiences, actual operating results and the five-year operation plan.

(ii) Assumptions on operating revenues

After taking changes in the telecom industry and competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers, minutes of incoming and outgoing calls, and average revenue per minute.

(iii) Assumptions on operating costs and expenses

The estimates of activation commissions and customer retention costs were based on the new customer obtained and existing customer maintained. The estimates of remaining costs and expenses were based on the cost drivers of each item.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(iv) Assumptions on discount rate

For the year ended December 31, 2012 and 2011, the discount rate used to calculate the asset recoverable amounts of TWM was 6.20% and 6.98%, respectively.

(b) Fixed network service

(i) Assumptions on cash flows

The expected future cash flows were estimated on the basis of previous experiences, actual operating results and the five-year operation plan.

(ii) Assumptions on operating revenues

After taking into consideration the changes in the telecom industry and TWM's growth of operation, the operating revenues were estimated basing on the demand of the types of data transmission and broadband volume.

(iii) Assumptions on operating costs and expenses

The estimates of operating costs and expenses were based on the cost drivers of each costs and expenses.

(iv) Assumptions on discount rate

For the year ended December 31, 2012 and 2011, the discount rates were 6.44% and 7.22%, respectively, in calculating the asset recoverable amounts of TFN.

(c) Cable television business

(i) Assumptions on cash flows

The expected future cash flows were estimated on the basis of previous experiences, actual operating results and the five-year operation plan.

(ii) Assumptions on operating revenues

After taking changes in the cable television industry and competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers and average revenue per subscriber.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(iii) Assumptions on operating costs and expenses

The estimates of cost of commissions, customer service costs, and bill processing costs were based on the projected changes in subscriber numbers. The estimates of remaining costs and expenses were based on the proportion of the actual costs and expenses to operating revenues.

(iv) Assumptions on discount rate

The discount rates used to calculate the asset recoverable amounts for each system operator ranged from 10.36% to 11.12% and from 8.20% to 8.47% for the year ended December 31, 2012 and 2011, respectively.

(d) Retail business

(i) Assumptions on cash flows

The expected future cash flows were estimated on the basis of previous experiences, actual operating results and the five-year operation plan.

(ii) Assumptions on operating revenues

After taking into consideration the changes in the retail business industry and competitiveness of the market, the operating revenues were estimated basing on the classification and the average price of commodities, and the degree of the contribution of the customers.

(iii) Assumptions on operating costs and expenses

The costs and expenses were based on the proportion of the actual costs and expenses of the operating revenues.

(iv) Assumptions on discount rate

For the year ended December 31, 2012 and 2011, the discount rates were 6.89% and 10.72%, respectively, in calculating the asset recoverable amounts.

Based on the key assumptions of each cash-generating unit, the Group's management believes that the carrying amounts of these operating assets and intangible assets will not exceed their recoverable amounts even if there are any reasonable changes in the critical assumptions used to estimate recoverable amounts. Thus there were no impairment in intangible assets for the year ended 2012 and 2011. As of March 31, 2013, there is no significant change that leads to impairment in intangible assets.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

i. Other assets— others

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Current :				
Other financial assets—				
pledged time deposits and				
restricted deposits	\$ 365,791	406,030	124,331	73,062
Others	98,533	78,941	48,323	46,041
	<u><u>\$ 464,324</u></u>	<u><u>484,971</u></u>	<u><u>172,654</u></u>	<u><u>119,103</u></u>
Non— current :				
Long-term accounts receivables	\$ 2,821,340	2,473,301	2,116,364	1,711,611
Refundable deposits	577,085	574,301	527,364	510,464
Prepayments for equipment	224,083	111,821	129,342	147,618
Prepayments for investments(Note)	175,150	-	-	-
Other financial assets—				
pledged time deposits and				
restricted deposits	111,103	110,530	82,364	90,825
Others	603,235	595,764	637,617	642,617
	<u><u>\$ 4,511,996</u></u>	<u><u>3,865,717</u></u>	<u><u>3,493,051</u></u>	<u><u>3,103,135</u></u>

Note: Prepayments for investments are listed as follows:

1. Payment for subscribing shares of TNH amounted to \$174,650 thousand. Please refer to note 6(e).
2. On January 31, 2013, the board of directors resolved to invest in establishment of Taiwan Digital Service Co., Ltd. (TDS) through TCC, with an amount no higher than \$1,000,000 thousand. As of March 31, 2013, prepayment of \$500 thousand has been paid.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

j. Short-term Borrowings and Short-term Notes and Bills payable

2013.3.31			
	Annual interest rate	Due year	Amount
Unsecured loans — financial institutions	0.88%~1.1%	2013	\$ 3,200,000
Secured loans — related parties	6.3%	2013	215,825
			\$ 3,415,825

2012.12.31			
	Annual interest rate	Due year	Amount
Unsecured loans — financial institutions	0.88%~1.15%	2013	\$ 3,200,000
Secured loans — related parties	6.3 %	2013	158,440
			\$ 3,158,440

2012.3.31			
	Annual interest rate	Due year	Amount
Unsecured loans — financial institutions	0.75%~0.902%	2012	\$ 5,600,000
Secured loans	7.0848%	2012	12,118
			\$ 5,612,118

2012.1.1			
	Annual interest rate	Due year	Amount
Unsecured loans — financial institutions	0.89%~0.98%	2012	\$ 9,000,000
Bills payable	0.948%~0.958%	2012	\$ 899,273

For financial risk information of the Group, please refer to Note 6 (v); and for the information of loans due from related parties, please refer to Note 7.

For the information of time deposits pledged as collateral of bank loans, please refer to Note 8.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

k. Advance Receipts

- (1) In accordance with NCC's policy, TWM entered into a contract with First Commercial Bank Co., Ltd., which provided a performance guarantee for advance receipts from prepaid cards and electronic gift certificates amounted to \$1,096,574 thousand and \$5,163 thousand, respectively, as of March 31, 2013. The guaranty will last for a year since the date of issuance.
- (2) In accordance with NCC's policy, TFN entered into a contract with First Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from International Direct Dialing (IDD) calling card amounted to \$15,997 thousand as of March 31, 2013. The guaranty will last for a year since the date of issuance.
- (3) In accordance with NCC's policy, cable television companies should provide a performance deposit based on a certain proportion of the advance receipts for a prepaid period. As of March 31, 2013, the cable television companies had provided \$54,585 thousand as performance deposit, which is classified as Non-current assets – other financial asset.
- (4) In accordance with the Ministry of Economic Affairs' policy, FMT entered into a contract with Taipei Fubon Commercial Bank Co., Ltd. In order to provide a performance deposit, the trust account balance maintained monthly by FMT should be the same as the amount of the outstanding gift certificates. As of March 31, 2013, FMT had provided \$2,091 thousand as performance deposit, which is classified as Non-current assets – other financial asset.

l. Bonds Payable

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
2nd domestic unsecured bonds	\$ 4,000,000	4,000,000	8,000,000	8,000,000
3rd domestic unsecured bonds	8,995,369	8,995,180	-	-
	<u>12,995,369</u>	<u>12,995,180</u>	<u>8,000,000</u>	<u>8,000,000</u>
Less: current portion	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	<u>\$ 8,995,369</u>	<u>8,995,180</u>	<u>4,000,000</u>	<u>4,000,000</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(1) 2nd domestic unsecured bonds

On November 14, 2008, TWM issued \$8,000,000 thousand of five-year 2nd domestic unsecured bonds, each having a face value of \$10,000 thousand and a coupon rate of 2.88% per annum, with simple interest due annually. Repayment will be made in the fourth and fifth year with equal installments, i.e., \$4,000,000 thousand.

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
The fourth quarter of 2013	\$ 4,000,000

(2) 3rd domestic unsecured bonds

On December 20, 2012, TWM issued \$9,000,000 thousand of seven-year 3rd domestic unsecured bonds, each having a face value of \$10,000 thousand and a coupon rate of 1.34% per annum, with simple interest due annually. Repayment will be made in the sixth and seventh year with equal installments, i.e., \$4,500,000 thousand.

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
2018	\$ 4,500,000
2019	4,500,000
	\$ 9,000,000

m. Provision

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Restoration	\$ 909,684	875,805	774,184	760,015
Warranties	17,042	-	-	-
	\$ 926,726	875,805	774,184	760,015
Current	\$ 142,870	120,610	92,980	90,014
Non-current	783,856	755,195	681,204	670,001
	\$ 926,726	875,805	774,184	760,015

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<u>Restoration</u>	<u>Warranties</u>	<u>Total</u>
Balance, January 1, 2013	\$ 875,805	-	875,805
Provision	35,986	19,297	55,283
Discounted or amortized	3,279	-	3,279
Payment	(5,386)	(2,255)	(7,641)
Balance, March 31, 2013	<u>\$ 909,684</u>	<u>17,042</u>	<u>926,726</u>
Balance, January 1, 2012	\$ 760,015	-	760,015
Provision	17,733	-	17,733
Discounted or amortized	3,017	-	3,017
Payment	(6,581)	-	(6,581)
Balance, March 31, 2012	<u>\$ 774,184</u>	<u>-</u>	<u>774,184</u>

(1) Restoration

The provisions recognized for the obligation of dismantling, moving and restoring telecommunication equipment and leased assets are calculated with discount rates ranging from 1.69% to 2.57%. The primary uncertainty in estimation resides in costs that are expected to continually incur in the future.

(2) Warranties

The Group estimates provisions based on the expected expenses from sales contracts, which provide a one-year warranty.

n. Operating Lease

(1) Lessee

Non-cancellable rentals payable of operating lease are as follows:

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Less than one year	\$ 2,710,478	2,659,032	2,850,027	2,837,432
Between one to five years	5,677,617	5,466,882	4,956,117	4,103,884
More than five years	142,049	124,612	139,621	120,950
	<u>\$ 8,530,144</u>	<u>8,250,526</u>	<u>7,945,765</u>	<u>7,062,266</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group leases offices, stores, base transceiver station and machine rooms, etc. under operating leases. The leases typically run for a period of 1 to 5 years, with an option to renew the lease.

For the period ended March 31, 2013 and 2012, \$778,767 thousand and \$647,676 thousand were recognized as rental expenses in profit or loss in respect of operating leases.

(2) Leaser

The Group leases out investment properties under operating lease. The future minimum lease payment receivables under non-cancellable leases are as follows:

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Less than one year	\$ 21,853	21,431	11,988	12,624
Between one to five years	35,965	40,800	20,627	20,108
	<u>\$ 57,818</u>	<u>62,231</u>	<u>32,615</u>	<u>32,732</u>

o. Employee Benefits

After the end of prior fiscal year, there is no material volatility of the market, no material contractions and pay-off or other material one-time events. As a result, pension cost in the interim financial statements is measured and disclosed according to paragraph B9 of IAS 34 Interim Financial Reporting.

(1) Defined benefit plan

The present value of the defined benefit obligations and fair value of plan assets are as follows:

	<u>2012.12.31</u>	<u>2012.1.1</u>
Present value of defined benefit obligations	\$ 851,210	808,208
Fair value of plan assets	(717,130)	(680,678)
Unfunded defined benefit obligation	134,080	127,530
Unrecognized prior service cost	(17,843)	(20,782)
Accrued pension liability	<u>\$ 116,237</u>	<u>106,748</u>

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group established the pension fund account in the Bank of Taiwan for the defined benefit plan. The plan under the Labor Standards Law provides benefit based on an employee's length of service and average monthly salary for six-month period prior to retirement.

(a) Composition of plan assets

The Group set aside pension funds in accordance with the legislation from the Council of Labor Affairs and being managed by the Pension Supervisory Committee. The annual budget for the allocation of the minimum income cannot be lower than the income calculated based on the interest rate of the banks' two-year time deposit in accordance with the legislation (Management and Utilization of the Labor Pension Funds).

The utilization of the labor pension fund assets includes the asset allocation and yield of the fund. Please refer to the information published on the website by the Council of Labor Affairs and Labor Pension Supervisory Committee.

(b) Expenses recognized in profit or loss

The Group's expenses recognized in profit or loss amounted to \$1,166 thousand and \$1,434 thousand for the first quarter ended March 31, 2013 and 2012, respectively.

(c) Actuarial assumptions

The following are the principal actuarial assumptions at the measurement date:

	<u>2012.12.31</u>	<u>2012.1.1</u>
Discount rate	1.50%	1.75%
Expected return on plan assets	1.50%~1.875%	1.75%~2.00%
Long term average adjustment rate of salary	2.50%~3.00%	2.5%~3.00%

The expected rate of return of plan assets is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

The Group expected \$4,912 thousand in contributions to be paid to its benefit plans in a year after the reporting date, March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(d) The fair value in percentage of plan assets on reporting date

	<u>2012.12.31</u>	<u>2012.1.1</u>
Cash	23.39	23.87
Short term notes and bills	10.45	7.61
Government loans	0.07	0.13
Bonds	11.00	11.45
Fixed return categories	16.06	16.19
Equity securities	38.29	40.75
Others	0.74	-
	<u>100.00</u>	<u>100.00</u>

(e) Experience adjustments based on historical information

	<u>2012.12.31</u>	<u>2012.1.1</u>
Present value of the defined benefit obligation	\$ 851,210	808,208
Fair value of plan assets	(717,130)	(680,678)
Deficit in the plan	<u>\$ 134,080</u>	<u>127,530</u>
Experience adjustments arising on plan liabilities	<u>\$ (34,674)</u>	<u>(34,427)</u>
Experience adjustments arising on plan assets	<u>\$ (6,886)</u>	<u>(644)</u>

(2) Defined contribution plans

The Group set aside 6% of the contribution rate of the employee's monthly wages to the labor pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

The Group recognized \$59,003 thousand and \$54,720 thousand of the pension costs under the pension plan for the first quarter ended March 31, 2013 and 2012, respectively. As of March 31, 2013 and 2012, \$46,354 thousand and \$43,314 thousand were payable to the Bureau of the Labor Insurance. The amounts were all paid after the balance sheet date.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

p. Income Tax

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 Interim Financial Reporting. Components of income tax expense are as below:

	For the three months ended	
	March 31	
	2013	2012
Current income tax expense		
Current inducement	\$ 595,883	610,660
Prior years adjustment on current income tax	44,321	30,757
	640,204	641,417
Deferred income tax expense		
Current inducement	207,199	207,281
Income tax expense	\$ 847,403	848,698

Integrated income tax information was as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Balance of the Group's imputation credit account (ICA)	\$ 1,091,286	1,096,988	2,845,226	2,394,350

As of March 31, 2013, there were no unappropriated earnings generated before 1997. Comparative information showed in the consolidated balance sheet of different periods is included in the current unappropriated earnings based on the Guidelines and International Financial Reporting Standards.

The estimated and actual tax creditable ratios are 12.71% and 23.73% for the 2012 and 2011 earnings appropriation, respectively.

The tax creditable ratio of 2012 was estimated based on Draft Income Tax Amendment No.66-6, first reviewed on April 1, 2013 by Finance Committee of The Legislative Yuan of Republic of China. The Draft Amendment had not been officially approved as of March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The latest years which income tax returns had been examined and cleared by the tax authorities were as follows:

	<u>Year</u>
TWM	2010
The former TransAsian Telecommunications Inc. (The former TAT)	All applicable
TransAsian Telecommunications Inc. (TAT)	2008
Mobitai Communications (Mobitai)	All applicable
TCC	2010
WMT	2011
GWMT	2011
GFMT	2011
TDC	2010
TCCI	2011
TID	2011
TSB	2011
TFN	2011, only 2010 not applicable (not yet authorized)
TTN	2007
TT&T	2010
TUI	2011
TFNI	2008
WTVB	2010
TFNM	2011, only 2008 not applicable (not yet authorized)
UCTV	2010
YJCTV	2010
MCTV	2011
PCTV	2011
GCTV	2010
TKT	2011
FMT	2011
FST	2010
FLI	2011
FPI	2011
TFMT	2011
FSMT	2011

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

TWM's income tax returns for the years up to 2010 had been examined by the tax authorities. TWM disagreed with the following examination results of the income tax returns and had requested for a reexamination for the years 2006, 2008, 2009 and 2010. TWM had filed for corrections of its 2006 income tax returns.

The former TAT's income tax returns up to 2006 had been examined by the tax authorities. The former TAT had filed for corrections of its 2004 income tax returns.

TAT's income tax returns up to 2008 had been examined by the tax authorities. TAT disagreed with the examination results of the income tax returns for 2006 and 2007 and had filed an appeal. The Group plans to request a reexamination for the tax returns for 2008.

Mobitai's income tax returns up to 2007 had been examined by the tax authorities. Mobitai disagreed with the examination results on the income tax return for 2006 and 2007 and requested a reexamination.

TFN's income tax returns up to 2011(except for 2010) had been examined by the tax authorities. TFN disagreed with the examination results of the income tax return for 2008 and 2009 and requested a reexamination.

TFNM's income tax returns up to 2011 (except for 2008) had been examined by the tax authorities, except for 2008. TFNM disagreed with the examination results of the income tax returns and requested an appeal for 2006 and 2007. The Group plans to request a reexamination for the tax returns for 2009.

UCTV's income tax returns up to 2010 had been examined by the tax authorities. UCTV disagreed with the examination results for 2006 to 2010 and has requested a reexamination.

q. Capital and Other Equities

(1) Ordinary Share

TWM has authorized capital stock of 6,000,000 thousand shares, with 3,420,833 thousand shares outstanding. (par value \$10).

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Capital surplus

Under TWM Act, capital surplus, the part which generated from the excess of the issue price over the par value of capital stock, including the stock issued for new capital, provisions for convertible corporate bonds and treasury share transactions, may be applied to cover deficit, or be transferred to capital as stock dividends or distributed as cash dividends when there is no deficit, and this transfer is restricted to a certain percentage of the paid-in capital. Also, the capital surplus from investments accounted for using the equity method may not be used for any purposes.

The capital surplus on March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012 were as follows:

	Amount
Additional paid-in capital from convertible corporate bonds	\$ 8,775,820
Treasury share transaction	3,639,301
Others	16,730
	\$ 12,431,851

(3) Legal reserve

According to TWM Act, a company shall first set aside ten percent of its income (after taxes) as legal reserve until it equals to the paid-in capital. After offsetting any deficit, the legal reserve may be transferred to capital as stock dividends or distributed as cash dividends within the amount in excess of 25% of the paid-in capital in pursuant to the resolution to be adopted by the shareholders' meeting.

(4) Appropriation of earnings and dividend policy

TWM's articles of incorporation provide that a 10% legal reserve should be set aside from the annual net income after the reduction of accumulated deficit. The remainder, less or reversed special reserve based on relevant laws or regulations or business requirements, should be distributed as follows:

- (a) Remuneration to directors – up to 0.3%
- (b) Bonus to employees – 1% to 3%
- (c) Remainder, to be appropriated as dividends as determined in the shareholders' meeting

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

TWM's dividend distribution is based on the availability of excess funds. That is, TWM first projects future capital needs through a capital budgeting process and then provides for the projected capital needs by using retained earnings. The remainder is available for cash dividend distribution. However, the amount of stock dividends should not be more than 80% of the total dividends to be distributed in a single year. The final amount, type and percentage of the dividends are subject to the approval of the board of directors and shareholders based on actual earnings and working capital requirements of TWM in a particular year.

A regulation issued by the Securities and Futures Bureau requires a special reserve be made from the unappropriated earnings, equivalent to the debit balance of any account (except for treasury share) shown in other shareholders' equity. The special reserve appropriated will be reversed to the extent that the net debit balance reverses. The Group is not applicable to the regulations in Interpretation No.1010012865 by FSC for recognizing special reserve.

The appropriation of earnings should be resolved by the shareholders in the following year and given effect in the financial statements of that year.

Under the Integrated Income Tax System, ROC resident shareholders are allowed a tax credit for the income tax paid by TWM. An imputation credit account (ICA) is maintained by TWM for such income tax and the tax is credit allocated to each shareholder.

TWM's estimated bonuses to employees amounted to \$102,784 thousand and \$90,578 thousand, respectively, as of the first quarter of March 31, 2013 and 2012, and the estimated remuneration to directors amounted to \$10,278 thousand and \$9,058 thousand, respectively, as of the first quarter of March 31, 2013 and 2012.

TWM's bonuses to employees and remuneration to directors were accrued based on 3% and 0.3%, respectively, of the net income (which did not include the bonuses to employees and remuneration to directors) after setting aside 10% of net income as legal reserve. The significant difference between annual accruals and the amount approved by the board of directors shall be adjusted in the current year. If the board of directors' approval differs from the amount ratified at the annual general shareholders' meeting (AGM), the difference will be treated as changes in accounting estimation and will be adjusted in 2013's profit and losses. If employee bonuses are paid in the form of company shares, the number of employee bonus shares shall be derived from dividing the approved bonus amount by the closing price one day prior to the AGM, adjusted for cash and/or stock dividends if any.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The 2012 and 2011 earnings appropriations resolved by the AGM on April 30, 2013 and June 22, 2012, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share (NT\$)</u>	
	<u>For Fiscal Year 2012</u>	<u>For Fiscal Year 2011</u>	<u>For Fiscal Year 2012</u>	<u>For Fiscal Year 2011</u>
Appropriation of legal reserve	\$ 1,469,160	1,346,876		
Cash dividends	14,526,578	13,880,952	5.4	5.16
Reversal of special reserve		(821,741)		
	<u>\$ 15,995,738</u>	<u>14,406,087</u>		

The cash dividends of \$5.4 per share mentioned above were distributed from unappropriated earnings. Besides, the board of directors resolved another cash appropriation with legal reserve which amounted to \$269,011 thousand, that is, \$0.1 per share. Total appropriation distributed in 2012 was \$5.5 per share.

The Board of directors on April 30, 2013 and the AGM on June 22, 2012 resolved to distribute bonuses to employees amounting to \$396,673 thousand and \$362,844 thousand, respectively, as of the year ended December 31, 2012 and 2011, and the estimated remuneration to directors amounted to \$39,667 thousand and \$36,284 thousand, respectively, as of the year ended December 31, 2012 and 2011. There were no differences between the above actual distributions and the amounts recognized in the financial statements on 2012 and 2011, respectively.

The resolution on appropriation of earnings, bonuses to employees and remuneration to directors were proposed by the board of directors basing on the financial statements in 2012, which is prepared in conformity with the former Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the former accounting principles generally accepted in the Republic of China.

The resolution on appropriation of earnings and legal reserve as cash for 2012 has not been approved by the AGM as of the reporting date. For information on the appropriation of the earnings, bonus to employees and remuneration to directors proposed by the board of directors and approved at AGM is available on the Market Observation Post System website of the Taiwan Stock Exchange.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(5) Other equity interest

	Exchange differences on translation	Unrealized gain on available-for-sale financial assets
Balance, January 1, 2013	\$ 25,483	314,543
— The Group	5,176	151,922
— Associates	198	-
Balance, March 31, 2013	\$ 30,857	466,465
Balance, January 1, 2012	\$ 34,231	321,987
— The Group	(7,373)	192,221
Balance, March 31, 2012	\$ 26,858	514,208

(6) Treasury share

Purpose of Buyback	(Shares in Thousands)			
	Beginning Shares	Increase	Decrease	Ending Shares
<u>For the three months ended March 31, 2013</u>				
Shares held by subsidiaries	730,726	-	-	730,726
<u>For the three months ended March 31, 2012</u>				
Shares held by subsidiaries	730,726	-	-	730,726

As of March 31, 2013, TWM's stock held by TCCI, TID, and TUI (all are subsidiaries 100% owned by TWM) was 730,726 thousand shares and the carrying and market values were \$74,168,674 thousand. For the reasons that shares held by subsidiaries regarded as treasury share, TWM reclassified \$31,077,183 thousand from investments accounted for using the equity method to treasury share. Although these shares are treated as treasury share in the financial statements, the shareholders are entitled to excise their rights over these shares, except for the participation in capital injection by cash. In addition, based on the ROC Company Act, the holders, which are subsidiaries over 50% owned by TWM, of treasury share cannot exercise the voting rights.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(7) Non-controlling interests

	For the three months ended March 31	
	2013	2012
Beginning balance	\$ 1,072,204	1,106,427
Portion attributable to non-controlling interest		
Profit	48,848	89,744
Exchange differences on translation	1,056	(4,563)
Ending balance	\$ 1,122,108	1,191,608

r. Earnings Per Share

In the first quarter of 2013 and 2012, the Group calculated the basic and diluted EPS as follows:

	For the three months ended	
	March 31	
	2013	2012
Basic EPS		
Profit attributable to ordinary shareholders	\$ 3,806,814	4,050,396
Weighted average number of ordinary shares	2,690,107	2,690,107
	\$ 1.42	1.51
Diluted EPS		
Profit attributable to ordinary shareholders	\$ 3,806,814	4,050,396
Weighted average number of ordinary shares (adjusted with potential effect of diluted ordinary shares)	2,690,107	2,690,107
Effect of employees' bonus	4,921	5,013
Weighted average number of ordinary shares (adjusted with potential effect of diluted ordinary shares)	2,695,028	2,695,120
	\$ 1.41	1.50

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

s. Operating Revenues

The Group's operating revenues for the three months ended March 31, 2013 and 2012 are detailed as follows:

	For the three months ended	
	March 31	
	2013	2012
Telecommunication service revenues	\$ 14,548,243	14,658,052
Sales revenue	10,024,989	8,255,063
Cable TV revenues and broadband product revenues	1,481,612	1,472,571
Other operating revenues	502,223	374,089
	\$ 26,557,067	24,759,775

t. Other Net Revenues and Expenses

The Group's other revenues and expenses for the three months ended March 31, 2013 and 2012 are detailed as follows:

	For the three months ended March 31	
	2013	
	2013	2012
Police inquiry	\$ 7,628	7,396
Government subsidy	2,000	2,000
Others	4,314	4,979
	\$ 13,942	14,375

u. Non-operating Income and Expenses

(1) Other income

The Group's other income for the three months ended March 31, 2013 and 2012 are as follows:

	For the three months ended March 31	
	2013	
	2013	2012
Interest income	\$ 14,273	12,806
Rental income	8,503	8,178
Other income	984	2,836
	\$ 23,760	23,820

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Other gains and losses, net

The Group's other gains and losses for the three months ended March 31, 2013 and 2012 are as follows:

	For the three months ended March 31	
	2013	2012
Loss on disposal of property, plant and equipment	\$ (240,731)	(106,850)
Foreign exchange gains (losses)	13,481	(10,085)
Others	(3,202)	(2,839)
	\$ (230,452)	(119,774)

(3) Financial costs

The Group's financial costs for the three months ended March 31, 2013 and 2012 are as follows:

	For the three months ended March 31	
	2013	2012
Interest expense		
Corporate bonds	\$ 58,740	58,189
Bank loans	16,613	22,773
Others	8,980	8,800
	84,333	89,762
Less: capitalized interest	(4,379)	(3,465)
	\$ 79,954	86,297

v. Capital Management

The Group manages its capital to maintain a healthy capital base, to meet the minimal paid-in capital required by authority-in-charge, and to optimize the balance of liability and equity in order to maximize shareholders' return. By periodically reviewing and measuring relative cost, risk and rate of return to ensure well-performing profit and financial ratio, the Group may adopt various financing approaches to balance its capital structure in order to meet the demands for capital expenditures, working capital, settlements of liabilities and dividend payments in the future.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Financial Instruments

(1) Credit risk

(a) The maximum credit risk exposure of the Group's financial instruments is equal to the carrying amount.

(b) Impairment loss

The aging of accounts receivable as of the reporting date is as follows:

	2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment
Not past due	\$ 12,268,815	210,423	12,235,015	198,576	9,974,851	170,621	10,461,247	163,189
Overdue within								
180 days	827,821	116,719	742,229	115,653	767,215	106,665	539,807	120,081
Overdue more								
than 180 days	28,468	1,249	28,781	1,704	14,511	1,249	13,147	1,704
	\$ 13,125,104	328,391	13,006,025	315,933	10,756,577	278,535	11,014,201	284,974

(2) Liquidity risk

The Group's working capitals are sufficient to meet the cash flow demand; therefore, liquidity risk is not considered to be significant.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, but not including the financial liabilities which carrying amounts approximate to contractual cash flows.

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	More than 5 years
2013.3.31					
Unsecured loans	\$ 215,825	229,422	229,422	-	-
Secured loans	3,200,000	3,202,349	3,202,349	-	-
Bonds payable	12,995,369	13,899,100	4,235,800	482,400	9,180,900
	\$ 16,411,194	17,330,871	7,667,571	482,400	9,180,900
2012.12.31					
Unsecured loans	\$ 158,440	168,422	168,422	-	-
Secured loans	3,000,000	3,004,073	3,004,073	-	-
Bonds payable	12,995,180	13,899,100	4,235,800	482,400	9,180,900
	\$ 16,153,620	17,071,595	7,408,295	482,400	9,180,900

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~5 years</u>	<u>More than 5 years</u>
2012.3.31					
Unsecured loans	\$ 12,118	12,784	12,784	-	-
Secured loans	5,600,000	5,606,033	5,606,033	-	-
Bonds payable	8,000,000	8,345,600	4,230,400	4,115,200	-
	\$ 13,612,118	13,964,417	9,849,217	4,115,200	-
2012.1.1					
Unsecured loans	\$ 9,000,000	9,010,726	9,010,726	-	-
Bills payable	899,273	900,000	900,000	-	-
Bonds payable	8,000,000	8,345,600	4,230,400	4,115,200	-
	\$ 17,899,273	18,256,326	14,141,126	4,115,200	-

(3) Exchange rate risk

(a) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to exchange rate risk are as follows:

	<u>2013.3.31</u>			<u>2012.12.31</u>			<u>2012.3.31</u>			<u>2012.1.1</u>		
	<u>Foreign currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange Rate</u>	<u>NTD</u>
Financial Assets												
RMB	\$ 29,301	4.809	140,907	29,401	4.657	136,920	33,375	4.6845	156,345	45,755	4.793	219,304
USD	23,888	29.89	714,065	26,814	29.04	778,753	19,377	29.555	572,724	20,009	30.28	605,864
JPY	76	0.3172	24	69	0.3391	24	207	0.3586	74	245	0.3897	95
HKD	2,752	3.851	10,598	2,593	3.747	9,717	2,317	3.807	8,820	1,807	3.896	7,039
EUR	321	38.24	12,268	110	38.48	4,223	102	39.42	4,001	20	39.17	765
GBP	-	-	-	-	-	-	7	47.08	306	-	-	-
Financial Liabilities												
RMB	58,065	4.809	279,235	49,280	4.657	229,494	23,421	4.6845	109,718	12,602	4.793	60,403
USD	6,841	29.89	204,944	8,172	29.04	236,900	6,423	29.555	189,569	8,264	30.28	250,284
JPY	5,969	0.3172	1,894	11,932	0.3391	4,046	9,402	0.3586	3,372	13,126	0.3897	5,115
HKD	9,974	3.851	38,412	7,881	3.747	29,529	7,741	3.807	29,470	12,733	3.896	49,607
EUR	4	38.24	149	6	38.48	224	9	39.42	338	9	39.17	339
GBP	31	45.32	1,414	3	46.89	145	33	47.08	1,554	33	46.87	1,547

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) Sensitivity analysis

The Group's exchange rate risk comes mainly from conversion gains and losses of accounts measured in foreign currencies such as cash and cash equivalents, accounts receivable and other receivables, loans, accounts payable, other payables and etc. NTD, when compared with CNY, USD, JPY, EUR, and GBP, appreciates or depreciates for 5%, (with other factors remain constant on reporting date and analysis of the two periods is based on the same standard) profit will be increased by \$10,054 thousand and decreased by \$20,232 thousand for the first quarter of 2013 and 2012, respectively.

(4) Interest rate analysis

The balances of the Group's financial instruments exposed to interest rate risk were as follows:

	Carrying amount			
	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Fair value interest rate risk				
Financial assets	\$ 5,450,723	3,480,906	2,139,444	2,861,092
Financial liabilities	16,195,369	15,995,180	13,600,000	17,899,273
Cash flow interest rate risk				
Financial assets	\$ 1,853,210	3,946,856	3,452,754	3,812,744
Financial liabilities	215,825	158,440	12,118	-

The following sensitivity analysis is determined through the exposure to interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increase/decrease by 0.5% (with all the other factors remain constant), for the three months ended March 31, 2013 and 2012, the Group's profit would increase or decrease by \$2,019 thousand and \$4,242 thousand, respectively, which were mainly caused by the floating rate loans.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(5) Fair value

(a) Fair value and carrying amount

Except for the table listed below, Management of the Group considers that the book value of financial assets and liabilities that are not at fair value through profit and loss is close to its fair value or cannot be reliably measured.

	2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities recorded by amortized cost								
Corporate bonds payable								
(Including portion dues within a year)	\$ 12,995,369	13,051,178	12,995,180	13,071,134	8,000,000	8,208,736	8,000,000	8,192,952

(b) Assumption and method to determine fair value

Corporate bonds payable's fair value are measured based on an average of hundred dollars in each period by OTC.

(c) Fair value hierarchy

Fair value levels are defined on a basis to the extent that fair value can be observed. Definitions are as follows:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identified assets or liabilities.
- (ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2013.3.31				
Available-for-sale financial assets - current and non-current	\$ 1,484,973	-	-	1,484,973
Financial assets at cost – non-current	-	-	181,328	181,328
Bond investments without active market - non-current	-	-	500,000	500,000
	<u>\$ 1,484,973</u>	<u>-</u>	<u>681,328</u>	<u>2,166,301</u>

2012.12.31				
Available-for-sale financial assets - current and non-current	\$ 1,333,052	-	-	1,333,052
Financial assets at cost – non-current	-	-	181,328	181,328
Bond investments without active market - non-current	-	-	500,000	500,000
	<u>\$ 1,333,052</u>	<u>-</u>	<u>681,328</u>	<u>2,014,380</u>

2012.3.31				
Financial assets at fair value though profit and loss - current	\$ 60,296	-	-	60,296
Available-for-sale financial assets - current and non-current	1,532,716	-	-	1,532,716
Financial assets at cost - non-current	-	-	186,276	186,276
Bond investments without active market - non-current	-	-	500,000	500,000
	<u>\$ 1,593,012</u>	<u>-</u>	<u>686,276</u>	<u>2,279,288</u>

2012.1.1				
Financial asset at fair value though profit and loss - current	\$ 60,186	-	-	60,186
Available-for-sale financial assets - current and non-current	1,340,495	-	-	1,340,495
Financial assets at cost - non-current	-	-	186,276	186,276
Bond investments without active market - non-current	-	-	500,000	500,000
	<u>\$1,400,681</u>	<u>-</u>	<u>686,276</u>	<u>2,086,957</u>

There are no other transfers between the fair value measurements for the three months ended March 31, 2013 and 2012.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

w. Financial Risk Management

(1) Illustrative

The Group is exposed to the following risks due to usage of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note describes the Group's information concerning risk exposure, and how the Group measures and manages the targets, policies and procedures of risks.

(2) Risk Management Framework

(a) Risk Management Committee:

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors in order to examine its activities, such as operating targets, business management, future developing programs, budget and financial fund management.

(b) Risk Management Policy:

- i. Promote operating mode in accordance with guide of risk management.
- ii. Establish a risk management system which can identify early, measure precisely, monitor effectively, and control strictly.
- iii. Construct an overall risk management system for the Group, and control risks in an acceptable range.
- iv. Introduce the best practice and keep improving continuously.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(c)Monitoring Mechanism:

Internal Audit Department should consider both high and low risks encountered by various operations in order to be set as foundation while scheduling annual auditing plans. Related Managements are informed when unusual events occurred, and the following procedures are traced by them, in order to ensure the events are properly resolved.

(3)Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The credit risk amount is measured by the positive fair value on reporting date and off-balance-sheet promises and guarantee contracts. The Group deals with customers with good reputation and monitor customer credit risk and credit rating continuously. The Group has no exposure to credit risk of transaction with any single counterparty or any similar group.

(4)Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has ensured enough cash for the requirements of paying estimated operating expenditures, including financial obligations. The Group also monitors its bank credit facilities and ensures the loan contracts are all followed. As of March 31, 2013, December 31, 2012, March 31 2012 and January 1, 2012, the Group has unused bank facilities for \$67,548,908 thousand, \$67,537,430 thousand, \$64,533,149 thousand and \$58,131,014 thousand, respectively.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(5)Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group sells and buys derivatives without involving any significant risk such as exchange rate risk, fair value risk arise from interest rate floating, and market price risk; therefore, the Group's market risk is insignificant.

(a)Exchange Rate Risk

The Group mainly operates in Taiwan, except for international roaming services, most of the operating revenues and expenses are measured in NTD. In addition, parts of the expenses are paid in EUR and USD; thus, the Group purchases currency at the spot rate based on conservative principle in order to hedge from exchange rate risk. Overall, exchange rate risk does not affect the Group significantly.

(b)Interest Rate Risk

The Group issued unsecured corporate bonds with medium and long-term interest rate. In respect of interest payables, the fluctuation of interest rate does not affect the Group significantly. Also interest rate risk does not impact the Group from short-term bank loans.

(c)Other Market Price Risk

The Group's exposure to equity price risk is mainly due to holding of the equity financial instruments. The Group supervises the equity price risk actively and manages the risk based on fair value.

Sensitivity analysis: If the equity securities price increased/decreased by 5% (With other factors remain constant and the analysis of the two periods is based on the same standard), for the three months ended March 31, 2013 and 2012, other comprehensive income would increase or decrease by \$74,249 thousand and \$76,636 thousand, respectively. Profit would increase or decrease by \$3,015 thousand for the three months ended March 31, 2012.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7. RELATED PARTY TRANSACTION

a. Parent Company and Ultimate Controlling Party

TWM is the ultimate controlling party of the Group.

b. Key Management Personnel Compensation

	For the three months ended March 31	
	2013	2012
Short-term employee benefits	\$ 117,031	94,703
Post-employment benefits	709	836
	\$ 117,740	95,539

c. Other Related Party Transactions

(1) Sale of Goods to Related Parties

The amounts of significant sales transactions and outstanding balances between the Group and the related parties were as follows:

	Operating revenues for the		Receivables from Related Parties (Note)			
	three months ended March 31		2013.3.31	2012.12.31	2012.3.31	2012.1.1
	2013	2012				
Other related parties	\$ 29,351	33,225	71,815	71,039	117,848	129,019

The Group renders telecommunication services to other related parties. The payment terms to related parties were not significantly different from those of sales to third parties. Receivables from related parties were not secured with collaterals, and not accrued provisions for bad debt expenses.

Note: The above receivables from related parties include leasehold receivables. The related information is as follows: (Long-term leasehold receivables are recognized in Non-current Assets)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

<u>2013.3.31</u>	<u>Leasehold receivables</u>		<u>Unrealized interest income</u>	
Counterparty	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Other related parties	\$ 31,045	21,215	(726)	(991)
<u>2012.12.31</u>				
Counterparty				
Other related parties	\$ 37,874	26,570	(881)	(1,270)
<u>2012.3.31</u>				
Counterparty				
Other related parties	\$ 53,957	51,255	(1,797)	(2,488)
<u>2012.1.1</u>				
Counterparty				
Other related parties	\$ 56,952	62,164	(2,139)	(3,020)

(2) Purchase of Service from Related Parties

The amounts of purchase of service and outstanding balances between the consolidated entity and related parties were as follows:

	Operating costs for the three months ended		Payables to Related Parties			
	March 31					
	2013	2012	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Associates	\$ 177,555	-	52,506	64,377	-	-
Other related parties	34,853	47,891	-	-	-	-
	\$ 212,408	47,891	52,506	64,377	-	-

Entities mentioned above provide logistics, copyright, insurance service and so on. The payment terms from related parties were not significant different from those of purchases from third parties.

(3) Bank Deposits

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Bank deposits				
Other related parties	\$ 1,841,370	1,627,620	972,801	836,606
Other financial assets - pledged time deposits and restricted deposits				
Other related parties	\$ 23,956	28,796	38,560	39,252

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(4) Borrowings from Related Parties

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Other related parties	<u>\$ 215,825</u>	<u>158,440</u>	<u>-</u>	<u>-</u>

(5) Others

	<u>2013.3.31</u>	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
(a) Other receivables				
Other related parties	<u>\$ 120,715</u>	<u>166,868</u>	<u>-</u>	<u>-</u>
(b) Prepayments				
Other related parties	<u>\$ 19,529</u>	<u>9,758</u>	<u>28,973</u>	<u>11,244</u>
(c) Guarantee deposits paid				
Other related parties	<u>\$ 56,550</u>	<u>56,306</u>	<u>56,206</u>	<u>56,201</u>
(d) Other payables				
Other related parties	<u>\$ 15,397</u>	<u>7,534</u>	<u>7,839</u>	<u>8,767</u>

**For the three months ended
March 31**

	<u>2013</u>	<u>2012</u>
(e) Rental expense		
Other related parties	<u>\$ 29,467</u>	<u>29,467</u>
(f) Donation expense		
Other related parties	<u>\$ 10,905</u>	<u>5,925</u>
(g) Other expenses		
Other related parties	<u>\$ 41,004</u>	<u>34,531</u>

Leases mentioned above were conducted through market price, and the rental was paid by month.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. ASSETS PLEDGED

The assets pledged as collateral for bank loans, credit line of deposit overdraft, guarantees, and refundable deposits for construction contracts were as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Other current assets – time deposits	\$ 363,500	403,000	124,331	73,062
Other non-current assets – time deposits	56,518	56,110	28,433	28,369
	\$ 420,018	459,110	152,764	101,431

FMT, using the above current assets – time deposits as provided letter of credit (LC) as guarantee for Fubon Gehua (Beijing) Enterprise Ltd. Please refer to Note 9(f).

9. COMMITMENTS AND CONTINGENCIES

- a. To enhance 3G mobile communications, expand network coverage, and increase the service functions, TWM entered into 3G expansion contracts with Nokia Siemens Networks Taiwan Co., Ltd. for \$6,650,000 thousand in February 2011. TWM increased the total amount of the contract to no higher than 14,600,000 thousand in September 2012. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the purchase amount was \$6,614,492 thousand, \$5,526,374 thousand, \$2,810,240 thousand and \$1,980,972 thousand, respectively.
- b. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, TWM provided a maximum \$21,500,000 thousand guarantee for TFN's bank loans, all as the same. Under bank practices, TWM also provided \$21,146,150 thousand, \$21,116,400 thousand, \$21,134,425 thousand and 19,759,800 thousand in promissory notes outstanding for TFN's borrowings from banks, respectively. TFN had drawdown \$500 thousand, \$500 thousand, 0 and 0 from the banks within the guarantee amount, respectively.
- c. Respond to the rapid development of cloud computing technology and increased Internet Data Center service demand as a result of enterprise outsourcing, TFN entered into a purchase contract of real estate with Han Ya Co., Ltd. at the price of \$2,868,000 thousand in July 2011. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, TFN paid \$2,768,000 thousand, \$650,000 thousand, \$500,000 thousand and \$325,000 thousand, respectively. The contract was paid off on April 23, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- d. To improve the network quality and bandwidth, TFN, its subsidiary, entered into a purchase contract of transmission facility and IP equipment with Nokia Siemens Networks Taiwan Co., Ltd. in July 2011. The total amount of the contract will be no higher than \$769,576 thousand. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the purchase amount was \$525,012 thousand, \$448,776 thousand, \$83,035 thousand and \$46,123 thousand, respectively.
- e. In accordance with NCC's policy to establish network equipment that meet the Fixed Network Regulations, TFN entered into a contract with CommVerge Solutions Taiwan (BVI) to displace the existing Carrier Ethernet Network. The total amount of the contract will be no higher than \$357,739 thousand. As of March 31, 2013, TFN has not paid any amount yet.
- f. As of March 31, 2013, December 31, 2012 and March 31, 2012, FMT, its subsidiary, provided a guarantee for Fubon Gehua (Beijing) Enterprise Ltd. (FGE) with a ceiling of US\$11,400 thousand, US\$11,400 thousand and US\$ 5,700 thousand, respectively. The amount of LC, under bank practices, was US\$10,450 thousand, US\$11,400 thousand and US\$ 1,750 thousand, respectively, deriving from bank loans; and the time deposit of \$340,000 thousand, \$380,000 thousand and US\$1,750 thousand, respectively, were pledged as guarantee for the LC. The ending drawdown balance within the guarantee and endorsement was CNY\$44,879 thousand, CNY\$34,022 thousand and CNY\$2,587 thousand, respectively. (There is no such case as of January 1, 2012.)

10. SIGNIFICANT CASUALTY LOSS: NONE

11. SIGNIFICANT SUBSEQUENT EVENTS

- a. On December 19, 2012, board of directors of Taipei New Horizon Co., Ltd. (TNH) resolved to increase TNH's capital by \$1,650,000 thousand, divided into 165,000 thousand shares with a par value of \$10 per share. TWM subscribed for the shares based on its proportion of the shareholding, which remains at 49.9%. TWM paid the second payment of \$354,290 thousand for subscribing shares as of April 23, 2013.
- b. On April 25, 2013, TWM issued \$5,800,000 thousand of five-year 4th domestic unsecured bonds, each having a face value of \$10,000 thousand and a coupon rate of 1.29% per annum, with simple interest due annually. Repayment will be made in the fourth and fifth year with equal installments, i.e., \$2,900,000 thousand.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Future repayments of the above-mentioned corporate bonds are as follows:

Year	Amount
2017	\$ 2,900,000
2018	2,900,000
	\$ 5,800,000

12. OTHERS

a. Labor cost, depreciation, and amortization are summarized as follows:

	For the three months ended March 31					
	2013			2012		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
	Labor cost					
Salary	\$ 531,210	1,090,091	1,621,301	480,996	894,237	1,375,233
Labor and health insurance	38,124	77,564	115,688	34,991	64,377	99,368
Pension	20,800	39,633	60,433	20,278	36,082	56,360
Others	20,081	43,989	64,070	19,494	39,652	59,146
Depreciation	1,997,665	162,417	2,160,082	1,922,498	155,517	2,078,015
Amortization	234,045	73,778	307,823	233,678	91,677	325,355

b. Reclassification

Certain accounts in the consolidated financial statements as of and for the three months ended March 31, 2012, have been reclassified to conform to the presentation of consolidated financial statements as of and for the three months ended March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13. ADDITIONAL DISCLOSURES

a. Information on significant transactions and (b) Information on investees: None

The followings were the additional disclosures required by the Securities and Futures Bureau for TWM and its investees:

- (1) Fund financing to other parties: Table 1 (attached)
- (2) Guarantees and endorsements for other parties: Table 2 (attached)
- (3) Information regarding securities held at balance sheet date: Table 3 (attached)
- (4) Information regarding securities where the accumulated purchase or sale amounts for the period exceed NT\$100 million: Table 4 (attached)
- (5) Information on the acquisition of real estate which exceeds NT\$100 million: None
- (6) Information on the disposal of real estate which exceeds NT\$100 million: None
- (7) Information regarding related-party purchase and sale transactions which exceed NT\$100 million: Table 5 (attached)
- (8) Information regarding receivables from related parties which exceed NT\$100 million: Table 6 (attached)
- (9) Names and locations of, and related information on investees (on which TWM exercised significant influence): Table 7 (attached)
- (10) Trading in derivative instruments: None
- (11) Business relationships and significant intercompany transactions: Table 9 and Table 10 (attached)

c. Information on investment in Mainland China:

- (1) The name of the investee company in Mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, investment gain or loss, ending balance, amount received as earnings distributions from the investment, and the limitation on investment: Table 8 (attached)
- (2) Significant direct or indirect transactions with the investee company, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: None

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14. SEGMENT INFORMATION

For the first quarter ended March 31, 2013	Consumer Business Group (CBG)	Enterprise Business Group (EBG)	Home Business Group (HBG)	Fubon Multimedia Technology (FMT)	Adjustments and Eliminations	Total
Operating Revenues	\$ 17,355,064	2,592,302	1,541,407	5,138,361	(70,067)	26,557,067
Operating Costs	10,041,834	1,684,967	694,797	4,465,112	(12,353)	16,874,357
Operating Expenses	3,782,856	251,294	182,681	543,498	(51,043)	4,709,286
Other gains and losses, net	11,322	1,506	63	1,051	-	13,492
Profit	3,541,696	657,547	663,992	130,802	(6,671)	4,987,366
EBITDA (Note)	5,526,418	907,248	820,087	177,300	24,919	7,455,972

For the first quarter ended March 31, 2012	Consumer Business Group (CBG)	Enterprise Business Group (EBG)	Home Business Group (HBG)	Fubon Multimedia Technology (FMT)	Adjustments and Eliminations	Total
Operating Revenues	\$ 16,457,091	2,614,227	1,514,958	4,224,148	(50,649)	24,759,775
Operating Costs	9,359,151	1,824,879	665,752	3,513,558	(2,423)	15,360,917
Operating Expenses	3,353,443	260,789	181,593	466,105	(26,043)	4,235,887
Other gains and losses, net	10,775	1,656	1,790	154	-	14,375
Profit	3,755,272	530,215	669,403	244,639	(22,183)	5,177,346
EBITDA (Note)	5,717,827	749,677	807,522	291,490	14,902	7,581,418

The Group's reportable segments are determined by types of customers to whom it provides different services and products. The Group divides its business into four reportable segments with different market attributes and marketing strategies. The four segments are described as follows.

CBG: Providing voice and data mobile services for individual users.

EBG: Providing integrated mobile and fixed-line services for enterprise users.

HBG: Providing pay TV and cable broadband services for home users.

FMT: TV shopping / E-shopping / Catalog shopping / Physical channel marketing

Note: The Group uses EBIDTA as the measurement for segment profit and the basis of performance assessment.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

15. FIRST-TIME ADOPTION OF IFRSs

TWM's consolidated financial statements as of December 31, 2012 were prepared in accordance with the accounting principles generally accepted in the Republic of China. As described in Note 4, these interim financial statements have been prepared in accordance with the Guidelines and IAS 34 "Interim Financial Reporting" which are endorsed by the FSC. The interim consolidated financial statements are included in the period of the first annual financial statements that apply the Guidelines and Taiwan-IFRSs. The interim consolidated financial statements also apply IFRS 1 "First-time Adoption of international Financial Reporting Standards."

In preparing the financial statements for the year 2012, the Group adopted the financial statements prepared in accordance with the accounting principles generally accepted in the Republic of China as the initial transfer point. Assessments were made of the material differences between TWM's consolidated financial statements prepared using the prior accounting principles generally accepted in the Republic of China and those of IFRSs as follows:

a. Reconciliation of Balance sheet

	2012.12.31			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 7,223,640	-	-	7,223,640
Investments	205,397	-	-	205,397
Trade receivables and other receivables	8,388,495	5,262,926	-	13,651,421
Inventories	2,566,900	-	-	2,566,900
Prepayments	1,136,424	-	(398,926)	737,498
Other current assets	531,611	-	(46,640)	484,971
Total current assets	20,052,467	5,262,926	(445,566)	24,869,827
NON-CURRENT ASSETS:				
Investments	2,842,353	-	215,192	3,057,545
Property, plant and equipment	39,834,181	-	758,992	40,593,173
Investment property	299,991	-	-	299,991
Intangible assets	26,781,024	-	(126,870)	26,654,154
Deferred income tax assets	496,957	550	575,337	1,072,844
Other non-current assets	2,068,071	2,473,301	(675,655)	3,865,717
Total non-current assets	72,322,577	2,473,851	746,996	75,543,424
TOTAL ASSETS	\$ 92,375,044	7,736,777	301,430	100,413,251

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	2012.12.31			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
LIABILITIES AND EQUITY:				
CURRENT LIABILITIES:				
Short-term borrowings	\$ 3,158,440	-	-	3,158,440
Notes payable and accounts payable	7,779,963	-	-	7,779,963
Current tax liability	1,523,604	-	-	1,523,604
Other payables	9,224,697	-	67,449	9,292,146
Current provisions	120,610	-	-	120,610
Long-term liabilities, current portion	4,000,000	-	-	4,000,000
Advance receipts and other current liabilities, others	4,942,192	(905,666)	42,130	4,078,656
Total current liabilities	30,749,506	(905,666)	109,579	29,953,419
NON-CURRENT LIABILITIES:				
Bonds payable	8,995,180	-	-	8,995,180
Accrued pension liabilities	-	-	116,237	116,237
Guarantee deposits	810,436	-	-	810,436
Deferred tax liabilities	239,163	1,469,672	410,192	2,119,747
Other non-current liabilities, others	774,939	-	-	774,939
Total non-current liabilities	10,819,718	1,469,672	527,149	12,816,539
TOTAL LIABILITIES	41,569,224	564,006	636,728	42,769,958
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Ordinary share	34,208,328	-	-	34,208,328
Capital surplus	12,432,446	-	(595)	12,431,851
Retained earnings	34,082,930	7,172,771	(587,634)	40,668,067
Other equity interest	77,416	-	262,610	340,026
Treasury share	(31,077,183)	-	-	(31,077,183)
Total equity attributable to owners of parent	49,723,937	7,172,771	(325,619)	56,571,089
Non-controlling interests	1,081,883	-	(9,679)	1,072,204
TOTAL EQUITY	50,805,820	7,172,221	(335,298)	57,643,293
TOTAL LIABILITIES AND EQUITY	\$ 92,375,044	7,736,777	301,430	100,413,251

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	2012.3.31			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 5,615,057	-	-	5,615,057
Investments	257,868	-	-	257,868
Trade receivables and other receivables	7,495,629	3,947,056	-	11,442,685
Inventories	2,481,175	-	-	2,481,175
Prepayments	894,093	-	(265,253)	628,840
Other current assets	202,376	-	(29,722)	172,654
Total current assets	16,946,198	3,947,056	(294,975)	20,598,279
NON-CURRENT ASSETS:				
Investments	2,155,294	-	422,681	2,577,975
Property, plant and equipment	40,190,396	-	767,442	40,957,838
Investment property	302,097	-	-	302,097
Intangible assets	27,490,337	-	(142,361)	27,347,976
Deferred income tax assets	689,345	370	451,270	1,140,985
Other non-current assets	2,036,876	2,116,364	(660,189)	3,493,051
Total non-current assets	72,864,345	2,116,734	838,843	75,819,922
TOTAL ASSETS	\$ 89,810,543	6,063,790	543,868	96,418,201
LIABILITIES AND EQUITY:				
CURRENT LIABILITIES:				
Short-term borrowings	5,612,118	-	-	5,612,118
Notes payable and accounts payable	5,353,077	-	-	5,353,077
Current tax liability	1,939,499	-	-	1,939,499
Other payables	8,885,376	-	60,598	8,945,974
Current provisions	92,980	-	-	92,980
Long-term liabilities, current portion	4,000,000	-	-	4,000,000
Advance receipts and other current liabilities	4,777,581	(1,318,945)	39,189	3,497,825
Total current liabilities	30,660,631	(1,318,945)	99,787	29,441,473
NON-CURRENT LIABILITIES:				
Bonds payable	4,000,000	-	-	4,000,000
Accrued pension liabilities	-	-	107,216	107,216
Guarantee deposits	769,681	-	-	769,681
Deferred tax liabilities	206,795	1,255,372	332,447	1,794,614
Other non-current liabilities, others	700,948	-	-	700,948
Total non-current liabilities	5,677,424	1,255,372	439,663	7,372,459
TOTAL LIABILITIES	36,338,055	(63,573)	539,450	36,813,932
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Ordinary share	34,208,328	-	-	34,208,328
Capital surplus	12,432,446	-	(595)	12,431,851
Retained earnings	36,626,999	6,127,363	(445,763)	42,308,599
Other equity interest	81,477	-	459,589	541,066
Treasury share	(31,077,183)	-	-	(31,077,183)
Total equity attributable to owners of parent	52,272,067	6,127,363	13,231	58,412,661
Non-controlling interests	1,200,421	-	(8,813)	1,191,608
TOTAL EQUITY	53,472,488	6,127,363	4,418	59,604,269
TOTAL LIABILITIES AND EQUITY	\$ 89,810,543	6,063,790	543,868	96,418,201

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	2012.1.1			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 6,693,992	-	-	6,693,992
Investments	277,537	-	-	277,537
Trade receivables and other receivables	8,059,004	3,810,773	-	11,869,777
Inventories	2,004,103	-	-	2,004,103
Prepayments	893,383	-	(254,834)	638,549
Other current assets	147,494	-	(28,391)	119,103
Total current assets	18,075,513	3,810,773	(283,225)	21,603,061
NON-CURRENT ASSETS:				
Investments	2,161,551	-	210,681	2,372,232
Property, plant and equipment	40,801,447	-	669,515	41,470,962
Investment property	302,799	-	-	302,799
Intangible assets	27,760,674	-	(154,836)	27,605,838
Deferred income tax assets	743,916	472	437,469	1,181,857
Other non-current assets	1,948,468	1,711,611	(556,944)	3,103,135
Total non-current assets	73,718,855	1,712,083	605,885	76,036,823
TOTAL ASSETS	\$ 91,794,368	5,522,856	322,660	97,639,884
LIABILITIES AND EQUITY:				
CURRENT LIABILITIES:				
Short-term borrowings	\$ 9,000,000	-	-	9,000,000
Short-term notes and bills payable	899,273	-	-	899,273
Notes payable and accounts payable	6,345,158	-	-	6,345,158
Current tax liability	1,331,623	-	-	1,331,623
Other payables	9,636,702	-	61,140	9,697,842
Current provisions	90,014	-	-	90,014
Long-term liabilities, current portion	4,000,000	-	-	4,000,000
Advance receipts and other current liabilities	4,803,189	(1,012,667)	37,979	3,828,501
Total current liabilities	36,105,959	(1,012,667)	99,119	35,192,411
NON-CURRENT LIABILITIES:				
Bonds payable	4,000,000	-	-	4,000,000
Accrued pension liabilities	-	-	106,748	106,748
Guarantee deposits	738,932	-	-	738,932
Deferred tax liabilities	195,847	1,111,431	320,926	1,628,204
Other non-current liabilities, others	689,745	-	-	689,745
Total non-current liabilities	5,624,524	1,111,431	427,674	7,163,629
TOTAL LIABILITIES	41,730,483	98,764	526,793	42,356,040
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Ordinary share	34,208,328	-	-	34,208,328
Capital surplus	12,432,446	-	(595)	12,431,851
Retained earnings	33,272,277	5,424,092	(438,166)	38,258,203
Other equity	112,143	-	244,075	356,218
Treasury share	(31,077,183)	-	-	(31,077,183)
Total equity attributable to owners of parent	48,948,011	5,424,092	(194,686)	54,177,417
Non-controlling interests	1,115,874	-	(9,447)	1,106,427
TOTAL EQUITY	50,063,885	5,424,092	(204,133)	55,283,844
TOTAL LIABILITIES AND EQUITY	\$ 91,794,368	5,522,856	322,660	97,639,884

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

b. Reconciliation of Comprehensive Income Statement

	For the year ended December 31, 2012			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
OPERATING REVENUE	\$ 98,250,353	2,138,282	(648,379)	99,740,256
OPERATING COSTS	62,273,706	-	(652,600)	61,621,106
GROSS PROFIT FROM OPERATIONS	35,976,647	2,138,282	4,221	38,119,150
OPERATING EXPENSES				
Marketing	12,442,332	-	140,605	12,582,937
Administrative	4,799,474	31,440	(6,899)	4,824,015
	17,241,806	31,440	133,706	17,406,952
NET OTHER INCOME (EXPENSES)	-	-	70,012	70,012
NET OPERATING INCOME	18,734,841	2,106,842	(59,473)	20,782,210
NON-OPERATING INCOME AND EXPENSES				
Other income	122,034	-	(6)	122,028
Other gains and losses, net	(542,837)	-	(77,460)	(620,297)
Financial costs	(332,114)	-	-	(332,114)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(10,502)	-	-	(10,502)
	(763,419)	-	(77,466)	(840,885)
PROFIT BEFORE TAX	17,971,422	2,106,842	(136,939)	19,941,325
LESS: TAX EXPENSE	3,055,140	358,163	(22,177)	3,391,126
PROFIT	14,916,282	1,748,679	(114,762)	16,550,199
OTHER COMPREHENSIVE INCOME				
Exchange differences on translation				(13,663)
Unrealized gains on available-for-sale financial assets				(7,444)
Actuarial losses on defined benefit plans				(35,927)
OTHER COMPREHENSIVE INCOME (AFTER TAX)				(57,034)
COMPREHENSIVE INCOME				\$ 16,493,165
Earnings per share				
Basic	\$ 5.46	0.65	(0.04)	6.07
Diluted	\$ 5.45	0.65	(0.04)	6.06

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the three months ended March 31, 2012

	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
OPERATING REVENUE	\$ 24,142,372	854,988	(237,585)	24,759,775
OPERATING COSTS	15,598,458	-	(227,541)	15,360,917
GROSS PROFIT FROM OPERATIONS	8,543,914	854,988	(44)	9,398,858
OPERATING EXPENSES				
Marketing	3,098,664	-	6,089	3,104,753
Administrative	1,125,590	7,674	(2,130)	1,131,134
	4,224,254	7,674	3,959	4,235,887
NET OTHER INCOME (EXPENSES)	-	-	14,375	14,375
NET OPERATING INCOME	4,319,660	847,314	10,372	5,177,346
NON-OPERATING INCOME AND EXPENSES				
Other income	23,822	-	(2)	23,820
Other gains and losses, net	(101,032)	-	(18,742)	(119,774)
Financial costs	(86,297)	-	-	(86,297)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(6,257)	-	-	(6,257)
	(169,764)	-	(18,744)	(188,508)
PROFIT BEFORE TAX	4,149,896	847,314	(8,372)	4,988,838
LESS: TAX EXPENSE	705,493	144,043	(838)	848,698
PROFIT	3,444,403	703,271	(7,534)	4,140,140
OTHER COMPREHENSIVE INCOME				
Exchange differences on translation				(11,936)
Unrealized gains on available-for-sale financial assets				192,221
OTHER COMPREHENSIVE INCOME (AFTER TAX)				180,285
COMPREHENSIVE INCOME				\$ 4,320,425
Earnings per share				
Basic (NTD)	\$ 1.25	0.26	-	\$ 1.51
Diluted (NTD)	\$ 1.24	0.26	-	\$ 1.50

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note: Please refer to note 4(f) for illustrations of changes in accounting principles

c. Explanation to the Reconciliation of Primary Significant Differences

(1) Customer Loyalty Programmers

Under former GAAP, expenses arising from the credit award plan is estimated and recognized in financial statement as obligation of the plan has incurred. After the adoption of IFRSs, credit award, which is allocated based on the relative fair value method, should be included in deferred revenue and recognized as revenue when the third party fulfills the redemption obligations in accordance with IFRIC No. 13, "Customer Loyalty Programs." The effects of changes are summarized as follows:

	2012	2012 First quarter	
Consolidated statements of comprehensive income			
Operating revenues	\$ (4,052)	(1,097)	
	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Deferred revenue	\$ 42,224	39,269	38,172

(2) Prepaid Card Commission

Former GAAP adopts a revenue and cost matching principle. Revenue from selling prepaid cards and its corresponding commission are recognized as revenue received in advance and expense payment in advance, which will then be recognized as service revenue and selling expense, respectively, based on customer's usage. After the adoption of IFRSs, upon the sales of prepaid cards to customers, the commission paid to the distributors shall be recognized as commission expense, in accordance with IAS (International Accounting Standards) No. 38, "Intangible Assets." The effects of changes are summarized as follows:

	2012	2012 First quarter	
Consolidated statements of comprehensive income			
Commission expenses	\$ 137,288	6,081	
	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Prepaid commissions	\$ (400,336)	(269,129)	(263,048)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(3) Financial Assets – Equity Instruments

Based on former SFAS No. 34 and its related regulations, if the fair value of the financial instruments cannot be measured objectively (including the emerging and non-listed stock), the instruments should be measured at cost. Should any objective evidence of impairment occur, an impairment loss should be recognized. After the adoption of IFRSs, if the fair value (such as market prices) of financial instruments can be obtained, the instruments should be reclassified as available-for-sale financial assets with subsequent re-evaluation based on their fair value. After adopting IFRSs, the Group reclassified the portion of financial assets carried at cost – non-current into available-for-sale financial assets – non-current. The relevant adjustments are as follows:

Former GAAP		IFRS		
Item	Amount of measurement	Item	Amount of measurement	Difference
As of December 31, 2012				
		Non-current available-for-sale financial assets	1,127,655	1,127,655
Non-current financial assets carried at cost	\$ 1,093,791	Non-current financial assets carried at cost	181,328	(912,463)
	\$ 1,093,791		1,308,983	215,192
As of March 31, 2012				
		Non-current available-for-sale financial assets	1,335,144	1,335,144
Non-current financial assets carried at cost	\$ 1,098,739	Non-current financial assets carried at cost	186,276	(912,463)
	\$ 1,098,739		1,521,420	422,681
As of January 1, 2012				
		Non-current available-for-sale financial assets	1,123,144	1,123,144
Non-current financial assets carried at cost	\$ 1,098,739	Non-current financial assets carried at cost	186,276	(912,463)
	\$ 1,098,739		1,309,420	210,681
The above adjustment of differences:		As of	As of	As of
		December 31, 2012	March 31, 2012	January 1, 2012
Other equity interest – unrealized gains on available-for-sale financial assets		\$ 215,192	422,681	210,681

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(4) Employee Benefits – Compensated Absences

Under former GAAP, there are no regulations regarding the accumulated compensated absences. After the adoption of IFRSs, if employees' vacation rights are form of accumulated compensated absences, the expected cost of accumulated compensated absences should be recognized when the employees render service and thus increase future compensated absence rights, in accordance with IAS No. 19, "Employee Benefits." The effects of changes are summarized as follows:

	2012	2012 First quarter
Consolidated statements of comprehensive income		
Wages and Salaries	\$ 550	(1,569)
	2012.12.31	2012.3.31
Consolidated balance sheets		2012.1.1
Wages and salaries payable	\$ 39,596	37,477
		39,046

(5) Leases

Under former GAAP, the period rental of the leased objective is recognized as expense. After the adoption of IFRSs, it has to be recognized as expense using the straight-line basis in accordance with the amount of contract or the amount of actual hike over the lease term in accordance with IAS No. 17, "Leases." The effects of changes are summarized as follows:

	2012	2012 First quarter
Consolidated statements of comprehensive income		
Rent expense	\$ 5,765	1,232
	2012.12.31	2012.3.31
Consolidated balance sheets		2012.1.1
Rents payable	\$ 27,853	23,320
		22,088

(6) Employee Benefits – Post-Employment Defined Benefits Plan

Under former GAAP, the pension cost and pension liability under the defined benefit pension plan are recognized on the basis of actuarial calculations. After the adoption of IFRSs, the actuarial calculation for the defined benefit obligation is determined in accordance with IAS No. 19, "Employee Benefits."

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Under former GAAP, unrecognized net transition assets or obligations is amortized on a straight-line basis over the employee's remaining service period. After the adoption of IFRSs, the aforementioned assets or obligations shall be recognized as addition/deduction of retained earnings on the date of transition to IFRSs due to the absence of the requirement under IAS No. 19, "Employee Benefits."

Under former GAAP, pension actuarial gain and loss is recognized as current pension cost by corridor approach in the income statement. After the adoption of IFRSs, the abovementioned gain or loss shall be recognized as other comprehensive income in the statement of comprehensive income, in accordance with IAS No. 19, "Employee Benefits." The effects of changes are summarized as follows:

	2012	2012 First quarter	
Consolidated statements of comprehensive income			
Pension expenses	\$ (17,334)	(1,906)	
Actuarial losses on defined benefit plans	\$ 35,927	-	
	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheet			
Prepaid pension cost	\$ (21,050)	(6,331)	(8,504)
Deferred pension cost	\$ (22,039)	(25,409)	(25,409)
Pension expense payable	\$ -	(201)	-
Accrued pension liabilities	\$ 116,237	107,216	106,748
Net loss not recognized as pension cost	\$ 24,050	16,775	16,775

(7) Affiliated Companies

Under former GAAP, the proportion of share equity arising from additional share issuance by affiliated companies in which the original shareholders acquire new shares un-proportionately will be adjusted as additional paid-in capital or retained earnings. After the adoption of IFRSs, the resulting differences between the net fair value of the identifiable assets in excess of liabilities and the investment cost is included in profit and loss for the current year. The effects of changes are summarized as follows:

	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Capital surplus	\$ (595)	(595)	(595)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(8) Functional Currency

Under former GAAP, the investment holding companies which are the consolidated entities used US dollars as their functional currency. After the adoption of IFRSs, they have to determine the functional currency based on the requirement under IAS No. 21 "The Effects of Changes in Foreign Exchange Rates." The effects of changes are summarized as follows:

	<u>2012</u>	<u>2012 First quarter</u>
Consolidated statements of comprehensive income		
Amortizations	\$ (963)	(963)
Interest income	(6)	(2)
Exchange losses	7,576	4,397
	<u>2012.12.31</u>	<u>2012.3.31</u>
Consolidated balance sheet		
Goodwill	\$ 966	508
Other payables	-	2
Exchange differences on translation of foreign statements	23,368	20,133
	<u>2012.1.1</u>	<u>2012.1.1</u>
	16,619	16,619

(9) Classification of Leased Assets

Under former GAAP, leased offices are classified as leased assets under other assets. After the adoption of IFRSs, they are reclassified as investment properties in accordance with IAS No. 40, "Investment Property." The effects of changes are summarized as follows:

	<u>2012.12.31</u>	<u>2012.3.31</u>	<u>2012.1.1</u>
Consolidated balance sheet			
Leased assets	\$ (299,991)	(302,097)	(302,799)
Investment property	299,991	302,097	302,799

(10) Classification of Idle Assets

Under former GAAP, idle assets are classified as other assets. After the adoption of IFRSs, they are reclassified as property, plant and equipment, depending on their nature in accordance with IAS No. 16, "Property, Plant and Equipment." The effects of changes are summarized as follows:

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	2012	2012 First quarter
Consolidated statements of comprehensive income		
Depreciation expenses	\$ 128	30
Non-operating expenses-others	(128)	(30)

	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Idle asset	\$ (99,685)	(99,781)	(99,813)
Property, plant and equipment	99,685	99,781	99,813

(11) Classification of Prepayments of Property, Plant and Equipment and Computer Software Costs

Under former GAAP, the prepaid item for purchasing property, plant and equipment and computer software costs are classified as fixed assets and computer software costs. Under IFRSs, they are reclassified as prepaid item in the category of other assets. The effects of changes are summarized as follows:

	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Prepayments of property, plant and equipment and computer software costs	\$ (111,821)	(129,342)	(147,618)
Other assets - prepayments for business facilities	111,821	129,342	147,618

(12) Classifications of Deferred Income Tax Assets/Liabilities and Valuation Allowance

Under former GAAP, deferred income tax assets or liabilities are classified as current or non-current according to the classification of related assets or liabilities. However, if deferred income tax assets or liabilities do not relate to assets or liabilities in the financial statements, they are classified as either current or non-current based on the expected length of time before realized. After the adoption of IFRSs, deferred tax assets or liabilities are all classified as non-current assets or liabilities. Only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and meets other related requirements may the Group offset deferred tax assets and deferred tax liabilities.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Currently, valuation allowance is provided for deferred income tax assets to the extent that more likely than not such assets will not be realized. Under IFRSs, deferred tax assets are only recognized to the extent that it is probable that there will be sufficient tax benefits and the valuation allowance account is no longer used. The effects of changes are summarized as follows:

	2012.12.31	2012.3.31	2012.1.1
Consolidated balance sheets			
Non-current deferred tax assets	\$ 453,107	346,039	362,336
Non-current deferred tax liabilities	453,107	346,039	362,336

(13) Revenue Recognition

There are some differences between the judgment of clients and agents under former GAAP and the requirement of IFRSs. After the adoption of IFRSs, a re-judgment is required in accordance with IAS No. 18, "Revenue." If the transaction is agent relationship, commission will be recognized as revenue instead of the amounts received from clients.

Under former GAAP, the slotting fee, promotion fee and others, which were charged from the suppliers, are classified as operating revenue. Under IFRSs, the above-mentioned linked transactions should be recognized as purchase discounts and allowances in accordance with IAS No. 18, "Revenue." The effects of changes are summarized as follows:

	2012	2012 First quarter
Consolidated statements of comprehensive income		
Operating revenues	\$ (644,327)	(235,590)
Operating costs and expenses	(644,327)	(235,590)

d. According to IFRS No. 1, except for the optional exemptions and mandatory exceptions, the Group applies the accounting policies which complies with each IFRS effective reporting period and applies them retroactively to the differences between IFRSs and ROC GAAP in its first IFRS financial statement.

The optional exemptions are set out as follows:

(a) Business Combination

The Group elects not to apply IFRS No. 3 "Business Combination" and IAS No. 27, "Consolidated and Separate Financial Statements" retroactively to business combination that occurred prior to the date of transition, including investments in associates.

(b) The Group elects to recognize all unrecognized accumulated actuarial gain and loss arising from the pension plan as retained earnings at the date of transition.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 1

(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits
												Item	Value		
0	TWM	TFN Media Co., Ltd.	Other receivables	\$ 3,600,000	\$ 3,400,000	\$ 1,600,000	1.194%~1.199%	Short-term financing	-	Operation requirements	-	-	-	\$ 24,214,080 (Note 2)	24,214,080 (Note 2)
		Global Wealth Media Technology Co., Ltd.	Other receivables	10,000	10,000	-	-	Short-term financing	-	Operation requirements	-	-	-	24,214,080 (Note 2)	24,214,080 (Note 2)
		Wealth Media Technology Co., Ltd.	Other receivables	600,000	600,000	-	-	Short-term financing	-	Operation requirements	-	-	-	24,214,080 (Note 2)	24,214,080 (Note 2)
		Taiwan Kuro Times Co., Ltd.	Other receivables	100,000	100,000	30,000	1.193%	Short-term financing	-	Operation requirements	-	-	-	24,214,080 (Note 2)	24,214,080 (Note 2)
1	Taiwan Cellular Co., Ltd.	TWM	Other receivables	800,000	800,000	800,000	1.199%	Short-term financing	-	Operation requirements	-	-	-	33,953,052 (Note 2)	33,953,052 (Note 2)
		Taiwan Digital Communications Co., Ltd.	Other receivables	200,000	200,000	53,000	1.198%~1.199%	Short-term financing	-	Operation requirements	-	-	-	33,953,052 (Note 2)	33,953,052 (Note 2)
2	Taiwan Fixed Network Co., Ltd.	TWM	Other receivables	6,000,000	6,000,000	5,400,000	1.195%~1.199%	Short-term financing	-	Operation requirements	-	-	-	19,407,687 (Note 2)	19,407,687 (Note 2)
3	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	175,000	-	-	-	Short-term financing	-	Repayment of financing	-	-	-	748,749 (Note 3)	13,500,000 (Note 3)
4	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	261,000	261,000	261,000	1.190%~1.194%	Short-term financing	-	Repayment of financing	-	-	-	277,422 (Note 4)	504,396 (Note 4)
5	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	560,000	532,000	532,000	1.190%~1.194%	Transactions	562,019	Business requirements	-	-	-	12,000,000 (Note 5)	12,000,000 (Note 5)
6	Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	491,000	491,000	491,000	1.190%~1.200%	Transactions	513,841	Business requirements	-	-	-	24,000,000 (Note 5)	24,000,000 (Note 5)
7	Wealth Media Technology Co., Ltd.	Win TV Broadcasting Co., Ltd.	Other receivables	600,000	600,000	50,000	1.593%~1.608%	Short-term financing	-	Operation requirements	-	-	-	6,565,124 (Note 2)	6,565,124 (Note 2)

Note 1: Maximum Balance for the Period and Ending Balance represent quotas, not actual appropriation.

Note 2: For the entities which have short-term financing needs (loaning entities), the aggregate amount of loaned funds shall not exceed 40 percent of the lending company's net worth. The individual loan funds shall be limited to the lowest amount of the following items: 1) 40 percent of the lending company's net worth; 2) the amount that the lending company invests in the borrowing entities; or 3) the amount = (the share portion of the borrowing entities that the lending company invests in)* (the total loaning amounts of the loaning entities). In the event that a lending company directly or indirectly owns 100% of the counter-party, or TWM directly or indirectly owns 100% of the lending company, the individual lending amount and the aggregate amount of loaning funds shall not exceed 40% of the lending company's net worth.

Note 3: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the lending

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2013

company's capital, or 2) the amount of business dealings. A) for reasons of business dealings: the individual lending amount and the aggregate amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the lending company's capital, or 2) the amount of business dealing. B) For short-term financing needs: the individual lending amount and the aggregate amount of loaning funds shall not exceed 40% of the lending company's net worth.

Note 4: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaning funds shall be limited to the total amount of business dealing and 40% of the lending company's net worth. A) For reasons of business dealings: the individual lending amount and the aggregate amount of loaning funds shall not exceed the amount of business dealing. B) For short-term financing needs: the individual lending amount and the aggregate amount of loaning funds shall not exceed 40% of the lending company's net worth.

Note 5: Where funds are loaned for reasons of business dealings, the individual lending amount and the aggregate amount of loaning funds shall both be limited to the higher amount of the following items: 1) a multiple of the lending company's capital, or 2) the amount of business dealings.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
ENDORSEMENT/ GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 2
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor	Receiving Party		Maximum Guarantee/Endorsement Amount That Can Be Provided to Each Receiving Party	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Value of Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Worth of the Guarantor (Note 1)	Maximum Guarantee/ Endorsement That Can Be Provided by the Guarantor/End orser	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	TWM	Taiwan Fixed Network Co., Ltd.	(Note 2)	\$ 42,000,000 (Note 3)	\$ 21,146,150	\$ 21,146,150	\$ 500	\$ -	34.93%	\$ 60,535,199 (Note 3)	Y	N	N
1	Fubon Multimedia Technology Co., Ltd.	Fubon Gehua (Beijing) Enterprise Ltd.	(Note 2)	368,224 (Note 4)	340,746	340,746	312,351	312,351	15.41%	2,250,751 (Note 4)	N	N	Y

Note 1: Maximum Guarantee/Endorsement Amount for the Period and Ending Balance represent quotas, not actual appropriation.

Note 2: Direct/indirect subsidiary.

Note 3: For 100% directly/indirectly owned subsidiaries, the aggregate endorsement/guarantee amount provided shall not exceed the net worth of TWM, and the upper limit for each subsidiary shall be the double the investment amount.

Note 4: FGE is directly and indirectly owned by FMT more than 50%. The aggregate endorsement/guarantee amount provided by FMT shall be limited to the net worth of FMT, and the individual amount shall be limited to the investment amount in FGE. The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$29.89 as of March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2013

TABLE 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investing Company	Marketable Securities Invested	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
TWM	<u>Stock</u> Chunghwa Telecom Co., Ltd.	-	Current available-for-sale financial assets	2,174	\$ 201,702	0.028	\$ 201,702 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Non-current financial assets at cost	2,200	50,324	10	- (Note 3)	
	Yes Mobile Holdings Company	-	Non-current financial assets at cost	74	-	0.19	- (Note 3)	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments – equity method	39,065	16,412,811	100	16,412,811	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments – equity method	370,896	19,636,430	100	84,882,631 (Note 4)	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Long-term investments – equity method	92,315	804,043	49.9	804,043	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Prepayments for investments	-	174,650		174,650	
Wealth Media Technology Co., Ltd.	<u>Stock</u> Fubon Multimedia Technology Co., Ltd.	Subsidiary	Long-term investments – equity method	64,742	8,616,157	50.64	1,139,686	
	Win TV Broadcasting Co., Ltd.	Subsidiary	Long-term investments – equity method	18,177	268,838	100	261,221	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments – equity method	230,921	7,258,719	100	9,541,782	
	Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments – equity method	8,945	96,862	100	96,862	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments – equity method	1,500	17,559	100	17,559	
Global Wealth Media Technology Co., Ltd.	<u>Stock</u> Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	3,825	95,384	6.83	47,376	
Global Forest Media Technology Co., Ltd.	<u>Stock</u> Union Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	1,300	15,841	0.76	14,279	
Fubon Multimedia Technology Co., Ltd.	<u>Stock</u> Fu Sheng Travel Service Co., Ltd.	Subsidiary	Long-term investments – equity method	600	29,208	100	29,208	
	Fuli Life Insurance Agent Co., Ltd.	Subsidiary	Long-term investments – equity method	300	12,472	100	12,472	
	Fuli Property Insurance Agent Co., Ltd.	Subsidiary	Long-term investments – equity method	300	18,996	100	18,996	
	Asian Crown (BVI)	Subsidiary	Long-term investments – equity method	47	69,131	100	69,131	
	Taiwan Pelican Express Co., Ltd.	Equity-method investee	Long-term investments – equity method	17,200	369,943	20	229,780	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2013

Investing Company	Marketable Securities Invested	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Asian Crown (BVI)	<u>Stock</u> Fortune Kingdom	Subsidiary	Long-term investments – equity method	14,000	\$ 69,131	100	\$ 69,131	
Fortune Kingdom	<u>Stock</u> HK Fubon Multimedia	Subsidiary	Long-term investments – equity method	14,000	69,131	100	69,131	
HK Fubon Multimedia	<u>Stock</u> Fubon Gehua (Beijing) Enterprise Ltd.	Subsidiary	Long-term investments – equity method	-	21,338	80	21,338	
Taiwan Cellular Co., Ltd.	<u>Stock</u> Arcoa Communication Co., Ltd.	-	Non-current financial assets at cost	6,998	67,731	5.21	-	(Note 3)
	Parawin Venture Capital Corp.	-	Non-current financial assets at cost	2,700	16,873	3	-	(Note 3)
	Transportation High Tech Inc.	-	Non-current financial assets at cost	1,200	-(Note 2)	12	-	(Note 3)
	WEB Point Co., Ltd.	-	Non-current financial assets at cost	803	6,773	3.17	-	(Note 3)
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments – equity method	1 share	248,936	100	248,936	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments – equity method	2,100,000	48,519,217	100	48,519,217	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments – equity method	11,200	605,083	100	154,071	
	TCC Investment Co., Ltd.	Subsidiary	Long-term investments – equity method	22,103	31,329,358	100	31,202,175	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments – equity method	2,484	102,539	100	102,539	
	Taiwan Digital Service Co., Ltd. (Pre-opening office)	-	Prepayments for investments	-	500	-	500	
TWM Holding	<u>Stock</u> TWM Communications (Beijing) Co., Ltd.	Subsidiary	Long-term investments – equity method	-	111,758	100	84,936	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments – equity method	1,300	47,443	100	47,443	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments – equity method	2,000	22,612	100	22,612	
TT&T Holdings	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments – equity method	-	47,134	100	47,134	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2013

Investing Company	Marketable Securities Invested	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
TCC Investment Co., Ltd.	<u>Stock</u> TWM	TWM	Non-current available-for-sale financial assets	200,497	\$ 20,350,421	5.86	\$ 20,350,421 (Note 5)	
	TCCI Investment and Development Co., Ltd.	Subsidiary	Long-term investments – equity method	400	11,798,865	100	11,798,865	
	Great Taipei Broadband Co., Ltd.	-	Non-current financial assets at cost	10,000	39,627	6.67	- (Note 3)	
	<u>Preferred stock</u> Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock – Series A	-	Non-current bond investment without active market	50,000	500,000	1.24	- (Note 3)	
TCCI Investment and Development Co., Ltd.	<u>Stock</u> TWM	TWM	Non-current available-for-sale financial assets	119,564	12,135,726	3.50	12,135,726 (Note 5)	
TFN Media Co., Ltd.	<u>Stock</u> Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	33,940	2,272,542	100	748,061	
	Mangrove Cable TV Co., Ltd.	Related party in substance	Long-term investments – equity method	6,248	640,008	29.53	376,833 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	68,090	3,410,981	100	1,086,196	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	169,141	2,060,539	99.22	1,857,353	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments – equity method	51,733	1,263,233	92.38	640,712	
	Taiwan Kuro Times Co., Ltd. Kbro Media Co., Ltd.	Subsidiary Equity-method investee	Long-term investments – equity method	14 29,250	140,552 291,652	100 32.50	31,832 291,452	
Taiwan Kuro Times Co., Ltd.	<u>Stock</u> ezPeer Samoa	Subsidiary	Long-term investments – equity method	1 share	4	100	4	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> TFN Union Investment Co., Ltd.	Subsidiary	Long-term investments – equity method	400	40,521,713	100	40,521,713	
	TFN HK LIMITED	Subsidiary	Long-term investments – equity method	1,300	10,960	100	10,960	
	Taiwan High Speed Rail Corporation	-	Non-current available-for-sale financial assets	225,531	1,283,271	3.46	1,283,271 (Note 5)	
TFN Union Investment Co., Ltd.	<u>Stock</u> TWM	TWM	Non-current available-for-sale financial assets	410,665	41,682,527	12	41,682,527 (Note 5)	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2013

Note 1: Based on the investee's net worth as shown in its recent financial statements if market value was not available.

Note 2: Impairment loss recognized in 2004 reduced the value to zero.

Note 3: As of March 31, 2013, the independent auditors' report date, the investee's net worth was not available.

Note 4: TWMM's shares held by TCCI, TID and TUI (all are subsidiaries 100% owned by TCC) are classified as treasury shares. Therefore, TWMM's carrying cost of \$84,882,631 thousand for TCC shall be reduced by 1) downward adjusting \$(31,077,183) thousand, the carrying value of total treasury shares on TWMM's books, 2) excluding \$(34,633,500) thousand of unrealized gain from financial asset investment, 3) adding back \$475,907 thousand of income tax expenses resulting from TFN's and TFNI's disposal gain from TWMM's shares, and 4) excluding recognition of upstream transactions gain of \$(11,425) thousand.

Note 5: Based on the closing price on March 31, 2013.

Note 6: 70.47% of shares are held under trustee accounts.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED AMOUNTING TO AT LEAST \$100 MILLION
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 4
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
TWM	Stock Taipei New Horizons Co., Ltd.	Prepaid investments	Taipei New Horizons Co., Ltd.	Equity-method investee	-	\$ -	-	\$ 174,650	-	\$ -	\$ -	\$ -	-	\$ 174,650
TFN Media Co., Ltd.	Stock Kbro Media Co., Ltd.	Long-term investment – equity method	Kbro Media Co., Ltd.	Equity-method investee	7,800	77,078	21,450 (Note 1)	214,500	-	-	-	-	29,250	291,652 (Note 2)

Note1: The shares/units acquired this period were from issue of new shares.

Note2: The ending balance includes the exchange differences on translation of foreign financial statements, share of profit or loss of associates and joint ventures accounted for using equity method and other adjustments in long-term investment using equity method.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 5

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
TWM	Taiwan Fixed Network Co., Ltd.	Subsidiary	Sale	\$ (527,631)	(3)	Based on contract terms	-	-	\$ 347,885	3	(Note 1)
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	1,436,920	(Note 2)	Based on contract terms	-	-	(535,350)	(Note 3)	
			Purchase	257,620	(Note 4)	Based on contract terms	-	-	(83,418)	(Note 3)	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Purchase	157,427	(Note 4)	Based on contract terms	-	-	(48,869)	(Note 3)	
Taiwan Teleservices & Technologies Co., Ltd.	TWM	Ultimate parent	Sale	(257,647)	(90)	Based on contract terms	-	-	83,445	90	
Taiwan Fixed Network Co., Ltd.	TWM	Ultimate parent	Sale	(1,432,947)	(43)	Based on contract terms	-	-	532,432	51	(Note 5)
			Purchase	528,715	31	Based on contract terms	-	-	(347,055)	(45)	
Taiwan Digital Communication Co., Ltd.	TWM	Ultimate parent	Sale	157,427	80	Based on contract terms	-	-	48,869	75	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(118,418)	(15)	Based on contract terms	(Note 6)	(Note 6)	-	-	
	Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(107,260)	(14)	Based on contract terms	(Note 6)	(Note 6)	-	-	
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty for copyright	107,260	61	Based on contract terms	(Note 6)	(Note 6)	-	-	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty for copyright	118,418	63	Based on contract terms	(Note 6)	(Note 6)	-	-	
Fubon Multimedia Technology Co., Ltd.	Taiwan Pelican Express Co., Ltd.	Equity-method investee	Purchase	177,555	4	Based on contract terms	-	-	(52,506)	(3)	

Note 1: The \$1,091 thousand accounts receivable amount was the net amount of accounts receivable \$346,794 thousand deducting accounts payable and accrued custodial receipts/payments totaling \$347,885 thousand.

Note 2: Included operating costs and operating expenses.

Note 3: Included other payable.

Note 4: Recognized as operating expenses.

Note 5: The \$577,391 thousand accounts receivable amount was the net amount of accounts receivable \$(44,959) thousand deducting accounts payable and accrued custodial receipts/payments totaling \$532,432 thousand.

Note 6: The companies authorized related party to deal with the copyright fees from cable television. As said account item is the only one, there are no comparables.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2013

TABLE 6

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
TWM	Taiwan Fixed Network Co., Ltd.	Subsidiary	Accounts receivable	5.73	\$ -	-	\$ -	\$ -
			Other receivables					
Taiwan Cellular Co., Ltd	TFN Media Co., Ltd.	Subsidiary	Other receivables	11.32	-	-	-	-
Taiwan Fixed Network Co., Ltd.	TWM	Ultimate parent	Accounts receivable	4.18	-	-	510,113	-
			Other receivables					
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	3.7	-	-	-	-
			Other receivables					
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	3.66	-	-	-	-
			Other receivables					
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	3.66	-	-	-	-
			Other receivables					
			Other receivables					

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NAMES AND LOCATIONS OF, AND OTHER INFORMATION ON INVESTEEES ON WHICH TWM EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 7
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2013			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2013	March 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
TWM	Taiwan Cellular Co., Ltd.	Taipei, Taiwan	Investment	\$ 44,467,288	\$ 44,467,288	370,896	100	\$ 19,636,430 (Note 1)	\$ 1,222,429	\$ 1,224,852	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real estate rental and sale	923,150	923,150	92,315	49.9	804,043	(15,626)	(7,797)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	13,802,000	13,802,000	39,065	100	16,412,811	569,207	569,207	
Wealth Media Technology Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	Taipei, Taiwan	Wholesale and retail sales via traditional and online shopping channels	8,347,949	8,347,949	64,742	50.64	8,616,157	121,069	NA	
	Win TV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	222,417	222,417	18,177	100	268,838	11,669	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	5,210,443	5,210,443	230,921	100	7,258,719	528,912	NA	
	Global Wealth Media Technology Co., Ltd. Global Forest Media Technology Co., Ltd.	New Taipei City, Taiwan Taipei, Taiwan	Investment Investment	92,189 16,984	92,189 16,984	8,945 1,500	100 100	96,862 17,559	1,300 103	NA NA	
Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	New Taipei City, Taiwan	Cable TV service provider	91,910	91,910	3,825	6.83	95,384	20,026	NA	
Global Forest Media Technology Co., Ltd.	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	16,218	16,218	1,300	0.76	15,841	21,256	NA	
Fubon Multimedia Technology Co., Ltd.	Fu Sheng Travel Service Co., Ltd.	Taipei, Taiwan	Travel agent	6,000	6,000	600	100	29,208	1,733	NA	
	Fuli Life Insurance Agent Co., Ltd.	Taipei, Taiwan	Life Insurance Agent	3,000	3,000	300	100	12,472	(46)	NA	
	Fuli Property Insurance Agent Co., Ltd.	Taipei, Taiwan	Property Insurance Agent	3,000	3,000	300	100	18,996	2,340	NA	
	Asian Crown (BVI)	British Virgin Islands	Investment	443,450	443,450	47	100	69,131	(42,927)	NA	
Asian Crown (BVI) Fortune Kingdom HK Fubon Multimedia	Taiwan Pelican Express Co., Ltd.	Taipei, Taiwan	Logistics industry	344,000	344,000	17,200	20	369,943	56,408	NA	
	Fortune Kingdom	Samoa	Investment	443,450	443,450	14,000	100	69,131	(42,927)	NA	
	HK Fubon Multimedia	Hong Kong	Investment	443,450	443,450	14,000	100	69,131	(42,927)	NA	
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd.	Beijing, China	Wholesale and retail sales	368,215	368,215	-	80	21,338	(55,385)	NA	
Taiwan Cellular Co., Ltd.	TWM Holding	British Virgin Islands	Investment	(US\$12,319) 347,951	(US\$12,319) 347,951	1 share	100	248,936	3,127	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	48,519,217	1,136,903	NA	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	TV program production and mobile phones wholesale	112,000	112,000	11,200	100	605,083	17,818	NA	
	TCC Investment Co., Ltd.	Taipei, Taiwan	Investment	20,680,441	20,680,441	22,103	100	31,329,358	173	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	102,539	14,151	NA	
TWM Holding	TWM Communications (Beijing) Co., Ltd.	Beijing, China	Mobile application development and design	147,537 (US\$4,936)	147,537 (US\$4,936)	-	100	111,758	(980)	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings	Samoa	Investment	36,284	36,284	1,300	100	47,443	10	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	3,511	3,511	2,000	100	22,612	928	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Co., Ltd.	Xiamen, China	System integration, and development, installation, maintenance, technical support and personal training of CRM and IM application and relative information consulting services	38,857 (US\$1,300)	38,857 (US\$1,300)	-	100	47,134	(17)	NA	

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
NAMES AND LOCATIONS OF, AND OTHER INFORMATION ON INVESTEES ON WHICH TWM EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2013			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2013	March 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
TCC Investment Co., Ltd.	TCCI Investment and Development Co., Ltd.	Taipei, Taiwan	Investment	6,498,076	6,498,076	400	100	11,798,865	(46)	NA	
TFN Media Co., Ltd.	Yeong Jia Leh Cable TV Co., Ltd.	New Taipei City, Taiwan	Cable TV service provider	2,061,522	2,061,522	33,940	100	2,272,542	55,611	NA	
	Mangrove Cable TV Co., Ltd	New Taipei City, Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	640,008	26,668	NA	
						(Note 2)					
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,410,981	55,513	NA	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	2,060,539	21,256	NA	
	Globalview Cable TV Co., Ltd.	New Taipei City, Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,263,233	20,026	NA	
	Taiwan Kuro Times Co., Ltd.	Taipei, Taiwan	Online music platform	129,900	129,900	14	100	140,552	798	NA	
	Kbro Media Co., Ltd.	Taipei, Taiwan	Film distribution, art and literature service and entertainer	292,500	78,000	29,250	32.5	291,652	(281)	NA	
Taiwan Kuro Times Co., Ltd.	ezPeer Multimedia Limited	Samoa	Investment	48,700	48,700	1 share	100	4	(10,800)	NA	
Taiwan Fixed Network Co., Ltd.	TFN Union Investment Co., Ltd.	Taipei, Taiwan	Investment	22,314,536	22,314,536	400	100	40,521,713	(46)	NA	
	TFN HK	Hong Kong	Telecommunications service provider	2,865	2,865	1,300	100	10,960	606	NA	
				(HK\$744)	(HK\$744)						

Note 1: TWM's shares held by TCCI, TID and TUI (all are subsidiaries 100% owned by TCC) are classified as treasury shares. Therefore, TWM's carrying cost of \$84,882,631 thousand for TCC shall be reduced by 1) downward adjusting \$(31,077,183) thousand, the carrying value of total treasury shares on TWM's books, 2) excluding \$(34,633,500) thousand of unrealized gain from financial asset investment, 3) adding back \$475,907 thousand of income tax expenses resulting from TFN's and TFNI's disposal gain from TWM's shares, and 4) excluding recognition of upstream transactions gain of \$(11,425) thousand.

Note 2: 70.47% of shares are held under trustee accounts.

Note 3: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$29.89 and HK\$1 = NT\$3.851 as of March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2013

TABLE 8
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2013	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Value as of March 31, 2013	Accumulated Inward Remittance of Earnings as of March 31, 2013
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Co., Ltd.	System integration, and development, installation, maintenance, technical support and personal training of CRM and IM application and relative information consulting services	US\$ 1,300 (NT\$ 38,857)	Indirect investment in Mainland China through a third place by TWM's subsidiary Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 38,857)	\$ -	\$ -	US\$ 1,300 (NT\$ 38,857)	100% ownership of indirect investment by TWM's subsidiary	\$ (17)	\$ 47,134	\$ -
TWM Communications (Beijing) Co. Ltd.	Mobile application development and design	US\$ 3,000 (NT\$ 89,670)	Indirect investment in Mainland China through a third place by TWM's subsidiary Taiwan Cellular Co., Ltd.	US\$ 4,872 (NT\$ 145,624)	-	-	US\$ 4,872 (NT\$ 145,624)	100% ownership of indirect investment by TWM's subsidiary	(980)	111,758	-
Fubon Gehua (Beijing) Enterprise Ltd.	Wholesale and retail sales	RMB100,000 (NT\$ 480,902)	Indirect investment in Mainland China through a third place by TWM's subsidiary Fubon Multimedia Technology Co., Ltd.	US\$ 12,319 (NT\$ 368,215)	-	-	US\$ 12,319 (NT\$ 368,215)	80% ownership of indirect investment by TWM's subsidiary	(44,308)	21,338	-

Accumulated Investment in Mainland China as of March 31, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
US\$1,300 (NT\$38,857)	US\$1,300 (NT\$38,857)	\$36,994,384
US\$4,872 (NT\$145,624)	US\$4,872 (NT\$145,624)	\$50,929,578
US\$12,319 (NT\$368,215)	US\$15,000 (NT\$448,350)	\$36,994,384

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$29.89 and US\$1 = RMB\$6.2154 as of March 31, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
THREE MONTHS ENDED MARCH 31, 2013

TABLE 9
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	TWM	Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	47	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Accounts receivable	3,381	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	1,091	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Accounts receivable	60	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Accounts receivable	24	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	9	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	41	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	13	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Accounts receivable	12	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	1	Accounts receivable	8,620	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	1	Other receivables	23	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Other receivables	1,609,252	Based on regular terms	2.00%
		Union Cable TV Co., Ltd.	1	Other receivables	61	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	97	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	129	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Other receivables	98	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Other receivables	7	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	32,531	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	1	Other receivables	3,427	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Other receivables	32	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Other receivables	38	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	39,629	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	38	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Prepayments	1	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Prepayments	12	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	1	Short-term borrowing	800,000	Based on regular terms	1.00%
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	5,400,000	Based on regular terms	5.00%
		Taiwan Digital Communications Co., Ltd.	1	Accounts payable	242	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	56,793	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	14	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Accounts payable	73,228	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	2,465	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	1	Other payables	(6)	Based on regular terms	0.00%
Taiwan Kuro Times Co., Ltd.	1	Other payables	2,333	Based on regular terms	0.00%		
Globalview Cable TV Co., Ltd.	1	Other payables	602	Based on regular terms	0.00%		
Mangrove Cable TV Co., Ltd.	1	Other payables	598	Based on regular terms	0.00%		
Union Cable TV Co., Ltd.	1	Other payables	1,327	Based on regular terms	0.00%		
Taiwan Teleservices & Technologies Co., Ltd.	1	Other payables	83,418	Based on regular terms	0.00%		
Taiwan Cellular Co., Ltd.	1	Other payables	4,100	Based on regular terms	0.00%		

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Phoenix Cable TV Co., Ltd.	1	Other payables	3,984	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Other payables	71,023	Based on regular terms	0.00%
		Taiwan Super Basketball Co., Ltd.	1	Other payables	11,803	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Other payables	609,409	Based on regular terms	1.00%
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	62	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	1	Other current liabilities	(23)	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	66,488	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Other current liabilities	1,544	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Other current liabilities	1,139	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Other current liabilities	1,607	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	1,026	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	3,551	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other current liabilities	3,734	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Operating revenues	4,190	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	527,631	Based on regular terms	2.00%
		TFN Media Co., Ltd.	1	Operating revenues	235	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Operating revenues	370	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	502	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	250	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	612	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	214	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Operating revenues	344	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	1	Operating revenues	9,380	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Operating cost	47	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Operating cost	251	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Operating cost	72,822	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Operating cost	234	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Operating cost	42	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating cost	27	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	612	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Operating cost	1,418,659	Based on regular terms	5.00%
		Win TV Broadcasting Co., Ltd.	1	Operating cost	1	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Operating cost	406	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Operating expenses	163,978	Based on regular terms	1.00%
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	11,803	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	257,620	Based on regular terms	1.00%
		Fubon Multimedia Technology Co., Ltd.	1	Operating expenses	54	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	20,481	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Interest income	5,552	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Interest income	88	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Union Investment Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	1	Rental income	9,793	Based on regular terms	0.00%
		Taiwan Super Basketball Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		Global Forest Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		TCCI Investment and Development Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		TFN Media Co., Ltd.	1	Rental income	2,696	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	1	Rental income	65	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Rental income	21,838	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Rental income	107	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		TCC Investment Co., Ltd.	1	Rental income	34	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Other income, other	219	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	1	Financial costs	17,679	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	1	Financial costs	2,365	Based on regular terms	0.00%
1	Wealth Media Technology Co., Ltd.	Win TV Broadcasting Co., Ltd.	1	Other receivables	50,079	Based on regular terms	0.00%
		TWM	2	Operating expenses	34	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	1	Interest income	196	Based on regular terms	0.00%
2	Fubon Multimedia Technology Co., Ltd.	TWM	2	Accounts receivable	45	Based on regular terms	0.00%
		Fuli Life Insurance Agent Co., Ltd.	1	Accounts receivable	11	Based on regular terms	0.00%
		Fuli Property Insurance Agent Co., Ltd.	1	Accounts receivable	6	Based on regular terms	0.00%
		Fu Sheng Travel Service Co., Ltd.	1	Accounts receivable	19,105	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Accounts payable	28,518	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Accounts payable	11,468	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts payable	14	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Accounts payable	2,781	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fu Sheng Travel Service Co., Ltd.	1	Accounts payable	714	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	3,120	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	39	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Accounts payable	69	Payment terms varied depend on the agreements and Based on regular terms	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Globalview Cable TV Co., Ltd.	3	Accounts payable	14	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	3	Accounts payable	331	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	2,587	Based on regular terms	0.00%
		Fubon Gehua (Beijing) Enterprise Ltd.	1	Other current liabilities	87	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other non-current liabilities, others	3,343	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	1	Based on regular terms	0.00%
		Fu Sheng Travel Service Co., Ltd.	1	Operating revenues	3,677	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	3	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Operating cost	28,518	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Operating cost	19,027	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	14	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Operating cost	2,781	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fu Sheng Travel Service Co., Ltd.	1	Operating cost	94	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	3,741	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	240	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Operating cost	69	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	3	Operating cost	14	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Phoenix Cable TV Co., Ltd.	3	Operating cost	281	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Operating expenses	145	Based on regular terms	0.00%
		Fu Sheng Travel Service Co., Ltd.	1	Operating expenses	506	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	3,157	Based on regular terms	0.00%
		Fuli Life Insurance Agent Co., Ltd.	1	Rental income	7	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Other income, other	23	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Financial costs	56	Payment terms varied depend on the agreements and Based on regular terms	0.00%
3	Fu Sheng Travel Service Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts receivable	504	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Other receivables	210	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	2,592	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Other payables	16,513	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Operating cost	3,677	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Rental income	600	Payment terms varied depend on the agreements and Based on regular terms	0.00%
4	Fuli Life Insurance Agent Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	11	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	2	Operating expenses	7	Payment terms varied depend on the agreements and Based on regular terms	0.00%
5	Fuli Property Insurance Agent Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	6	Based on regular terms	0.00%
6	Fubon Gehua (Beijing) Enterprise Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Prepayments	88	Based on regular terms	0.00%
7	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	3	Operating expenses	34	Payment terms varied depend on the agreements	0.00%
8	Global Forest Media Technology Co., Ltd.	TWM	2	Operating expenses	34	Payment terms varied depend on the agreements	0.00%
9	Taiwan Cellular Co., Ltd.	TWM	2	Other receivables	804,100	Based on regular terms	1.00%
		Taiwan Digital Communications Co., Ltd.	1	Other receivables	53,260	Based on regular terms	0.00%
		TWM	2	Operating expenses	34	Based on regular terms	0.00%
		TWM	2	Interest income	2,365	Based on regular terms	0.00%
		Taiwan Digital Communications Co., Ltd.	1	Interest income	157	Based on regular terms	0.00%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
10	Taiwan Fixed Network Co., Ltd.	Win TV Broadcasting Co., Ltd.	3	Accounts receivable	7	Based on regular terms	0.00%
		TFN HK LIMITED	1	Accounts receivable	2	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Accounts receivable	21,245	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	5,807	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	594	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Accounts receivable	55	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	164	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	280	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	516	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	247	Based on regular terms	0.00%
		TWM	2	Accounts receivable	577,391	Based on regular terms	1.00%
		Globalview Cable TV Co., Ltd.	3	Other receivables	2	Based on regular terms	0.00%
		TWM	2	Other receivables	5,555,299	Based on regular terms	5.00%
		Union Cable TV Co., Ltd.	3	Other receivables	8	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Other receivables	387	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other receivables	764	Based on regular terms	0.00%
		TWM	2	Prepayments	62	Based on regular terms	0.00%
		TWM	2	Refundable deposits	830	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Other non-current assets, others	3,286	Based on regular terms	0.00%
		TWM	2	Accounts payable	261	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Accounts payable	7,096	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Other payables	81	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Other payables	78	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Other payables	222	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other payables	9,183	Based on regular terms	0.00%
		TFN HK LIMITED	1	Other payables	38,722	Based on regular terms	0.00%
		TWM	2	Other payables	40,459	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	3	Other payables	17	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	3	Other payables	34	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Advance receipts	1	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Advance receipts	57	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Advance receipts	1	Based on regular terms	0.00%
		TWM	2	Advance receipts	49	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Guarantee deposits	5	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Guarantee deposits	288	Based on regular terms	0.00%
		TWM	2	Operating revenues	1,432,947	Based on regular terms	5.00%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	52	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,372	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	106	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Operating revenues	31,508	Based on regular terms	0.00%
Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	6,898	Based on regular terms	0.00%		
Taiwan Kuro Times Co., Ltd.	3	Operating revenues	1,171	Based on regular terms	0.00%		
Globalview Cable TV Co., Ltd.	3	Operating revenues	523	Based on regular terms	0.00%		
Mangrove Cable TV Co., Ltd.	3	Operating revenues	619	Based on regular terms	0.00%		
Union Cable TV Co., Ltd.	3	Operating revenues	1,068	Based on regular terms	0.00%		

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TWM	2	Operating cost	528,715	Based on regular terms	2.00%
		TFN Media Co., Ltd.	3	Operating cost	7,096	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Operating cost	442	Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	251	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	3	Operating cost	17	Based on regular terms	0.00%
		TFN HK LIMITED	1	Operating cost	17,124	Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	3	Operating cost	56	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	3	Operating cost	92	Based on regular terms	0.00%
		TWM	2	Operating expenses	20,626	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	26,642	Based on regular terms	0.00%
		TWM	2	Interest income	17,679	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Interest income	56	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Rental income	846	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Rental income	1	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Rental income	1,365	Based on regular terms	0.00%
		TWM	2	Rental income	6,052	Based on regular terms	0.00%
		TWM	2	Other expenses	219	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Financial costs	1	Based on regular terms	0.00%
11	Taiwan Digital Communications Co., Ltd.	TWM	2	Accounts receivable	64,420	Based on regular terms	0.00%
		TWM	2	Other receivables	6,844	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	2	Short-term borrowing	53,000	Based on regular terms	0.00%
		TWM	2	Accounts payable	2,635	Based on regular terms	0.00%
		TWM	2	Other payables	784	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	2	Other payables	260	Based on regular terms	0.00%
		TWM	2	Operating revenues	164,023	Based on regular terms	1.00%
		TWM	2	Operating cost	2,781	Based on regular terms	0.00%
		TWM	2	Operating expenses	1,516	Based on regular terms	0.00%
		Taiwan Cellular Co., Ltd.	2	Financial costs	157	Based on regular terms	0.00%
12	TCC Investment Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	0.00%
13	TCCI Investment and Development Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	0.00%
14	Win TV Broadcasting Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	160	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	3	Accounts receivable	387	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	838	Payment terms varied depend on the agreements	0.00%
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	263	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	920	Payment terms varied depend on the agreements	0.00%
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	319	Payment terms varied depend on the agreements	0.00%
		TWM	2	Accounts receivable	2	Payment terms varied depend on the agreements	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Media Co., Ltd.	3	Accounts receivable	14,536	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other current assets	24	Based on regular terms	0.00%
		Wealth Media Technology Co., Ltd.	2	Short-term borrowing	50,000	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	3	Other payables	120	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	741	Payment terms varied depend on the agreements	0.00%
		Wealth Media Technology Co., Ltd.	2	Other payables	89	Payment terms varied depend on the agreements	0.00%
		TWM	2	Other payables	65	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Other current liabilities	85	Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Operating revenues	14,532	Payment terms varied depend on the agreements	0.00%
		Globalview Cable TV Co., Ltd.	3	Operating revenues	402	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,003	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	79	Payment terms varied depend on the agreements	0.00%
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	346	Payment terms varied depend on the agreements	0.00%
		Union Cable TV Co., Ltd.	3	Operating revenues	470	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	921	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	45	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	973	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating cost	1	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	421	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TFN Media Co., Ltd.	3	Operating expenses	330	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating expenses	23	Payment terms varied depend on the agreements	0.00%
		Wealth Media Technology Co., Ltd.	2	Financial costs	207	Payment terms varied depend on the agreements	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
15	TFN Media Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	28,518	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	30,514	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	32,891	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Accounts receivable	22,049	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	7,096	Payment terms varied depend on the agreements	0.00%
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	12,814	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Accounts receivable	120	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	10,711	Payment terms varied depend on the agreements	0.00%
		TWM	2	Other current assets	(18)	Based on regular terms	0.00%
		TWM	2	Short-term borrowing	1,600,000	Payment terms varied depend on the agreements	2.00%
		Globalview Cable TV Co., Ltd.	1	Short-term borrowing	261,000	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	1	Short-term borrowing	532,000	Payment terms varied depend on the agreements	1.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Short-term borrowing	491,000	Payment terms varied depend on the agreements	0.00%
		Union Cable TV Co., Ltd.	1	Accounts payable	3,188	Payment terms varied depend on the agreements	0.00%
		Globalview Cable TV Co., Ltd.	1	Accounts payable	2,724	Payment terms varied depend on the agreements	0.00%
		Mangrove Cable TV Co., Ltd.	1	Accounts payable	555	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts payable	6,442	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	6,603	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	14,532	Payment terms varied depend on the agreements	0.00%
		TWM	2	Other payables	9,311	Payment terms varied depend on the agreements and Based on regular terms	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Globalview Cable TV Co., Ltd.	1	Other payables	2,851	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other payables	2	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Other payables	3,090	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	6,546	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Other payables	1,587	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Other payables	5,001	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	20,786	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating revenues	418	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	7,096	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	332	Payment terms varied depend on the agreements	0.00%
		Union Cable TV Co., Ltd.	1	Operating revenues	54,676	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	116,654	Payment terms varied depend on the agreements	0.00%
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	2,850	Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	128,878	Payment terms varied depend on the agreements	0.00%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Globalview Cable TV Co., Ltd.	1	Operating revenues	50,873	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	28,518	Payment terms varied depend on the agreements	0.00%
		Globalview Cable TV Co., Ltd.	1	Operating cost	3,667	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	31,001	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Operating cost	9,180	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Operating cost	1,432	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	8,781	Payment terms varied depend on the agreements	0.00%
		Union Cable TV Co., Ltd.	1	Operating cost	5,258	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	14,532	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	116	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	502	Based on regular terms	0.00%
		Union Cable TV Co., Ltd.	1	Operating expenses	281	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	511	Based on regular terms	0.00%
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	184	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	440	Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Operating expenses	230	Payment terms varied depend on the agreements and Based on regular terms	0.00%
						Based on regular terms	

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TWM	2	Operating expenses	2,901	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Globalview Cable TV Co., Ltd.	1	Financial costs	757	Based on regular terms Payment terms varied depend on the agreements	0.00%
		Phoenix Cable TV Co., Ltd.	1	Financial costs	1,591	Payment terms varied depend on the agreements	0.00%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Financial costs	1,358	Payment terms varied depend on the agreements	0.00%
		TWM	2	Financial costs	5,552	Payment terms varied depend on the agreements	0.00%
16	Union Cable TV Co., Ltd.	TWM	2	Accounts receivable	2,869	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	69	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Accounts receivable	6,274	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	222	Based on regular terms Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other receivables	1	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Prepayments	57	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	288	Payment terms varied depend on the agreements	0.00%
		TWM	2	Other payables	75	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	20	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other payables	387	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other payables	22,049	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other current liabilities	20	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Operating revenues	5,506	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	69	Based on regular terms Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	637	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	470	Payment terms varied depend on the agreements	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	959	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	116	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Operating cost	54,676	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	297	Based on regular terms	0.00%
		TWM	2	Operating expenses	322	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Other income, other	33	Based on regular terms	0.00%
17	Yeong Jia Leh Cable TV Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	14	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Accounts receivable	11,630	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Accounts receivable	7,471	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	78	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other receivables	492,359	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Other current assets	39	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	838	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other payables	32,891	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	106	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Other payables	89	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	14	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating revenues	9,267	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	251	Payment terms varied depend on the agreements	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TWM	2	Operating revenues	590	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	151	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	17	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	921	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Operating cost	107,260	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating expenses	470	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	85	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Operating expenses	9,394	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Interest income	1,358	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other income, other	24	Based on regular terms	0.00%
18	Mangrove Cable TV Co., Ltd.	TWM	2	Accounts receivable	1,094	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	2,781	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	30	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Accounts receivable	2,166	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Other current assets	46	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other current assets	123	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	203	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other payables	10,711	Payment terms varied depend on the agreements	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other payables	263	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	168	Based on regular terms	0.00%
		TWM	2	Other payables	38	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating revenues	236	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	17	Payment terms varied depend on the agreements	0.00%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Media Co., Ltd.	2	Operating revenues	1,607	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	2,781	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	81	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	346	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	548	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating cost	1,790	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating expenses	1,060	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	72	Based on regular terms	0.00%
		TWM	2	Operating expenses	135	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Other income, other	10	Based on regular terms	0.00%
19	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Accounts receivable	9,898	Payment terms varied depend on the agreements	0.00%
		TWM	2	Accounts receivable	7,447	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	17	Payment terms varied depend on the agreements	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	281	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other receivables	533,739	Payment terms varied depend on the agreements and Based on regular terms	1.00%
		TWM	2	Other payables	118	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	493	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other payables	920	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other payables	30,514	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Advance receipts	31	Payment terms varied depend on the agreements	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Media Co., Ltd.	2	Other current liabilities	13	Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	281	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating revenues	9,488	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	56	Based on regular terms	0.00%
		TWM	2	Operating cost	201	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,133	Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	1,003	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating cost	118,418	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating expenses	10,460	Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	239	Based on regular terms	0.00%
		TWM	2	Operating expenses	438	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Interest income	1,591	Based on regular terms	0.00%
		TWM	2	Rental income	47	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Rental income	94	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other income, other	38	Based on regular terms	0.00%
20	Globalview Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	34	Payment terms varied depend on the agreements	0.00%
		TWM	2	Accounts receivable	1,822	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Accounts receivable	4,815	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	14	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Other receivables	261,758	Payment terms varied depend on the agreements and Based on regular terms	0.00%

(Continued)

umber	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	26	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	196	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Other payables	319	Based on regular terms Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Other payables	12,814	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	0.00%
		TWM	2	Other payables	13	Based on regular terms Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating revenues	251	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating revenues	3,888	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	14	Based on regular terms Payment terms varied depend on the agreements	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	97	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating cost	74	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	423	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Win TV Broadcasting Co., Ltd.	3	Operating cost	402	Based on regular terms Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Operating cost	46,681	Payment terms varied depend on the agreements	0.00%
		TWM	2	Operating expenses	186	Payment terms varied depend on the agreements and Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	104	Based on regular terms	0.00%
		TFN Media Co., Ltd.	2	Operating expenses	4,191	Payment terms varied depend on the agreements	0.00%
		TFN Media Co., Ltd.	2	Interest income	757	Payment terms varied depend on the agreements	0.00%
		Global Wealth Media Technology Co., Ltd.	3	Rental income	34	Payment terms varied depend on the agreements	0.00%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Media Co., Ltd.	2	Other income, other	10	Based on regular terms	0.00%
21	Taiwan Kuro Times Co., Ltd.	Globalview Cable TV Co., Ltd.	3	Accounts receivable	1	Based on regular terms	0.00%
		TWM	2	Accounts receivable	76,189	Based on regular terms	0.00%
		TWM	2	Other receivables	1,258	Based on regular terms	0.00%
		TWM	2	Other current assets	1	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	5	Based on regular terms	0.00%
		TWM	2	Short-term borrowing	30,000	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	586	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other payables	140	Based on regular terms	0.00%
		TWM	2	Other payables	2,543	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Other payables	395	Based on regular terms	0.00%
		TWM	2	Operating revenues	72,822	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,649	Based on regular terms	0.00%
		TWM	2	Operating cost	22	Based on regular terms	0.00%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	276	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	364	Based on regular terms	0.00%
		TWM	2	Operating expenses	343	Based on regular terms	0.00%
TWM	2	Financial costs	88	Based on regular terms	0.00%		
22	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	9,183	Based on regular terms	0.00%
		TWM	2	Accounts receivable	83,445	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	140	Based on regular terms	0.00%
		TWM	2	Other payables	129	Based on regular terms	0.00%
		TT&T Holdings	1	Other payables	549	Based on regular terms	0.00%
		TWM	2	Other current liabilities	13	Based on regular terms	0.00%
		Taiwan Kuro Times Co., Ltd.	3	Operating revenues	276	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	26,642	Based on regular terms	0.00%
		TWM	2	Operating revenues	257,647	Based on regular terms	1.00%
TWM	2	Operating expenses	34	Based on regular terms	0.00%		
23	Taiwan Super Basketball Co., Ltd.	TWM	2	Accounts receivable	11,803	Based on regular terms	0.00%
		TWM	2	Operating revenues	11,803	Based on regular terms	0.00%
		TWM	2	Operating expenses	34	Based on regular terms	0.00%
24	TT&T Holdings	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	549	Based on regular terms	0.00%
25	TFN HK LIMITED	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	38,127	Based on regular terms	0.00%
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	16,582	Based on regular terms	0.00%
26	TFN Union Investment Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	0.00%

Note : 1. Parent to subsidiary

2. Subsidiary to parent

3. Between subsidiaries

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
THREE MONTHS ENDED MARCH 31, 2012

TABLE 10
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	TWM	Taiwan Digital Communications Co., Ltd.	1	Accounts receivable	\$ 1,555	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	28,659	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	(77)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	6	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	25	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	2	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	15	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	4	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts receivable	33	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Accounts receivable	813	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	40,997	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	112	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	120,407	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,837,704	Based on regular terms	3%
		Union Cable TV Co., Ltd.	1	Other receivables	25	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	110	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	83	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		Taiwan Win TV Broadcasting Co., Ltd.	1	Other receivables	36	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	1,590	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Other receivables	3,221	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	38	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Prepayments	11	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Prepayments	130	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Refundable deposits	273	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Short-term borrowing	765,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	4,880,000	Based on regular terms	5%
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	997	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	13	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts payable	44,533	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Accrued expenses	30	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	1,695	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Accrued expenses	41,026	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	17,321	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Accrued expenses	20,646	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	360,400	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	77,100	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Other payables	9,783	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	66,541	Based on regular terms	-
Union Cable TV Co., Ltd.	1	Other payables	870	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	\$ 1,644	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other payables	189	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	3,200	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	330	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other payables	1,562	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	62	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Other current liabilities	(40)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	83,413	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	161	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	1,493	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other current liabilities	4,380	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other current liabilities	649	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	3,501	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	904	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other current liabilities	1,595	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating revenues	3,308	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	643,476	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	302	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	306	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	425	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	203	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	530	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	215	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating revenues	870	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Operating revenues	2,315	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Operating cost	311	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating cost	937,138	Based on regular terms	4%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating cost	30	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating cost	107	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	43	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating cost	44,199	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating expenses	121,189	Based on regular terms	1%
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	8,606	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	18,106	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	235,993	Based on regular terms	1%
		Fubon Multimedia Technology Co., Ltd.	1	Operating expenses	391	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Interest income	1,122	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	5,278	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Rental income	6	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	6	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	6	Based on regular terms	-
		Global Forest Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Rental income	34	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets		
				Account	Amount	Transaction Terms			
1	Wealth Media Technology Co., Ltd.	Taiwan Fixed Network Co., Ltd.	1	Rental income	\$ 22,949	Based on regular terms	-		
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-		
		Win TV Broadcasting Co., Ltd.	1	Rental income	65	Based on regular terms	-		
		TFN Media Co., Ltd.	1	Rental income	2,696	Based on regular terms	-		
		TFN Union Investment Co., Ltd.	1	Rental income	34	Based on regular terms	-		
		TCCI Investment and Development Co., Ltd.	1	Rental income	34	Based on regular terms	-		
		TCC Investment Co., Ltd.	1	Rental income	34	Based on regular terms	-		
		Taiwan Win TV Broadcasting Co., Ltd.	1	Rental income	6	Based on regular terms	-		
		Taiwan Kuro Times Co., Ltd.	1	Rental income	34	Based on regular terms	-		
		Fubon Multimedia Technology Co., Ltd.	1	Rental income	8,968	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	2	Based on regular terms	-		
		Taiwan Cellular Co., Ltd.	1	Interest expenses	688	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	8,289	Based on regular terms	-		
		TWM	2	Other receivables	30	Based on regular terms	-		
		Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,011	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		
		Tai Fu Media Technology Co., Ltd.	1	Interest income	54	Based on regular terms	-		
		Global Wealth Media Technology Co., Ltd.	1	Interest income	4	Based on regular terms	-		
		2	Taiwan Win TV Broadcasting Co., Ltd.	TWM	2	Operating expenses	6	Based on regular terms	-
		3	Fubon Multimedia Technology Co., Ltd.	Fuli Property Insurance Agent Co.,Ltd.	1	Accounts receivable	5	Based on regular terms	-
				Fu Sheng Travel Service Co.,Ltd.	1	Accounts receivable	8,799	Based on regular terms	-
				TWM	2	Accounts payable	3,831	Based on regular terms	-
				Taiwan Fixed Network Co., Ltd.	3	Accounts payable	1,878	Based on regular terms	-
				Win TV Broadcasting Co., Ltd.	3	Accounts payable	102	Based on regular terms	-
				Fuli Property Insurance Agent Co.,Ltd.	1	Accounts payable	26	Based on regular terms	-
				Fu Sheng Travel Service Co.,Ltd.	1	Accounts payable	4,387	Based on regular terms	-
				Taiwan Fixed Network Co., Ltd.	3	Leasehold payable-current	2,749	Payment terms varied depend on the agreements and Based on regular terms	-
				TWM	2	Other current liabilities	136	Based on regular terms	-
				Win TV Broadcasting Co., Ltd.	3	Other current liabilities	7	Based on regular terms	-
				Taiwan Fixed Network Co., Ltd.	3	Leasehold payable-non-current	5,930	Payment terms varied depend on the agreements and Based on regular terms	-
				TWM	2	Guarantee deposits	273	Payment terms varied depend on the agreements and Based on regular terms	-
				TWM	2	Operating revenues	391	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	\$ 235	Payment terms varied depend on the agreements and Based on regular terms	-
		Fu Sheng Travel Service Co.,Ltd. TWM	1 2	Operating revenues Operating cost	385 14,311	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	- -
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	5,628	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	427	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3 3	Operating cost Operating cost	22,857 69	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	- -
		Union Cable TV Co., Ltd.	3	Operating cost	14	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	2,309	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating cost	281	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd.	3	Operating cost	14	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Fu Sheng Travel Service Co.,Ltd. TWM	1 2	Operating cost Operating expenses	100 87	Based on regular terms Based on regular terms	- -
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,798	Payment terms varied depend on the agreements and Based on regular terms	-
						Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
4	Fu Sheng Travel Service Co.,Ltd.	Fu Sheng Travel Service Co.,Ltd.	1	Operating expenses	\$ 500	Payment terms varied depend on the agreements and Based on regular terms	-
		Fuli Property Insurance Agent Co.,Ltd.	1	Rental income	14	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Miscellaneous revenue	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Interest expenses	80	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Account receivable	4,177	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Other receivables	210	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	64	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Accrued expenses	8,691	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Operating cost	385	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Rental income	600	Payment terms varied depend on the agreements and Based on regular terms	-
5	Fuli Property Insurance Agent Co.,Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts receivable	26	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	5	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Operating expenses	14	Payment terms varied depend on the agreements and Based on regular terms	-
6	Tai Fu Media Technology Co., Ltd.	TWM	2	Operating expenses	6	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	7	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	54	Payment terms varied depend on the agreements	-
7	Global Wealth Media Technology Co., Ltd.	Wealth Media Technology Co., Ltd.	2	Accrued expenses	11	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Other payables	4,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating expenses	34	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Wealth Media Technology Co., Ltd.	2	Interest expenses	\$ 4	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	2	Interest expenses	7	Payment terms varied depend on the agreements	-
8	Fu Jia Leh Media Technology Co., Ltd.	TWM	2	Operating expenses	6	Payment terms varied depend on the agreements	-
9	Fu Sin Media Technology Co., Ltd.	TWM	2	Operating expenses	6	Payment terms varied depend on the agreements	-
10	Global Forest Media Technology Co., Ltd.	TWM	2	Operating expenses	34	Payment terms varied depend on the agreements	-
11	Taiwan Cellular Co., Ltd.	TWM	2	Other receivables	766,695	Based on regular terms	1%
		Taiwan Digital Communications Co., Ltd.	1	Other receivables	12,052	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other receivables	100	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	128	Based on regular terms	-
		TWM	2	Operating expenses	34	Based on regular terms	-
		TWM	2	Interest income	688	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Interest income	181	Based on regular terms	-
		TFN Media Co., Ltd.	3	Interest income	6,776	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		TT&T Holdings	1	Miscellaneous revenue	95	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	5,847	Based on regular terms	-
12	Taiwan Fixed Network Co., Ltd.	TWM	2	Accounts receivable	342,667	Based on regular terms	-
		TFN HK	1	Accounts receivable	2	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accounts receivable	10	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	18,331	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	61	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	143	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	254	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	519	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	245	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	770	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	5,951	Based on regular terms	-
		TWM	2	Other receivables	5,048,684	Based on regular terms	6%
		Win TV Broadcasting Co., Ltd.	3	Other receivables	464	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Other receivables	8	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	2	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Other receivables	387	Based on regular terms	-
		TWM	2	Prepayments	62	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Prepayments	24	Based on regular terms	-
		TWM	2	Refundable deposits	830	Based on regular terms	-
			3	Long-term notes, accounts and overdue receivables	5,829	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.					
		TWM	2	Accounts payable	28,434	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts payable	29,932	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Kuro Times Co., Ltd.	3	Accounts payable	\$ 1	Based on regular terms	-
		TWM	2	Accrued expenses	41,218	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	128	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Accrued expenses	2,619	Based on regular terms	-
		TFN HK	1	Accrued expenses	29,084	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accrued expenses	9,558	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accrued expenses	108	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accrued expenses	78	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accrued expenses	17	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	34	Based on regular terms	-
		TWM	2	Other payables	5	Based on regular terms	-
		TWM	2	Advance receipts	43	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Advance receipts	57	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Advance receipts	1	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Advance receipts	1	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Advance receipts	1	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Guarantee deposits	1,003	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Guarantee deposits	288	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Guarantee deposits	631	Based on regular terms	-
		TWM	2	Operating revenues	950,316	Based on regular terms	4%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	63	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	27,115	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	1,091	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	108	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	618	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,374	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	521	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Operating revenues	1,520	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	6,392	Based on regular terms	-
		TWM	2	Operating cost	644,309	Based on regular terms	3%
		TFN HK	1	Operating cost	18,510	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating cost	6,342	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating cost	117	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	251	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating cost	17	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating cost	59	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	92	Based on regular terms	-
		TWM	2	Operating expenses	21,967	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	3	Operating expenses	114	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	29,221	Based on regular terms	-
		TWM	2	Interest income	8,289	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest income	5,847	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Interest income	80	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets		
				Account	Amount	Transaction Terms			
13	Taiwan Digital Communications Co., Ltd.	TWM	2	Rental income	\$ 4,967	Based on regular terms	-		
		Win TV Broadcasting Co., Ltd.	3	Rental income	1,329	Based on regular terms	-		
		Union Cable TV Co., Ltd.	3	Rental income	6	Based on regular terms	-		
		Taiwan Kuro Times Co., Ltd.	3	Rental income	848	Based on regular terms	-		
		Win TV Broadcasting Co., Ltd.	3	Interest expenses	3	Based on regular terms	-		
		Union Cable TV Co., Ltd.	3	Interest expenses	6	Based on regular terms	-		
		Taiwan Kuro Times Co., Ltd.	3	Interest expenses	2	Based on regular terms	-		
		TWM	2	Miscellaneous expenses	(1)	Based on regular terms	-		
		TWM	2	Accounts receivable	50,822	Based on regular terms	-		
		Taiwan Cellular Co., Ltd.	2	Short-term borrowing	12,000	Based on regular terms	-		
		TWM	2	Accounts payable	1,555	Based on regular terms	-		
14	TCC Investment Co., Ltd.	Taiwan Cellular Co., Ltd.	2	Accrued expenses	52	Based on regular terms	-		
		TWM	2	Operating revenues	121,189	Based on regular terms	1%		
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	114	Based on regular terms	-		
		TWM	2	Operating cost	1,508	Based on regular terms	-		
		TWM	2	Operating expenses	1,834	Based on regular terms	-		
		Taiwan Cellular Co., Ltd.	2	Interest expenses	181	Based on regular terms	-		
		Win TV Broadcasting Co., Ltd.	3	Other receivables	53,788	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		
		15	TCCI Investment and Development Co., Ltd.	TFN Media Co., Ltd.	3	Accounts receivable	14,773	Payment terms varied depend on the agreements	-
				Union Cable TV Co., Ltd.	3	Accounts receivable	42	Payment terms varied depend on the agreements	-
Yeong Jia Leh Cable TV Co., Ltd.	3			Accounts receivable	42	Payment terms varied depend on the agreements	-		
Mangrove Cable TV Co., Ltd.	3			Accounts receivable	42	Payment terms varied depend on the agreements	-		
Phoenix Cable TV Co., Ltd.	3			Accounts receivable	42	Payment terms varied depend on the agreements	-		
Globalview Cable TV Co., Ltd.	3			Accounts receivable	42	Payment terms varied depend on the agreements	-		
Fubon Multimedia Technology Co., Ltd.	3			Accounts receivable	126	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3			Refundable deposits	1,003	Payment terms varied depend on the agreements	-		
TWM	2			Short-term borrowing	120,000	Payment terms varied depend on the agreements	-		
TWM	2			Accrued expenses	71	Payment terms varied depend on the agreements and Based on regular terms	-		
16	Win TV Broadcasting Co., Ltd.			Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	464	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	3	Accrued expenses	16	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
17	TFN Media Co., Ltd.	TWM	2	Accrued expenses	\$ 379	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Other payables	330	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	3	Other payables	53,788	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Operating revenues	15,130	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	185	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	226	Based on regular terms	-
		TWM	2	Operating cost	45	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	951	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating cost	10	Based on regular terms	-
		TWM	2	Operating expenses	29	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	436	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	330	Based on regular terms Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Interest income	3	Payment terms varied depend on the agreements	-
		TWM	2	Interest expenses	1,122	Payment terms varied depend on the agreements	-
		TWM	2	Accounts receivable	39	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	31,111	Payment terms varied depend on the agreements	-
Win TV Broadcasting Co., Ltd.	3	Accounts receivable	330	Payment terms varied depend on the agreements	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Union Cable TV Co., Ltd.	1	Accounts receivable	\$ 22,356	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	35,833	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	11,077	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	30,402	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	13,693	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	139	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	16	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	30,083	Payment terms varied depend on the agreements	-
		TWM	2	Short-term borrowing	2,830,000	Payment terms varied depend on the agreements	3%
		Union Cable TV Co., Ltd.	1	Short-term borrowing	645,000	Payment terms varied depend on the agreements	1%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Short-term borrowing	488,000	Payment terms varied depend on the agreements	1%
		Phoenix Cable TV Co., Ltd.	1	Short-term borrowing	596,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Short-term borrowing	250,000	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	14,773	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	3,280	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts payable	6,746	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts payable	726	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	6,719	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	2,846	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	853	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	17,573	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,672	Payment terms varied depend on the agreements and Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	\$ 10,383	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Accrued expenses	2,909	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	9,052	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	3,935	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Accrued expenses	6,761	Based on regular terms Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	1,856	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	1,334	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	1,689	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	715	Payment terms varied depend on the agreements	-
		TWM	2	Other current liabilities	39	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	6,342	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	330	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	56,855	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	120,798	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	2,061	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	132,119	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	53,618	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	22,857	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	82	Payment terms varied depend on the agreements and Based on regular terms	-
						Based on regular terms	

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	\$ 26,249	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	15,130	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating cost	7,232	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	11,900	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating cost	2,411	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	11,724	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating cost	4,868	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	2,916	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	532	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	614	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	1,179	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	305	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	966	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	383	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Interest income	118	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
18	Union Cable TV Co., Ltd.	TWM	2	Interest expenses	\$ 5,278	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	3	Interest expenses	6,776	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	1,851	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Interest expenses	1,334	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	1,689	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	715	Payment terms varied depend on the agreements	-
		TWM	2	Accounts receivable	2,361	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	108	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	8,963	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	646,857	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	3	Prepayments	57	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	288	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	1,700	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	30	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	29	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	42	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	20,656	Payment terms varied depend on the agreements	-
Yeong Jia Leh Cable TV Co., Ltd.	3	Other payables	46	Based on regular terms	-		
TFN Media Co., Ltd.	2	Other current liabilities	21	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Operating revenues	312	Payment terms varied depend on the agreements	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
19	Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	\$ 7,827	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	69	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	100	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	984	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	125	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	56,855	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	286	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	293	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	1,851	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	19	Based on regular terms	-
		TWM	2	Accounts receivable	7,517	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	88	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	17,005	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	51	Based on regular terms	-
TFN Media Co., Ltd.	2	Other receivables	489,692	Payment terms varied depend on the agreements and Based on regular terms	1%		
		TWM	2	Other current assets	(165)	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Co., Ltd.	2	Other current assets	\$ 2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	6	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	4,878	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	134	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	16	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	42	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accrued expenses	139	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	30,955	Payment terms varied depend on the agreements	-
		Taiwan Kuro Times Co., Ltd.	3	Other payables	1	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	251	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	13,031	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	48	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	14	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	124	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	20	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	125	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	111,404	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating cost	48	Based on regular terms	-
		TWM	2	Operating expenses	475	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	14	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
20	Mangrove Cable TV Co., Ltd.	Win TV Broadcasting Co., Ltd.	3	Operating expenses	\$ 60	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating expenses	9,394	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,334	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	48	Based on regular terms	-
		TWM	2	Accounts receivable	157	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	3,676	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Other current assets	46	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current assets	123	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	311	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	1,837	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	20	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	91	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	42	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	9,242	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	17	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	2,682	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	2,309	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	92	Payment terms varied depend on the agreements and Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Operating cost	548	Payment terms varied depend on the agreements and Based on regular terms	-		
Win TV Broadcasting Co., Ltd.	3	Operating cost	125	Payment terms varied depend on the agreements	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
21	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating cost	\$ 1,001	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	114	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	72	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	1,060	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	33	Based on regular terms	-
		TWM	2	Accounts receivable	6,595	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	17	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	15,798	Payment terms varied depend on the agreements	-
		TWM	2	Other receivables	30	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	597,690	Payment terms varied depend on the agreements and Based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	3,095	Based on regular terms Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	94	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	494	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	42	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	27,307	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Advance receipts	24	Payment terms varied depend on the agreements	-
TWM	2	Other current liabilities	30	Based on regular terms	-		
TFN Media Co., Ltd.	2	Other current liabilities	15	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
22	Globalview Cable TV Co., Ltd.	Taiwan Kuro Times Co., Ltd.	3	Other current liabilities	\$ (2)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	59	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	12,662	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	281	Based on regular terms Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	177	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,133	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	125	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	121,659	Payment terms varied depend on the agreements	1%
		TWM	2	Operating expenses	381	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	241	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	10,460	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,689	Payment terms varied depend on the agreements	-
		TWM	2	Rental income	43	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	29	Based on regular terms	-
		TWM	2	Accounts receivable	1,379	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	34	Payment terms varied depend on the agreements	-
TFN Media Co., Ltd.	2	Accounts receivable	6,789	Payment terms varied depend on the agreements and Based on regular terms	-		
					Based on regular terms		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Co., Ltd.	2	Other receivables	\$ 250,717	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	26	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	1,997	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	12	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	196	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	42	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accrued expenses	16	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	11,696	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current liabilities	5	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	97	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	5,246	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	14	Based on regular terms Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	74	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	421	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	125	Based on regular terms Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	49,427	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	151	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	104	Based on regular terms Payment terms varied depend on the agreements and Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets		
				Account	Amount	Transaction Terms			
23	Taiwan Kuro Times Co., Ltd.	TFN Media Co., Ltd.	2	Operating expenses	\$ 4,191	Payment terms varied depend on the agreements	-		
		TFN Media Co., Ltd.	2	Interest income	715	Payment terms varied depend on the agreements	-		
		Global Wealth Media Technology Co., Ltd.	3	Rental income	34	Payment terms varied depend on the agreements	-		
		TFN Media Co., Ltd.	2	Miscellaneous revenue	5	Based on regular terms	-		
		TWM	2	Accounts receivable	46,838	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	3	Based on regular terms	-		
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	2	Based on regular terms	-		
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	1	Based on regular terms	-		
		TWM	2	Other current assets	1	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	631	Based on regular terms	-		
		TFN Media Co., Ltd.	2	Short-term borrowing	30,000	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	766	Based on regular terms	-		
		TWM	2	Accrued expenses	3,509	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	388	Based on regular terms	-		
		TFN Media Co., Ltd.	2	Accrued expenses	83	Based on regular terms	-		
		24	TWM Communications (Beijing) Ltd.	TWM	2	Operating revenues	44,009	Based on regular terms	-
				TWM	2	Operating cost	22	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3			Operating cost	2,010	Based on regular terms	-		
TWM	2			Operating expenses	843	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3			Operating expenses	359	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3			Interest income	2	Based on regular terms	-		
TFN Media Co., Ltd.	2			Interest expenses	118	Based on regular terms	-		
TWM	2			Accounts receivable	20,143	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3			Accounts receivable	2,563	Based on regular terms	-		
Taiwan Cellular Co., Ltd.	2			Accrued expenses	100	Based on regular terms	-		
25	Taiwan Teleservices & Technologies Co., Ltd.	TWM	2	Operating revenues	312	Based on regular terms	-		
		Taiwan Cellular Co., Ltd.	2	Operating expenses	100	Based on regular terms	-		
		TWM	2	Accounts receivable	77,113	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	9,558	Based on regular terms	-		
		TWM	2	Accrued expenses	112	Based on regular terms	-		
26	Taiwan Super Basketball Co., Ltd.	TT&T Holdings	1	Accrued expenses	2,805	Based on regular terms	-		
		TWM	2	Operating revenues	236,023	Based on regular terms	1%		
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	29,221	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		
		TT&T Holdings	1	Operating expenses	10,514	Based on regular terms	-		
		TWM	2	Accounts receivable	17,321	Based on regular terms	-		
		TWM	2	Operating revenues	8,606	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets		
				Account	Amount	Transaction Terms			
27	TT&T Holdings	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	\$ 2,805	Based on regular terms	-		
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Other receivables	2,602	Based on regular terms	-		
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Accounts payable	2,536	Based on regular terms	-		
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	10,517	Based on regular terms	-		
		Taiwan Cellular Co., Ltd.	2	Operating expenses	100	Based on regular terms	-		
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Operating expenses	9,284	Based on regular terms	-		
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Miscellaneous revenue	331	Based on regular terms	-		
		28	Xiamen Taifu Teleservices & Technologies Co., Ltd.	TT&T Holdings	2	Accounts receivable	2,538	Based on regular terms	-
				TT&T Holdings	2	Other payables	2,591	Based on regular terms	-
				TT&T Holdings	2	Operating revenues	9,286	Based on regular terms	-
29	TFN HK	TT&T Holdings	2	Miscellaneous expenses	332	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	27,996	Based on regular terms	-		
30	TFN Union Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Operating revenues	17,983	Based on regular terms	-		
		TWM	2	Operating expenses	34	Based on regular terms	-		

Note : 1.Parent to subsidiary

2.Subsidiary to parent

3.Between subsidiaries