

**Taiwan Mobile Co., Ltd. and Subsidiaries**  
**Consolidated Financial Statements for the**  
**Six Months Ended June 30, 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 June 30, 2013, December 31, June 30 and January 1, 2012, and the related consolidated statements of comprehensive income for the three months and for the six months ended June 30, 2013 and 2012, and changes in equity and cash flows for the six months ended June 30, 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, International Financial Reporting Standard No. 1 "First-time Adoption of International Financial Reporting Standards" 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)  
July 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.

For the convenience of readers, the accountants' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language accountants' review report and consolidated financial statements shall prevail.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2013, DECEMBER 31, 2012, JUNE 30, 2012 AND JANUARY 1, 2012**

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS		2013.6.30		2012.12.31		2012.6.30		2012.1.1		LIABILITIES AND EQUITY		2013.6.30		2012.12.31		2012.6.30		2012.1.1	
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>										<b>CURRENT LIABILITIES</b>									
1100	Cash and Cash equivalents (Notes 4, 6(a) and 7)	\$ 11,277,499	10	6,191,140	6	4,756,474	5	6,572,192	7	2100	Short-term borrowings (Notes 4,6(m) and 7)	\$ 767,482	1	3,158,440	3	1,845,216	2	9,000,000	9
1110	Current financial assets at fair value through profit or loss (Notes 4 and 6(b))	-	-	-	-	60,407	-	60,186	-	2110	Short-term notes and bills payable (Notes 4 and 6(m))	-	-	-	-	-	-	899,273	1
1125	Current available-for-sale financial assets (Notes 4, 6(c) and 7)	1,170,723	1	205,397	-	204,310	-	217,351	-	2150	Notes payable	184,805	-	360,669	-	199,839	-	641,166	1
1170	Accounts and notes receivable, net (Note 4, 5 and 6(f))	13,844,799	12	12,732,802	13	11,011,163	11	10,752,650	11	2170	Accounts payable	6,425,088	6	7,154,428	7	5,373,806	6	5,489,957	6
1180	Accounts receivable due from related parties, net (Note 7)	70,547	-	71,039	-	107,758	-	129,019	-	2180	Accounts payable to related parties (Notes 7)	84,583	-	64,377	-	32,880	-	-	-
1200	Other receivables (Note 7)	940,741	1	741,489	1	754,692	1	882,986	1	2216	Dividends Payable (Notes 6(t))	14,796,158	13	-	-	13,880,952	14	-	-
130x	Inventories (Note 4 and 6(g))	3,179,472	3	2,566,900	3	2,511,249	3	2,004,103	2	2219	Other payables (Notes 7)	10,421,590	9	9,492,635	10	9,749,272	10	9,911,877	10
1410	Prepayments (Note 7)	760,857	1	737,498	1	642,157	-	638,549	1	2230	Current tax liabilities (Notes 4)	1,267,049	1	1,523,604	2	1,411,909	1	1,331,623	1
1470	Other current assets (Notes 6(l), 7 and 8)	1,608,294	1	1,623,562	1	1,722,853	2	346,025	-	2250	Current provisions (Notes 4 and 6(p))	163,314	-	120,610	-	105,953	-	90,014	-
	<b>Total current assets</b>	<u>32,852,932</u>	<u>29</u>	<u>24,869,827</u>	<u>25</u>	<u>21,771,063</u>	<u>22</u>	<u>21,603,061</u>	<u>22</u>	2310	Advance receipts (Notes 6(n))	2,942,436	3	3,109,824	3	2,823,205	3	3,053,670	3
										2320	Long-term liabilities, current portion (Notes 6(o))	4,000,000	4	4,000,000	4	4,000,000	4	4,000,000	4
										2399	Other current liabilities, others	1,304,587	1	968,832	1	845,969	1	774,831	1
											<b>Total current liabilities</b>	<u>42,357,092</u>	<u>38</u>	<u>29,953,419</u>	<u>30</u>	<u>40,269,001</u>	<u>41</u>	<u>35,192,411</u>	<u>36</u>
<b>NON-CURRENT ASSETS</b>										<b>NON-CURRENT LIABILITIES</b>									
1523	Non-current available-for-sale financial assets (Note 4 and 6(c))	1,134,421	1	1,127,655	1	1,145,698	1	1,123,144	1	2530	Bonds payable (Notes 6(o))	14,791,824	13	8,995,180	9	4,000,000	4	4,000,000	4
1543	Non-current financial assets at cost (Notes 4 and 6(d))	181,328	-	181,328	-	184,328	-	186,276	-	2550	Non-current provisions (Notes 4 and 6(p))	814,993	1	755,195	1	699,644	1	670,001	1
1546	Non-current bond investment without active market (Notes 4 and 6(e))	500,000	1	500,000	1	500,000	1	500,000	1	2570	Deferred tax liabilities (Notes 4 and 5)	2,478,346	2	2,119,747	2	1,882,169	2	1,628,204	1
1550	Investments accounted for using equity method (Notes 4, 5 and 6(h))	1,451,899	1	1,248,562	1	550,281	1	562,812	1	2640	Accrued pension liabilities (Notes 4)	116,184	-	116,237	-	107,491	-	106,748	-
1600	Property, plant and equipment (Notes 4, 5 and 6(i))	42,186,757	38	40,593,173	40	40,831,708	42	41,470,962	43	2645	Guarantee deposits	826,266	1	810,436	1	789,958	1	738,932	1
1760	Investment property, net (Notes 4 and 6(j))	323,214	-	299,991	-	301,395	-	302,799	-	2670	Other non-current liabilities, others	19,744	-	19,744	-	19,744	-	19,744	-
1791	3G concession license (Notes 4 and 6(k))	4,112,400	4	4,486,254	4	4,860,109	5	5,233,964	5		<b>Total non-current liabilities</b>	<u>19,047,357</u>	<u>17</u>	<u>12,816,539</u>	<u>13</u>	<u>7,499,006</u>	<u>8</u>	<u>7,163,629</u>	<u>7</u>
1805	Goodwill (Notes 4, 5 and 6(k))	15,845,930	14	15,845,930	16	15,845,930	16	15,845,930	16		<b>Total liabilities</b>	<u>61,404,449</u>	<u>55</u>	<u>42,769,958</u>	<u>43</u>	<u>47,768,007</u>	<u>49</u>	<u>42,356,040</u>	<u>43</u>
1821	Other intangible assets, net (Notes 4, 5 and 6(k))	6,278,431	6	6,321,970	7	6,440,974	7	6,525,944	7	<b>EQUITY ATTRIBUTABLE TO OWNERS</b>									
1840	Deferred tax assets (Notes 4 and 5)	975,433	1	1,072,844	1	1,130,505	1	1,181,857	1	<b>OF PARENT (Notes 6(t))</b>									
1900	Other non-current assets, others (Notes 6(l), 7 and 8)	6,017,082	5	3,865,717	4	3,649,623	4	3,103,135	3	3110	Ordinary share	34,208,328	31	34,208,328	34	34,208,328	35	34,208,328	35
		79,006,895	71	75,543,424	75	75,440,551	78	76,036,823	78	3200	Capital surplus	12,431,851	11	12,431,851	12	12,431,851	13	12,431,851	13
											Retained earnings :								
										3310	Legal reserve	19,262,044	17	18,061,894	18	18,061,894	19	16,715,018	17
										3320	Special reserve	-	-	-	-	-	-	821,741	1
										3350	Unappropriated retained earnings	14,374,045	13	22,606,173	23	14,480,763	15	20,721,444	21
										3400	Other equity interest	344,540	-	340,026	-	359,607	-	356,218	1
										3500	Treasury share	(31,077,183)	(28)	(31,077,183)	(31)	(31,077,183)	(32)	(31,077,183)	(32)
											<b>Total equity attributable to owners of parent</b>	<u>49,543,625</u>	<u>44</u>	<u>56,571,089</u>	<u>56</u>	<u>48,465,260</u>	<u>50</u>	<u>54,177,417</u>	<u>56</u>
										36xx	Non-controlling interests	911,753	1	1,072,204	1	978,347	1	1,106,427	1
											<b>Total equity</b>	<u>50,455,378</u>	<u>45</u>	<u>57,643,293</u>	<u>57</u>	<u>49,443,607</u>	<u>51</u>	<u>55,283,844</u>	<u>57</u>
<b>TOTAL</b>		<u>\$ 111,859,827</u>	<u>100</u>	<u>100,413,251</u>	<u>100</u>	<u>97,211,614</u>	<u>100</u>	<u>97,639,884</u>	<u>100</u>	<b>TOTAL</b>	<u>\$ 111,859,827</u>	<u>100</u>	<u>100,413,251</u>	<u>100</u>	<u>97,211,614</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 AND FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
(Reviewed, Not Audited)

	For the three months ended June 30				For the six months ended June 30				
	2013		2012		2013		2012		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>OPERATING REVENUES (Notes 4, 6(v) and 7)</b>								
	\$ 26,770,309	100	23,905,288	100	53,327,376	100	48,665,063	100	
5000	<b>OPERATING COSTS (Notes 4, 7 and 12)</b>								
	<u>16,822,702</u>	<u>63</u>	<u>14,492,864</u>	<u>60</u>	<u>33,697,059</u>	<u>63</u>	<u>29,853,781</u>	<u>61</u>	
5900	<b>GROSS PROFIT FROM OPERATIONS</b>								
	<u>9,947,607</u>	<u>37</u>	<u>9,412,424</u>	<u>40</u>	<u>19,630,317</u>	<u>37</u>	<u>18,811,282</u>	<u>39</u>	
6000	<b>OPERATING EXPENSES (Notes 4, 7 and 12)</b>								
6100	Marketing	3,419,478	13	3,039,334	13	6,879,918	13	6,144,087	13
6200	Administrative	<u>1,228,345</u>	<u>4</u>	<u>1,222,527</u>	<u>5</u>	<u>2,477,191</u>	<u>5</u>	<u>2,353,661</u>	<u>5</u>
		<u>4,647,823</u>	<u>17</u>	<u>4,261,861</u>	<u>18</u>	<u>9,357,109</u>	<u>18</u>	<u>8,497,748</u>	<u>18</u>
6500	<b>NET OTHER INCOME AND EXPENSES (Notes 6(w))</b>								
	<u>8,621</u>	<u>-</u>	<u>21,114</u>	<u>-</u>	<u>22,563</u>	<u>-</u>	<u>35,489</u>	<u>-</u>	
6900	<b>NET OPERATING INCOME</b>								
	<u>5,308,405</u>	<u>20</u>	<u>5,171,677</u>	<u>22</u>	<u>10,295,771</u>	<u>19</u>	<u>10,349,023</u>	<u>21</u>	
	<b>NON-OPERATING INCOME AND EXPENSES</b>								
7010	Other income (Notes 6(x))	53,271	-	25,788	-	77,031	-	49,608	-
7020	Other gains and losses, net (Notes 6(x))	(429,698)	(2)	(116,975)	(1)	(660,150)	(1)	(236,749)	(1)
7050	Financial costs (Notes 6(x))	(83,662)	-	(69,975)	-	(163,616)	-	(156,272)	-
7060	Share of profit (loss) of associates accounted for using equity method (Notes 4)	<u>(3,478)</u>	<u>-</u>	<u>(6,274)</u>	<u>-</u>	<u>(1,133)</u>	<u>-</u>	<u>(12,531)</u>	<u>-</u>
7000	<b>Total non-operating income and expenses</b>	<u>(463,567)</u>	<u>(2)</u>	<u>(167,436)</u>	<u>(1)</u>	<u>(747,868)</u>	<u>(1)</u>	<u>(355,944)</u>	<u>(1)</u>
7900	<b>PROFIT BEFORE TAX</b>								
	4,844,838	18	5,004,241	21	9,547,903	18	9,993,079	20	
7950	<b>TAX EXPENSE (Notes 6(s))</b>								
	<u>825,253</u>	<u>3</u>	<u>850,351</u>	<u>4</u>	<u>1,672,656</u>	<u>3</u>	<u>1,699,049</u>	<u>3</u>	
8200	<b>PROFIT</b>								
	<u>4,019,585</u>	<u>15</u>	<u>4,153,890</u>	<u>17</u>	<u>7,875,247</u>	<u>15</u>	<u>8,294,030</u>	<u>17</u>	
8300	<b>OTHER COMPREHENSIVE INCOME (LOSS) :</b>								
8310	Exchange differences on translation	1,889	-	1,872	-	8,319	-	(10,064)	-
8325	Unrealized gains on available-for-sale financial assets	(179,829)	(1)	(182,709)	(1)	(27,907)	-	9,512	-
8399	Less : income tax generated from other comprehensive income	-	-	-	-	-	-	-	-
8300	<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<u>(177,940)</u>	<u>(1)</u>	<u>(180,837)</u>	<u>(1)</u>	<u>(19,588)</u>	<u>-</u>	<u>(552)</u>	<u>-</u>
8500	<b>COMPREHENSIVE INCOME</b>								
	<u>\$ 3,841,645</u>	<u>14</u>	<u>3,973,053</u>	<u>16</u>	<u>7,855,659</u>	<u>15</u>	<u>8,293,478</u>	<u>17</u>	
	<b>PROFIT, ATTRIBUTABLE TO :</b>								
8610	Owners of parent	\$ 3,956,796	15	4,115,010	17	7,763,610	15	8,165,406	17
8620	Non-controlling interests	<u>62,789</u>	<u>-</u>	<u>38,880</u>	<u>-</u>	<u>111,637</u>	<u>-</u>	<u>128,624</u>	<u>-</u>
		<u>\$ 4,019,585</u>	<u>15</u>	<u>4,153,890</u>	<u>17</u>	<u>7,875,247</u>	<u>15</u>	<u>8,294,030</u>	<u>17</u>
	<b>COMPREHENSIVE INCOME, ATTRIBUTABLE TO :</b>								
8710	Owners of parent	\$ 3,804,014	14	3,933,551	16	7,768,124	15	8,168,795	17
8720	Non-controlling interests	<u>37,631</u>	<u>-</u>	<u>39,502</u>	<u>-</u>	<u>87,535</u>	<u>-</u>	<u>124,683</u>	<u>-</u>
		<u>\$ 3,841,645</u>	<u>14</u>	<u>3,973,053</u>	<u>16</u>	<u>7,855,659</u>	<u>15</u>	<u>8,293,478</u>	<u>17</u>
	<b>EARNINGS PER SHARE(Notes 4 and 6(u))</b>								
9750	<b>BASIC</b>	<u>\$ 1.47</u>		<u>1.53</u>		<u>2.89</u>		<u>3.04</u>	
9850	<b>DILUTED</b>	<u>\$ 1.47</u>		<u>1.53</u>		<u>2.88</u>		<u>3.03</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 SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of Parent										
	Ordinary Share	Capital Surplus	Retained Earnings			Other Equity Interest		Treasury Share	Total	Non- controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappro- priated	Exchange Differences on Translation	Unrealized Gain (Loss) on Available- for-Sale Financial Assets				
<b>BALANCE, JANUARY 1, 2012</b>	\$ 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 six months ended June 30, 2012	-	-	-	-	8,165,406	-	-	-	8,165,406	128,624	8,294,030
Other comprehensive income for the six months ended June 30, 2012	-	-	-	-	-	(6,123)	9,512	-	3,389	(3,941)	(552)
Total comprehensive income for the six months ended June 30, 2012	-	-	-	-	8,165,406	(6,123)	9,512	-	8,168,795	124,683	8,293,478
Appropriation and distribution of retained earnings											
Legal reserve	-	-	1,346,876	-	(1,346,876)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(13,880,952)	-	-	-	(13,880,952)	-	(13,880,952)
Reversal of special reserve	-	-	-	(821,741)	821,741	-	-	-	-	-	-
Cash dividends from subsidiaries paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(252,763)	(252,763)
<b>BALANCE, JUNE 30, 2012</b>	<b>\$ 34,208,328</b>	<b>12,431,851</b>	<b>18,061,894</b>	<b>-</b>	<b>14,480,763</b>	<b>28,108</b>	<b>331,499</b>	<b>(31,077,183)</b>	<b>48,465,260</b>	<b>978,347</b>	<b>49,443,607</b>
<b>BALANCE, JANUARY 1, 2013</b>	\$ 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 six months ended June 30, 2013	-	-	-	-	7,763,610	-	-	-	7,763,610	111,637	7,875,247
Other comprehensive income for the six months ended June 30, 2013	-	-	-	-	-	7,258	(2,744)	-	4,514	(24,102)	(19,588)
Total comprehensive income for the six months ended June 30, 2013	-	-	-	-	7,763,610	7,258	(2,744)	-	7,768,124	87,535	7,855,659
Appropriation and distribution of retained earnings											
Legal reserve	-	-	1,469,160	-	(1,469,160)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(14,526,578)	-	-	-	(14,526,578)	-	(14,526,578)
Legal reserve used to distribute cash dividends	-	-	(269,010)	-	-	-	-	-	(269,010)	-	(269,010)
Cash dividends from subsidiaries paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(247,986)	(247,986)
<b>BALANCE, JUNE 30, 2013</b>	<b>\$ 34,208,328</b>	<b>12,431,851</b>	<b>19,262,044</b>	<b>-</b>	<b>14,374,045</b>	<b>32,741</b>	<b>311,799</b>	<b>(31,077,183)</b>	<b>49,543,625</b>	<b>911,753</b>	<b>50,455,378</b>

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 SIX MONTHS ENDED JUNE 30, 2013 AND 2012**

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>For the six months ended June 30</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	\$ 9,547,903	9,993,079
<b>Adjustments</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	4,318,875	4,168,285
Loss on disposal of property, plant and equipment	674,373	225,624
Amortization expense	616,653	650,583
Interest expense	157,219	149,788
Provision for bad debt expense	148,386	109,043
Interest income	(40,455)	(27,417)
Dividend income	(12,617)	-
Share of loss of associates accounted for using equity method	1,133	12,531
Impairment loss on financial assets	-	1,948
Net gain on financial assets or liabilities at fair value through profit or loss	-	(221)
Others	47	(3,608)
Total adjustments to reconcile profit (loss)	<u>5,863,614</u>	<u>5,286,556</u>
Changes in operating assets and liabilities		
Notes receivable	23,815	12,047
Accounts receivable	(1,719,202)	(912,332)
Accounts receivable due from related parties	492	25,738
Other receivables	(185,909)	128,561
Inventories	(612,597)	(507,146)
Prepayments	(23,359)	(3,608)
Other current assets	(14,984)	4,886
Other non-current assets	571	1,039
Notes payable	(175,864)	(441,327)
Accounts payable	(729,340)	(116,154)
Accounts payable to related parties	20,206	32,880
Other payables	460,304	(331,114)
Provisions	33,834	7,344
Advance receipts	(167,388)	(230,465)
Other current liabilities	335,755	71,138
Accrued pension liabilities	(347)	785
Total changes in operating assets and liabilities	<u>(2,754,013)</u>	<u>(2,257,728)</u>
Net cash inflows generated from operating activities	12,657,504	13,021,907
Interest paid	(31)	(10)
Income taxes paid	(1,335,520)	(1,622,764)
<b>Net cash flows from operating activities</b>	<u>11,321,953</u>	<u>11,399,133</u>

(Continued)

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW(Continued)**

**FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012**

**(In Thousands of New Taiwan Dollars)**

**(Reviewed, Not Audited)**

	<b>For the six months ended June 30</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(6,334,294)	(3,352,169)
Increase in prepayments for equipment	(226,483)	(62,831)
Acquisition of available-for-sale financial assets	(1,000,000)	-
Acquisition of investments accounted for using equity method	(214,500)	-
Increase in prepayments for investments	(558,940)	(74,850)
Increase in refundable deposits	(1,131,115)	(72,534)
Decrease in refundable deposits	85,361	52,897
Increase in other financial assets	(217,808)	(1,386,504)
Decrease in other financial assets	243,912	23,383
Acquisition of computer software and other intangible assets	(81,862)	(76,115)
Interest received	40,079	26,933
Dividend received	10,320	-
Proceeds from disposal of property, plant and equipment	<u>2,757</u>	<u>4,801</u>
<b>Net cash used in investing activities</b>	<u>(9,382,573)</u>	<u>(4,916,989)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term borrowings	(16,500,000)	(34,300,000)
Increase in short-term borrowings	14,101,658	27,145,216
Proceeds from issuance of bonds	5,796,043	-
Decrease in short-term notes and bills payable	-	(1,400,000)
Increase in short-term notes and bills payable	-	500,000
Cash dividends paid to non-controlling interests	(247,416)	(252,763)
Increase in guarantee deposits received	87,221	92,502
Decrease in guarantee deposits received	(71,258)	(41,419)
Interest paid	<u>(24,119)</u>	<u>(36,257)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>3,142,129</u>	<u>(8,292,721)</u>
<b>EFFECT OF EXCHANGES ON CASH AND CASH EQUIVALENTS</b>	4,850	(5,141)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,086,359	(1,815,718)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>6,191,140</u>	<u>6,572,192</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>\$ 11,277,499</u></u>	<u><u>4,756,474</u></u>

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 SIX MONTHS ENDED JUNE 30, 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 June 30, 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 July 30, 2013.

**3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

Except for the assessments of new standards and interpretations mentioned below, the ones which are not adopted by the Group are consistent with the interim consolidated financial statements for the three months ended March 31, 2013.

The following are the new standards and amendments issued recently by the International Accounting Standards Board ("IASB") that may have impacts on the consolidated financial statements. As of the reporting date, they have not yet been endorsed by the Financial Supervisory Commission R.O.C. ("FSC"):



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

<u>Issue Date</u>	<u>New Standards and Amendments</u>	<u>Description</u>	<u>Effective Date per IASB</u>
May 20, 2013	IFRIC 21 Levies	Timing to be recognized as liabilities and relevant accounting treatment for levies collected by the Government if IFRS 37 Provisions, Contingent Liabilities and Contingent Assets are applicable.	January 1, 2014
May 29, 2013	Amended IAS 36 Impairment of Assets	Based on the standard issued on January 1, 2013, when the amount of goodwill of an entity or intangible assets with uncertain useful life is significant, the entity shall reveal the recoverable amount of each cash-generating unit which is being allocated. The standard has been revised that if an impairment loss is recognized or reversed, then disclosure is required. Besides, the entity shall disclose its fair value level and related requirements for key assumptions of valuation (for Level 2 and 3) if the recoverable amount is calculated through fair value less selling costs.	January 1, 2014 Early adoption is permitted.

The Group is still assessing the impact on the consolidated financial statements at the time of 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.

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

**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” 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 (collectively, “Taiwan-IFRSs”) for annual consolidated financial statements.

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 entity 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 interim consolidated financial statements incorporated the financial statements of TWM and its controlled entities (the subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits

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

from its activities.

The financial statements of the subsidiaries are included in the interim consolidated financial statements from the date of obtaining control and are excluded from the date of losing control. The comprehensive income from subsidiaries is allocated to TWM and its non-controlling interests, even if the non-controlling interests have a deficit balance.

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

Financial statements of subsidiaries are adequately adjusted to align the accounting policies with those of the Group.

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

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

The consolidated entities were as follows:

Investor	Subsidiary	Main Business and Products	Percentage of Direct Ownership				Note
			2013.6.30	2012.12.31	2012.6.30	2012.1.1	
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	-

(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
			2013.6.30	2012.12.31	2012.6.30	2012.1.1	
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	-
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	-

(Continued)

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

<u>Investor</u>	<u>Subsidiary</u>	<u>Main Business and Products</u>	<u>Percentage of Direct Ownership</u>				<u>Note</u>
			<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>	
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	-
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 June 30, 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	-

(Continued)

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

<b>Investor</b>	<b>Subsidiary</b>	<b>Main Business and Products</b>	<b>Percentage of Direct Ownership</b>				<b>Note</b>
			<b>2013.6.30</b>	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>	
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	-
TCC	Taiwan Digital Service Co., Ltd. (TDS)	Telecommunications Service Agencies and retail business	100.00	-	-	-	TDS was established on April 2, 2013.

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 PCTV's shares. The 96.66% shares of PCTV were originally owned by TFNM. FSMT was merged by TFNM on March 2, 2012. Now, TFNM owned all the shares of PCTV.

c. The subsidiary excluded in the interim consolidated financial statements: None.

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

Exchange differences due to settlement of transactions or translation for monetary items are recognized in profit or loss.

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

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;
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.

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

**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 was subsequently declared. It was submitted to shareholders' meeting on June 21, 2013.

**Cash and Cash Equivalents**

Cash and cash equivalents comprised of cash, cash in bank, time deposits which will originally mature in three months and short-term, and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Time deposits with original maturities of more than three months are classified as other financial assets—current or non-current.

**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, loans and receivables and available-for-sale financial assets.



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

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

A financial asset classified in this category is for the purpose of trading or at fair value through profit or loss.

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 non-operating income and expenses.

(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 non-operating income and expenses.

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) Loans and 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.

Loans and receivables are comprised of cash and cash equivalents, trade receivables, other receivables, investment in debt security with no active market and other financial assets.

(4) Impairment of financial assets

A financial asset is impaired if, and only if, there is objective evidence of impairment as

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

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.

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.

Trade receivables are assessed if any impairment has occurred at every reporting date. Trade receivable 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.

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 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.

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 trade receivable is uncollectible, it is written off from the allowance account. Any subsequent recovery of receivable

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

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 are included in non-operating income and expenses.

(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.

If the Group doesn't subscribe the new-issued stocks in accordance with the percentage of ownership which cause a change in percentage of ownership and net worth of the investment, the adjustment should be reflected in capital surplus and investments accounted for using equity method. If there is insufficient capital surplus from the investments accounted for using the equity method to be offset against, then such losses should be accounted for under retained earnings.

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

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 profit and losses.

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. 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	
primary buildings	20~55years
mechanical and electrical equipment	15years
(2) telecommunication equipment	2~15years
(3) office equipment	3~8 years
(4) leased assets	20 years
(5) miscellaneous equipment	2~9 years

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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.

**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

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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.

c. Amortization

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.

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.

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

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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. 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.

b. 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)**

**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 at the end of the financial year. The Group recognizes actuarial gains and losses from defined benefit obligation in other comprehensive income immediately when the gains and losses occur. 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.

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.

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds or government bonds. The currency and term of the bonds is consistent with those of obligations.

Pension cost for an interim period is calculated on a year-to-date basis by using the

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actuarially determined pension cost rate at the end of the prior financial year, and is adjusted if there is any significant market change, curtailment, settlement or other significant one-time event.

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.

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:

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

- (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.

**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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

b. Inventory sales

Revenue from sales of inventories is recognized as conditions mentioned below 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 obligations have been fulfilled.

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.

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.

e. Dividend and interest

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

Interest which arose from financial instruments is recognized when the economic benefits will probably flow into the Group 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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**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.

In the preparation of the interim consolidated financial statements, the critical accounting judgments and the key sources of estimation uncertainty are expected to be consistent with the first annual financial statements prepared under Taiwan-IFRSs.

a. Impairment assessment of tangible and intangible assets (goodwill is excluded)

In the process of impairment assessment, the Group should rely on subjective judgment to determine the individual cash flows of a specific group of assets and estimate future gain and loss according to the usage of assets and business characteristics. Alteration of estimation from any change in economic condition or business strategy may lead to significant impairment loss in the future.

The Group has not recognized any impairment loss for the six months ended June 30, 2013 and 2012.

b. Impairment assessment of goodwill

The use value of cash-generating units, to which goodwill is allocated, should be predetermined when assessing whether the goodwill is impaired. Management estimates the future cash flows from cash-generating units and resolves an appropriate discount rate in calculating present value. Significant impairment loss may occur if actual cash flows are less than forecasted.

As of June 30, 2013, December 31, June 30 and January 1, 2012, the carrying value of goodwill each amounted to \$15,845,930 thousand. The Group has not recognized any impairment loss on goodwill for the six months ended June 30, 2013 and 2012.

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

c. Impairment assessment of investments accounted for using equity method

Impairment assessment is required if, and only if, there is an objective evidence of impairment on investments accounted for using equity method and carrying value may not be recoverable. Management assesses the impairment based on the expected future cash flows from investee, including the growth rate of revenues estimated by the management of investee. General situation of the market and business, which share similar characteristics, is taken into consideration to identify the rationality of relevant assumptions.

The Group has not recognized any impairment loss on investments accounted for using equity method for the six months ended June 30, 2013 and 2012.

d. Income tax

The realizability of deferred income tax assets (liabilities) depends on sufficient future profits or a taxable temporary difference. Any changes in industry environment or amendments of law can result in significant adjustment of deferred income tax.

As of June 30, 2013, December 31, June 30 and January 1, 2012, the carrying value of deferred income tax assets amounted to are \$975,433 thousand, \$1,072,844 thousand, \$1,130,505 thousand and \$1,181,857 thousand, respectively; the carrying value of deferred income tax liabilities amounted to \$2,478,346 thousand, \$2,119,747 thousand, \$1,882,169 thousand and \$1,628,204 thousand, respectively .

e. Useful lives of property, plant and equipment

Please refer to the summary of significant accounting policies— property, plant and equipment. The Group reviews the estimated useful lives of property, plant and equipment periodically.

f. Impairment assessment of accounts receivable

If there is any objective evidence of impairment, the Group will take account of estimates of future cash flows. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Significant impairment loss may occur if actual cash flows are less than forecasted.

As of June 30, 2013, December 31, June 30 and January 1, 2012, the carrying value of accounts receivable amounted to \$13,825,904 thousand, \$12,690,092 thousand, \$10,999,787 thousand and \$10,729,227 thousand. They were the net amounts after subtracting the allowances for doubtful accounts that amounted to \$344,665 thousand, \$315,933 thousand, \$288,091 thousand and \$284,974 thousand, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**6. DESCRIPTION OF THE SIGNIFICANT ACCOUNTS**

a. Cash and Cash Equivalents

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Government bonds with repurchase rights	\$ 5,206,397	2,316,352	2,401,853	2,607,596
Cash in banks	3,071,603	1,317,845	917,196	1,135,422
Time deposits	2,806,942	2,336,475	1,315,718	2,709,645
Cash on hand	182,092	207,380	88,555	19,989
Revolving funds	10,460	13,088	13,159	12,558
Short-term notes and bills with repurchase rights	5	-	19,993	86,982
	<u>\$ 11,277,499</u>	<u>6,191,140</u>	<u>4,756,474</u>	<u>6,572,192</u>

As of June 30, 2013, December 31, June 30, and January 1, 2012, the time deposits with original maturities of more than three months amounted to \$1,015,408 thousand, \$1,032,500 thousand, \$1,375,369 thousand and \$121,800 thousand, respectively. They were classified as other financial assets under current assets. Please refer to Note 6 (l) Other assets – others.

b. Current financial assets at fair value through profit or loss

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Beneficiary certificates – Open-end mutual fund	\$ -	-	60,407	60,186

c. Available-for-sale financial assets

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Domestic emerging stock –Taiwan High Speed Rail	\$ 1,134,421	1,127,655	1,145,698	1,123,144
Beneficiary certificates – mutual fund	949,025	-	-	-
Domestic listed stocks – Chunghwa Telecom Co., Ltd.	221,698	205,397	204,310	217,351
	<u>\$ 2,305,144</u>	<u>1,333,052</u>	<u>1,350,008</u>	<u>1,340,495</u>
Current	<u>\$ 1,170,723</u>	<u>205,397</u>	<u>204,310</u>	<u>217,351</u>
Non-current	<u>\$ 1,134,421</u>	<u>1,127,655</u>	<u>1,145,698</u>	<u>1,123,144</u>

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
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d. Non-current financial assets at cost

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Domestic unlisted stocks				
Arcoa Communication Co., Ltd.	\$ 67,731	67,731	67,731	67,731
Great Taipei Broadband Co., Ltd.	39,627	39,627	39,627	41,241
Parawin Venture Capital Corp.	16,873	16,873	19,873	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>184,328</u>	<u>186,276</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.

For the six months ended June 30, 2013 and 2012, the Group recognized an impairment loss of \$0 and \$1,948 thousand, respectively.

e. Non-current bond investment without active market

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Taiwan High Speed Rail Corporation – unlisted convertible preferred stock – series A	<u>\$ 500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

f. Accounts and Notes receivable, net

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Notes receivable	\$ 18,895	42,710	11,376	23,423
Accounts receivable	14,170,569	13,006,025	11,287,878	11,014,201
Less: allowance for doubtful accounts	(344,665 )	(315,933 )	(288,091 )	(284,974 )
Accounts receivable, net	<u>13,825,904</u>	<u>12,690,092</u>	<u>10,999,787</u>	<u>10,729,227</u>
<b>Total</b>	<u><b>\$ 13,844,799</b></u>	<u><b>12,732,802</b></u>	<u><b>11,011,163</b></u>	<u><b>10,752,650</b></u>



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

Movements of allowance for doubtful receivables for the six months ended June 30, 2013 and 2012 are as follows:

	<b>For the six months ended</b>	
	<b>June 30</b>	
	<b>2013</b>	<b>2012</b>
Beginning balance	\$ 315,933	284,974
Add: Provision	133,467	115,371
Reversal	78,137	92,680
Effects of exchange rate changes	-	12
Less: write-off	(182,872)	(204,946)
Ending balance	<b>\$ 344,665</b>	<b>288,091</b>

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.

g. Inventories

	<b>2013.6.30</b>	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>
Commodity inventories	\$ 3,107,026	2,555,680	2,511,249	2,004,103
Materials for maintenance	72,446	11,220	-	-
	<b>\$ 3,179,472</b>	<b>2,566,900</b>	<b>2,511,249</b>	<b>2,004,103</b>

For the three months ended June 30, 2013 and for the six months ended June 30, 2013, the cost of goods sold recognized in consolidated comprehensive income amounted to \$9,014,983 thousand and \$18,089,871 thousand, which included a loss of \$17,430 thousand from the decrease of net realizable value and a gain of \$284 thousand from the increase of net realizable value respectively.

For the three months ended June 30, 2012 and for the six months ended June 30, 2012, the cost of goods sold recognized in the consolidated comprehensive income amounted to \$6,580,709 thousand and \$14,009,584 thousand, which included a loss of \$29,529 thousand and \$49,222 thousand from the decrease of net realizable value, respectively.

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

h. Investments Accounted for Using Equity Method

Company invested	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership	Amount	% of Ownership
Taipei New Horizons Co., Ltd. (TNH)	\$ 790,382	49.90	811,841	49.90	550,281	49.90	562,812	49.90
Taiwan Pelican Express Co., Ltd. (TPE)	370,178	20.00	359,643	20.00	-	-	-	-
Kbro Media Co., Ltd.	291,339	32.50	77,078	32.50	-	-	-	-
	<u>\$ 1,451,899</u>		<u>1,248,562</u>		<u>550,281</u>		<u>562,812</u>	

(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%. TWM paid \$74,850 thousand as of June 30, 2012 and recognized the investment in other non-current assets, Please refer to Note 6(l) Other assets – others.

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 \$528,940 thousand as of June 30, 2013 and recognized the investment in other non-current assets, others account. Please refer to Note 6(l) Other assets – others.

(2) TPE

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

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

(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%.

i. Property, Plant and Equipment

Movements of the cost, depreciation and impairment loss of property, plant and equipment of the Group for the six months ended June 30, 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>
<b>Cost:</b>								
Balance, January 1, 2013	\$ 6,735,900	4,145,550	141,867	70,234,280	1,285,920	4,112,591	3,915,581	90,571,689
Additions	-	748	9,586	146,175	-	147,187	6,301,832	6,605,528
Reclassification	2,007,756	788,959	-	3,346,034	-	186,656	(6,387,249)	(57,844)
Disposals	-	-	(646)	(2,498,747)	-	(59,557)	(6,814)	(2,565,764)
Effect of exchange rate changes	-	-	152	8,422	-	3,659	-	12,233
Balance, June 30, 2013	<u>\$ 8,743,656</u>	<u>4,935,257</u>	<u>150,959</u>	<u>71,236,164</u>	<u>1,285,920</u>	<u>4,390,536</u>	<u>3,823,350</u>	<u>94,565,842</u>
Balance, January 1, 2012	\$ 6,457,641	4,102,798	142,497	66,400,798	1,285,920	3,423,970	2,788,504	84,602,128
Additions	-	323	4,007	211,242	-	171,156	3,368,048	3,754,776
Reclassification	-	-	57	2,559,767	-	182,098	(2,732,300)	9,622
Disposals	-	-	(15,387)	(750,580)	-	(58,231)	(2,399)	(826,597)
Effect of exchange rate changes	-	-	(294)	(3,118)	-	(1,399)	-	(4,811)
Balance, June 30, 2012	<u>\$ 6,457,641</u>	<u>4,103,121</u>	<u>130,880</u>	<u>68,418,109</u>	<u>1,285,920</u>	<u>3,717,594</u>	<u>3,421,853</u>	<u>87,535,118</u>
<b>Accumulated depreciation and impairment:</b>								
Balance, January 1, 2013	\$ 83,426	1,127,005	112,400	45,302,209	680,182	2,673,294	-	49,978,516
Depreciation in this period	-	66,589	9,924	3,832,077	32,240	375,979	-	4,316,809
Reclassification	-	(12,008)	-	-	-	(18,321)	-	(30,329)
Disposals	-	-	(562)	(1,842,310)	-	(45,763)	-	(1,888,635)
Effect of exchange rate changes	-	-	41	1,672	-	1,011	-	2,724
Balance, June 30, 2013	<u>\$ 83,426</u>	<u>1,181,586</u>	<u>121,803</u>	<u>47,293,648</u>	<u>712,422</u>	<u>2,986,200</u>	<u>-</u>	<u>52,379,085</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>
Balance, January 1, 2012	\$ 83,426	977,746	102,026	39,285,293	615,702	2,066,973	-	43,131,166
Depreciation in this period	-	51,526	12,390	3,716,713	32,240	354,013	-	4,166,882
Reclassification	-	-	-	-	-	1,900	-	1,900
Disposals	-	-	(13,459)	(532,387)	-	(50,315)	-	(596,161)
Effect of exchange rate changes	-	-	(241)	28	-	(164)	-	(377)
Balance, June 30, 2012	<u>\$ 83,426</u>	<u>1,029,272</u>	<u>100,716</u>	<u>42,469,647</u>	<u>647,942</u>	<u>2,372,407</u>	<u>-</u>	<u>46,703,410</u>
<b>Carrying amount:</b>								
Balance, January 1, 2013	<u>\$ 6,652,474</u>	<u>3,018,545</u>	<u>29,467</u>	<u>24,932,071</u>	<u>605,738</u>	<u>1,439,297</u>	<u>3,915,581</u>	<u>40,593,173</u>
Balance, June 30, 2013	<u>\$ 8,660,230</u>	<u>3,753,671</u>	<u>29,156</u>	<u>23,942,516</u>	<u>573,498</u>	<u>1,404,336</u>	<u>3,823,350</u>	<u>42,186,757</u>
Balance, January 1, 2012	<u>\$ 6,374,215</u>	<u>3,125,052</u>	<u>40,471</u>	<u>27,115,505</u>	<u>670,218</u>	<u>1,356,997</u>	<u>2,788,504</u>	<u>41,470,962</u>
Balance, June 30, 2012	<u>\$ 6,374,215</u>	<u>3,073,849</u>	<u>30,164</u>	<u>25,948,462</u>	<u>637,978</u>	<u>1,345,187</u>	<u>3,421,853</u>	<u>40,831,708</u>

j. Investment Property

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
<b>Land:</b>				
Cost	<u>\$ 217,282</u>	<u>216,465</u>	<u>216,465</u>	<u>216,465</u>
<b>Buildings:</b>				
Cost	\$ 149,646	113,168	113,168	113,168
Accumulated depreciation	43,714	29,642	28,238	26,834
Carrying amount	<u>\$ 105,932</u>	<u>83,526</u>	<u>84,930</u>	<u>86,334</u>
<b>Total investment property</b>	<u>\$ 323,214</u>	<u>299,991</u>	<u>301,395</u>	<u>302,799</u>
<b>Fair value</b>	<u>\$ 742,656</u>	<u>654,623</u>	<u>667,479</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.

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

k. Intangible Assets

The cost, amortization and impairment loss of intangible assets of the Group for the six months ended June 30, 2013 and 2012 are as follows:

	3G		Other intangible assets					Total
	concession license	Goodwill	Computer software	Customer relationship	Operating rights	Trademarks	Others	
<b>Cost:</b>								
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	-	-	82,385	-	-	570	-	82,955
Disposals	-	-	(31,733)	-	-	-	(731)	(32,464)
Reclassification	-	-	116,247	-	-	-	-	116,247
Effect of exchange rate changes	-	-	1,067	-	-	-	173	1,240
Balance, June 30, 2013	<u>\$ 10,281,000</u>	<u>15,845,930</u>	<u>1,831,997</u>	<u>2,849,197</u>	<u>1,382,000</u>	<u>2,517,860</u>	<u>5,073</u>	<u>34,713,057</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	-	-	75,458	-	-	-	-	75,458
Disposals	-	-	(52,474)	-	-	-	-	(52,474)
Reclassification	-	-	114,655	-	-	-	-	114,655
Effect of exchange rate changes	-	-	(310)	-	-	-	(16)	(326)
Balance, June 30, 2012	<u>\$ 10,281,000</u>	<u>15,845,930</u>	<u>1,536,386</u>	<u>2,849,197</u>	<u>1,382,000</u>	<u>2,516,947</u>	<u>2,848</u>	<u>34,414,308</u>
<b>Amortization and impairment loss:</b>								
Balance, January 1, 2013	\$ 5,794,746	-	1,232,525	860,198	-	400	3,056	7,890,925
Amortization	373,854	-	153,252	88,750	-	81	716	616,653
Disposals	-	-	(31,733)	-	-	-	-	(31,733)
Effect of exchange rate changes	-	-	384	-	-	-	67	451
Balance, June 30, 2013	<u>\$ 6,168,600</u>	<u>-</u>	<u>1,354,428</u>	<u>948,948</u>	<u>-</u>	<u>481</u>	<u>3,839</u>	<u>8,476,296</u>
Balance, January 1, 2012	\$ 5,047,036	-	940,532	681,090	-	273	2,226	6,671,157
Amortization	373,855	-	186,357	89,957	-	53	361	650,583
Disposals	-	-	(52,473)	-	-	-	-	(52,473)
Reclassification	-	-	(1,890)	-	-	-	-	(1,890)
Effect of exchange rate changes	-	-	(73)	-	-	-	(9)	(82)
Balance, June 30., 2012	<u>\$ 5,420,891</u>	<u>-</u>	<u>1,072,453</u>	<u>771,047</u>	<u>-</u>	<u>326</u>	<u>2,578</u>	<u>7,267,295</u>
<b>Carrying amounts:</b>								
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, June 30, 2013	<u>\$ 4,112,400</u>	<u>15,845,930</u>	<u>477,569</u>	<u>1,900,249</u>	<u>1,382,000</u>	<u>2,517,379</u>	<u>1,234</u>	<u>26,236,761</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, June 30, 2012	<u>\$ 4,860,109</u>	<u>15,845,930</u>	<u>463,933</u>	<u>2,078,150</u>	<u>1,382,000</u>	<u>2,516,621</u>	<u>270</u>	<u>27,147,013</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>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</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><u>\$15,845,930</u></u>	<u><u>15,845,930</u></u>	<u><u>15,845,930</u></u>	<u><u>15,845,930</u></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 five-year cash flow projections were estimated on the basis of previous experiences, actual operating results, and financial budget.

(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 five-year cash flow projections were estimated on the basis of previous experiences, actual operating results and financial budget.

(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 five-year cash flow projections were estimated on the basis of previous experiences, actual operating results and financial budget.

(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 five-year cash flow projections were estimated on the basis of previous experiences, actual operating results and financial budget.

(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 June 30, 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)**

1. Other assets—others

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Current :				
Other financial assets—				
time deposits with original				
maturity of more than three				
months	\$ 1,015,408	1,032,500	1,375,369	121,800
Pledged time deposits and				
restricted deposits	397,236	406,030	199,913	73,062
Current tax assets	101,725	106,091	106,417	105,122
Others	93,925	78,941	41,154	46,041
	<u><b>\$ 1,608,294</b></u>	<u><b>1,623,562</b></u>	<u><b>1,722,853</b></u>	<u><b>346,025</b></u>
Non—current :				
Long-term accounts receivables	\$ 2,907,031	2,473,301	2,244,712	1,711,611
Refundable deposits (Note1)	1,620,397	574,301	536,443	510,464
Prepayments for investments(Note 2)	558,940	-	74,850	-
Prepayments for equipment	224,284	111,821	89,672	147,618
Other financial assets—				
pledged time deposits and restricted				
deposits	110,312	110,530	73,526	90,825
Others	596,118	595,764	630,420	642,617
	<u><b>\$ 6,017,082</b></u>	<u><b>3,865,717</b></u>	<u><b>3,649,623</b></u>	<u><b>3,103,135</b></u>

Note 1: For long-term business development, TWM has submitted an application to NCC for the 4G telecommunications services licenses, and has deposited \$1,000,000 thousand as bid bond as of June, 2013.

Note 2: Details of prepayments for investments were as follows:

- (1) As of June 30, 2013 and 2012, prepayments for subscribing shares from capital increase of TNH amounted to \$528,940 thousand and \$74,580 thousand, respectively. Please refer to Note 6(h).
- (2) For business development, TWM participated in the establishment of NFC (Near Field Communication) trusted service manager corporation –Alliance Digital Technology Co., Ltd. As of June 30, 2013, the prepayment of \$30,000 thousand has been paid for establishing the pre-opening office.

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

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

<b>2013.6.30</b>			
	<b>Annual interest rate</b>	<b>Due year</b>	<b>Amount</b>
Unsecured loans — financial institutions	1.08%	2013	\$ 500,000
Secured loans — related parties	6.3%	2013	267,482
			<b>\$ 767,482</b>
<b>2012.12.31</b>			
	<b>Annual interest rate</b>	<b>Due year</b>	<b>Amount</b>
Unsecured loans — financial institutions	0.88%~1.15%	2013	\$ 3,000,000
Secured loans — related parties	6.3 %	2013	158,440
			<b>\$ 3,158,440</b>
<b>2012.6.30</b>			
	<b>Annual interest rate</b>	<b>Due year</b>	<b>Amount</b>
Unsecured loans — financial institutions	1.025~1.3%	2012	\$ 1,800,000
Secured loans	7.0848%	2012	45,216
			<b>\$ 1,845,216</b>
<b>2012.1.1</b>			
	<b>Annual interest rate</b>	<b>Due year</b>	<b>Amount</b>
Unsecured loans — financial institutions	0.89%~0.98%	2012	<b>\$ 9,000,000</b>
Bills payable	0.948%~0.958%	2012	<b>\$ 899,273</b>

For financial risk information of the Group, please refer to Note 6(z); 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)**

n. Advance Receipts

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Advance receipts from customers	\$ 2,749,729	2,942,912	2,662,155	2,937,104
Customers loyalty deferred	69,663	77,824	66,433	39,326
Others	123,044	89,088	94,617	77,240
	<u><b>\$ 2,942,436</b></u>	<u><b>3,109,824</b></u>	<u><b>2,823,205</b></u>	<u><b>3,053,670</b></u>

- (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 \$1,203,430 thousand and \$7,495 thousand, respectively, as of June 30, 2013. The guaranty will last for a year.
- (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 \$6,012 thousand as of June 30, 2013. The guaranty will last for a year.
- (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 June 30, 2013, the cable television companies had provided \$54,750 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 June 30, 2013, FMT had provided \$1,736 thousand as performance deposit, which is classified as Non-current assets – other financial asset.
- (5) In accordance with NCC's and ministry of Economic Affairs' policies, TKT entered into a contract with Mega International Commercial Bank Co., Ltd. which provided performance guarantee for advance receipts from prepaid music cards which amounted to \$1,687 thousand as of June 30, 2013. The guaranty will last for a year. TKT had provided \$5,000 thousand as performance deposit in non-current asset, \$2,000 thousand among which and the other \$3,000 thousand are classified as restricted deposits and pledged time deposits, respectively. Please refer to Note 8 for pledged time deposits.

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

o. Bonds Payable

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
2nd domestic unsecured bonds	\$ 4,000,000	4,000,000	8,000,000	8,000,000
3rd domestic unsecured bonds	8,995,558	8,995,180	-	-
4th domestic unsecured bonds	<u>5,796,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
	18,791,824	12,995,180	8,000,000	8,000,000
Less: current portion	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>
	<u><b>\$ 14,791,824</b></u>	<u><b>8,995,180</b></u>	<u><b>4,000,000</b></u>	<u><b>4,000,000</b></u>

(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:

<u>Year</u>	<u>Amount</u>
The fourth quarter of 2013	<u>\$ <b>4,000,000</b></u>

(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:

<u>Year</u>	<u>Amount</u>
2018	\$ 4,500,000
2019	<u>4,500,000</u>
	<u><b>\$ 9,000,000</b></u>

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

(3) 4th domestic unsecured bonds

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.

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

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

p. Provision

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Restoration	\$ 945,588	875,805	805,597	760,015
Warranties	32,719	-	-	-
	\$ 978,307	875,805	805,597	760,015
Current	\$ 163,314	120,610	105,953	90,014
Non-current	814,993	755,195	699,644	670,001
	\$ 978,307	875,805	805,597	760,015

	Restoration	Warranties	Total
Balance, January 1, 2013	\$ 875,805	-	875,805
Provision	78,289	40,532	118,821
Discounted or amortized	7,016	-	7,016
Payment	(15,522)	(7,813)	(23,335)
Balance, June 30, 2013	\$ 945,588	32,719	978,307
Balance, January 1, 2012	\$ 760,015	-	760,015
Provision	52,906	-	52,906
Discounted or amortized	6,425	-	6,425
Payment	(13,749)	-	(13,749)
Balance, June 30, 2012	\$ 805,597	-	805,597

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

(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.

q. Operating Lease

(1) Lessee

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

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Less than one year	\$ 3,155,493	2,781,216	2,274,837	2,187,976
Between one to five years	6,358,004	5,725,608	4,840,774	3,910,579
More than five years	136,687	124,612	134,564	146,613
	<u><u>\$ 9,650,184</u></u>	<u><u>8,631,436</u></u>	<u><u>7,250,175</u></u>	<u><u>6,245,168</u></u>

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 three months ended June 30, 2013 and 2012, and for the six months ended June 30, 2013 and 2012, \$812,532 thousand, \$670,673 thousand, \$1,591,299 thousand and \$1,318,349 thousand were recognized respectively 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>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Less than one year	\$ 22,823	21,431	25,919	12,624
Between one to five years	31,164	40,800	51,003	20,108
	<u><u>\$ 53,987</u></u>	<u><u>62,231</u></u>	<u><u>76,922</u></u>	<u><u>32,732</u></u>

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

r. Employee Benefits

(1) Defined benefit plan

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 fiscal year. The Group's expenses recognized in profit or loss amounted to \$1,041 thousand, \$1,433 thousand, \$2,207 thousand and \$2,867 thousand for the three months ended June 30, 2013 and 2012, and for the six months ended June 30, 2013 and 2012, respectively.

(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's pension expenses recognized in profit or loss amounted to \$60,857 thousand, \$55,454 thousand, \$119,860 thousand and \$110,174 thousand for the three months ended June 30, 2013 and 2012, and for the six months ended June 30, 2013 and 2012, respectively. As of June 30, 2013 and 2012, \$47,668 thousand and \$43,867 thousand were payable to the Bureau of the Labor Insurance. The amounts were all paid after the balance sheet date.

s. Income Tax

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the Group. Therefore, reconciliation of accounting profit and taxable profit is impracticable.

- (1) For units of continuing operations, there was no significant difference between effective annual tax rates estimated as of March 31 and June 30, 2013.



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

(2) Components of income tax expense are as below:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Current income tax expense				
Current inducement	\$ 680,485	794,044	1,276,368	1,404,704
Prior years adjustment on current income tax	(20,428)	(41,729)	23,893	(10,972)
	<u>660,057</u>	<u>752,315</u>	<u>1,300,261</u>	<u>1,393,732</u>
Deferred income tax expense				
Current inducement	165,196	98,036	372,395	305,317
Income tax expense	<u>\$ 825,253</u>	<u>850,351</u>	<u>1,672,656</u>	<u>1,699,049</u>

Integrated income tax information was as follows:

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Balance of the Group's imputation credit account (ICA)	<u>\$ 2,682,251</u>	<u>1,096,988</u>	<u>3,928,660</u>	<u>2,394,350</u>

As of June 30, 2013, there were no unappropriated earnings generated before 1997.

The actual tax creditable ratio was 23.73% for the 2011 earnings appropriation.

The tax creditable ratio in 2012 was 12.05%, which was estimated based on Draft Income Tax Amendment announced on December 11, 2012 by Executive Yuan of Republic of China. The draft amendment had not been approved by Legislative Yuan as of July 30, 2013. Actual allocation of imputation credit account is based on the balance on the date of dividend distribution. Therefore, the estimated tax creditable ratio may differ from the actual tax creditable ratio for the 2012 earnings appropriation.

**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
TransAsian Telecommunications Inc. (TAT)	2008
Mobitai Communications (Mobitai)	All examined
TCC	2010
WMT	2011
GWMT	2011
GFMT	2011
TDC	2010
TDS (established on April 2,2013)	-
TCCI	2011
TID	2011
TSB	2011
TFN	2011, but 2010 not yet authorized
TTN	2007
TT&T	2010
TUI	2011
TFNI	2008
WTVB	2011
TFNM	2011, but 2008 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.

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. TAT had requested 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 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. TFNM had requested 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.

t. 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).

(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.

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

The capital surplus on June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 were as follows:

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

(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, in the event that TWM, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside Legal Reserve pursuant to laws and regulations, and set aside or reverse a special reserve in accordance with the law or to satisfy the business needs of TWM. Any balance left over shall be applied to the following items:

- (a) Remuneration to Directors, not exceeding 0.3%
- (b) Employee bonuses in the sum of 1% to 3%
- (c) The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders as dividends in accordance with resolutions of the shareholders' meetings.

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

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

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 \$106,833 thousand and \$105,676 thousand, respectively, for the three months ended June 30, 2013 and 2012, and those amounted to \$209,617 thousand and \$196,254 thousand, respectively, were for the six months of June 30, 2013 and 2012. The estimated remuneration to directors amounted to \$10,684 thousand and \$10,567 thousand, respectively, for the three months ended June 30, 2013 and 2012, and those amounted to \$20,962 thousand and \$19,625 thousand respectively, were for the six month, of June 30, 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 June 21, 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><b>\$ 15,995,738</b></u>	<u><b>14,406,087</b></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 \$269,010 thousand, that is, \$0.1 per share. Total appropriation distributed in 2012 was \$5.5 per share.

As of June 30, 2013, cash appropriation with unappropriated earnings and legal reserve amounted to \$14,795,588 thousand is classified as dividends payable.

The AGM on June 21, 2013, and June 22, 2012, resolved to distribute bonuses to employees amounted to \$396,673 thousand and \$362,844 thousand, respectively, 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.

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

	<b>Exchange differences on translation</b>	<b>Unrealized gain (loss) on available-for-sale financial assets</b>	<b>Total</b>
Balance, January 1, 2013	\$ 25,483	314,543	340,026
— The Group	7,016	(2,744)	4,272
— Associates	242	-	242
Balance, June 30, 2013	<b>\$ 32,741</b>	<b>311,799</b>	<b>344,540</b>
Balance, January 1, 2012	\$ 34,231	321,987	356,218
— The Group	(6,123 )	9,512	3,389
Balance, June 30, 2012	<b>\$ 28,108</b>	<b>331,499</b>	<b>359,607</b>

(6) Treasury share

As of June 30, 2013, December 31, June 30, January 1, 2012, TWM's stock held by TCCI, TUI and TID (all are subsidiaries 100% owned by TWM) was 730,726 thousand shares and the carrying and market values were \$86,591,013 thousand, \$78,187,666 thousand, \$71,976,496 thousand and \$68,980,520 thousand, respectively. 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.

(7) Non-controlling interests

	<b>For the six months ended June 30</b>	
	<b>2013</b>	<b>2012</b>
Beginning balance	\$ 1,072,204	1,106,427
Portion attributable to non-controlling interest		
Profit	111,637	128,624
Unrealized loss on available- for -sale financial assets	(25,163)	-
Exchange differences on translation	1,061	(3,941)
Cash dividends from subsidiaries paid to non-controlling interests	(247,986)	(252,763)
Ending balance	<b>\$ 911,753</b>	<b>978,347</b>

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

u. Earnings Per Share

The Group calculated the basic and diluted EPS as follows:

	<b>For the three months</b>		<b>For the six months</b>	
	<b>ended June 30</b>		<b>ended June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Basic EPS</b>				
Profit attributable to ordinary shareholders	<u>\$ 3,956,796</u>	<u>4,115,010</u>	<u>7,763,610</u>	<u>8,165,406</u>
Weighted average number of ordinary shares	<u>2,690,107</u>	<u>2,690,107</u>	<u>2,690,107</u>	<u>2,690,107</u>
	<u>\$ 1.47</u>	<u>1.53</u>	<u>2.89</u>	<u>3.04</u>
<b>Diluted EPS</b>				
Profit attributable to ordinary shareholders	<u>\$ 3,956,796</u>	<u>4,115,010</u>	<u>7,763,610</u>	<u>8,165,406</u>
Weighted average number of ordinary shares (adjusted with potential effect of diluted ordinary shares)	2,690,107	2,690,107	2,690,107	2,690,107
Effect of employees' bonuses	<u>5,069</u>	<u>5,707</u>	<u>5,271</u>	<u>5,932</u>
Weighted average number of ordinary shares (adjusted with potential effect of diluted ordinary shares)	<u>2,695,176</u>	<u>2,695,814</u>	<u>2,695,378</u>	<u>2,696,039</u>
	<u>\$ 1.47</u>	<u>1.53</u>	<u>2.88</u>	<u>3.03</u>

v. Operating Revenues

The Group's operating revenues are detailed as follows:

	<b>For the three months ended</b>		<b>For the six months</b>	
	<b>June 30</b>		<b>ended June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Telecommunication service	\$ 14,936,968	14,703,286	29,485,211	29,361,338
Sales revenue	9,736,284	7,352,050	19,761,273	15,607,113
Cable TV and broadband	1,490,425	1,479,397	2,972,037	2,951,968
Other operating revenues	606,632	370,555	1,108,855	744,644
	<u>\$ 26,770,309</u>	<u>23,905,288</u>	<u>53,327,376</u>	<u>48,665,063</u>



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

w. Other Net Revenues and Expenses

The Group's other revenues and expenses are detailed as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Police inquiry	\$ 7,922	7,732	15,550	15,128
Government subsidy	601	607	2,601	2,607
Others	98	12,775	4,412	17,754
	<b>\$ 8,621</b>	<b>21,114</b>	<b>22,563</b>	<b>35,489</b>

x. Non-operating Income and Expenses

(1) Other income

The Group's other income are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Interest income	\$ 26,990	14,822	41,263	27,628
Dividend income	12,617	-	12,617	-
Rental income	7,635	8,038	16,138	16,216
Other income	6,029	2,928	7,013	5,764
	<b>\$ 53,271</b>	<b>25,788</b>	<b>77,031</b>	<b>49,608</b>

(2) Other gains and losses, net

The Group's other gains and losses are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Loss on disposal of property, plant and equipment	\$ (433,642)	(118,774)	(674,373)	(225,624)
Foreign exchange gains (losses)	7,404	6,313	20,885	(3,772)
Others	(3,460)	(4,514)	(6,662)	(7,353)
	<b>\$ (429,698)</b>	<b>(116,975)</b>	<b>(660,150)</b>	<b>(236,749)</b>

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

(3) Financial costs

The Group's financial costs are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Interest expense	\$			
Corporate bonds	73,166	58,190	131,906	116,379
Bank loans	5,947	11,160	22,560	33,933
Others	9,273	4,349	18,253	13,149
	88,386	73,699	172,719	163,461
Less: capitalized interest	(4,724)	(3,724)	(9,103)	(7,189)
	<b>\$ 83,662</b>	<b>69,975</b>	<b>163,616</b>	<b>156,272</b>

Capitalization rates are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Capitalization rates	1.48%~1.58%	1.80%~1.92%	1.36%~1.60%	1.68%~1.92%

y. 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.

z. Financial Instruments

(1) Credit risk

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

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

(b) Impairment loss

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

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Total		Total		Total		Total	
	amount	Impairment	amount	Impairment	amount	Impairment	amount	Impairment
Not past due	\$ 13,688,246	227,359	12,235,015	199,031	10,399,188	178,890	10,461,333	163,644
Overdue within								
180 days	475,161	116,057	742,229	115,653	879,903	107,952	539,807	120,081
Overdue more								
than 180 days	7,162	1,249	28,781	1,249	8,787	1,249	13,061	1,249
	<u>\$ 14,170,569</u>	<u>344,665</u>	<u>13,006,025</u>	<u>315,933</u>	<u>11,287,878</u>	<u>288,091</u>	<u>11,014,201</u>	<u>284,974</u>

(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
<b>2013.6.30</b>					
Unsecured loans	\$ 500,000	500,044	500,044	-	-
Secured loans	267,482	284,333	284,333	-	-
Bonds payable	18,791,824	20,035,790	4,310,620	6,544,270	9,180,900
	<u>\$ 19,559,306</u>	<u>20,820,167</u>	<u>5,094,997</u>	<u>6,544,270</u>	<u>9,180,900</u>
<b>2012.12.31</b>					
Unsecured loans	\$ 3,000,000	3,004,073	3,004,073	-	-
Secured loans	158,440	168,422	168,422	-	-
Bonds payable	12,995,180	13,899,100	4,235,800	482,400	9,180,900
	<u>\$ 16,153,620</u>	<u>17,071,595</u>	<u>7,408,295</u>	<u>482,400</u>	<u>9,180,900</u>
<b>2012.6.30</b>					
Unsecured loans	\$ 1,800,000	1,801,690	1,801,690	-	-
Secured loans	45,216	48,358	48,358	-	-
Bonds payable	8,000,000	8,345,600	4,230,400	4,115,200	-
	<u>\$ 9,845,216</u>	<u>10,195,648</u>	<u>6,080,448</u>	<u>4,115,200</u>	<u>-</u>
<b>2012.1.1</b>					
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	-
	<u>\$ 17,899,273</u>	<u>18,256,326</u>	<u>14,141,126</u>	<u>4,115,200</u>	<u>-</u>

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

(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:

	2013.6.30			2012.12.31			2012.6.30			2012.1.1		
	Foreign currency	Exchange Rate	NTD	Foreign currency	Exchange Rate	NTD	Foreign currency	Exchange Rate	NTD	Foreign currency	Exchange Rate	NTD
<b>Financial Assets</b>												
RMB	\$ 81,666	4.874	398,039	29,401	4.657	136,920	33,082	4.71	155,816	45,755	4.793	219,304
USD	29,093	30.02	873,306	26,814	29.04	778,753	19,631	29.93	587,455	20,009	30.28	605,864
JPY	79	0.3059	24	69	0.3391	24	83	0.38	31	245	0.3897	95
HKD	3,048	3.869	11,792	2,593	3.747	9,717	2,376	3.86	9,166	1,807	3.896	7,039
EUR	541	39.14	21,168	110	38.48	4,223	34	37.23	1,278	20	39.17	765
<b>Financial Liabilities</b>												
RMB	68,885	4.874	335,748	49,280	4.657	229,494	22,039	4.71	103,802	12,602	4.793	60,403
USD	12,212	30.02	366,609	8,172	29.04	236,900	6,135	29.93	183,594	8,264	30.28	250,284
JPY	10,647	0.3059	3,257	11,932	0.3391	4,046	8,103	0.38	3,053	13,126	0.3897	5,115
HKD	6,281	3.869	24,300	7,881	3.747	29,529	7,535	3.86	29,070	12,733	3.896	49,607
EUR	148	39.14	5,803	6	38.48	224	48	37.23	1,796	9	39.17	339
GBP	36	46.03	1,650	3	46.89	145	6	46.54	288	33	46.87	1,547

(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, HKD, EUR, and GBP, appreciates or depreciates for 5%, (with other factors remain constant on reporting date and analyses of the two periods are on the same basis) profit will be increased or decreased by \$28,436 thousand and by \$21,652 thousand for the six months ended June 30, 2013 and 2012, respectively.

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

(4) Interest rate analysis

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

	Carrying amount			
	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Fair value interest rate risk				
Financial assets	\$ 9,364,972	3,480,906	2,667,989	2,861,092
Financial liabilities	19,291,824	15,995,180	9,800,000	17,899,273
Cash flow interest rate risk				
Financial assets	3,165,964	3,946,856	3,549,968	3,812,744
Financial liabilities	267,482	158,440	45,216	-

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 assets and liabilities, the analysis assumes that the balances of outstanding assets and 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 other factors remain constant on reporting date and analyses of the two periods are on the same basis), for the six months ended June 30, 2013 and 2012, the Group's profit would increase or decrease by \$7,147 thousand and \$8,642 thousand, respectively.

(5) Fair value of financial instruments

(a) Financial assets not at fair value through profit or loss

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.

	2013.6.30		2012.12.31		2012.6.30		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 due within a year) \$18,791,824 18,827,928 12,995,180 13,071,134 8,000,000 8,130,160 8,000,000 8,192,952

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

Corporate bonds payable's fair value are measured based on a volume-weighted average price in each period listed on OTC.

(b) Fair value measurements recognized in the consolidated balance sheets.

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 identical 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 liabilities that are not based on observable market data (unobservable inputs).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>2013.6.30</b>				
<u>Available-for-sale financial assets</u>				
Domestic emerging stock	\$ 1,134,421	-	-	1,134,421
Beneficiary certificate – mutual fund	949,025	-	-	949,025
Domestic listed stock	221,698	-	-	221,698
	<u><b>\$ 2,305,144</b></u>	<u>-</u>	<u>-</u>	<u><b>2,305,144</b></u>
<b>2012.12.31</b>				
<u>Available-for-sale financial assets</u>				
Domestic emerging stock	\$ 1,127,655	-	-	1,127,655
Domestic listed stock	205,397	-	-	205,397
	<u><b>\$ 1,333,052</b></u>	<u>-</u>	<u>-</u>	<u><b>1,333,052</b></u>
<b>2012.6.30</b>				
<u>Financial assets at fair value through profit and loss</u>				
Beneficiary certificates – Open-end mutual fund	<u><b>\$ 60,407</b></u>	<u>-</u>	<u>-</u>	<u><b>60,407</b></u>
<u>Available-for-sale financial assets</u>				
Domestic emerging stock	\$ 1,145,698	-	-	1,145,698
Domestic listed stock	204,310	-	-	204,310
	<u><b>\$ 1,350,008</b></u>	<u>-</u>	<u>-</u>	<u><b>1,350,008</b></u>

**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>
<b>2012.1.1</b>				
<u>Financial asset at fair value through profit and loss</u>				
Beneficiary certificates—Open-end mutual fund	<b>\$ 60,186</b>	-	-	<b>60,186</b>
<u>Available-for-sale financial assets</u>				
Domestic emerging stock	\$1,123,144	-	-	1,123,144
Domestic listed stock	217,351	-	-	217,351
	<b>\$ 1,340,495</b>	-	-	<b>1,340,495</b>

There was no transfer between the fair value measurements for the six months ended June 30, 2013 and 2012.

aa. 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 the Group's targets, policies and procedures to measure and manage the risks.

(2) Risk Management Framework

(a) Decision-making Mechanism:

The Board of Directors is the highest supervisory and decision-making body responsible for assessing material risks, designating actions to control these risks and keeping track of their execution. Besides, the Operations and Management Committee conducts periodic review of each business group's operating target and performance to meet the Company's guidance and budget.

(b) Risk Management Policies:

- i. Promote a risk management-based business model.
- ii. Establish a risk management mechanism that can effectively cite, evaluate, supervise and control risk.

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

- iii. Create a company-wide risk management structure that can limit risk to an acceptable level.
- iv. Introduce best risk management practices and continue to seek improvements.

(c) Monitoring Mechanism:

The internal Audit Office regularly monitors and assesses potential and varying levels of risks that the Company may face and uses this information as reference for drafting its annual audit plan. The Internal Audit Office should report any discrepancy to the concerned unit chief and ensure that remediation efforts are completed.

(3) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of financial instrument fails to meet its contractual obligations, which arises principally from the Group's receivables from customers and financial instrument. The credit risk amount is measured from the instrument with positive fair value on reporting date and off-balance-sheet promises and guarantee contracts. The Group deals with customers with good reputation and monitors customer credit risk and credit rating continuously. The Group doesn't concentrate transaction significantly with any single customer, counterparty or in similar areas.

(4) Liquidity Risk

Liquidity risk is the risk that the Group fails to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage 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 loss or damage to the Group's reputation.

The Group ensures sufficient cash for the requirements of paying estimated operating expenditures, including financial obligations. The Group also monitors its bank credit facilities and ensures that the provisions of loan contracts are all complied properly. As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, the Group has unused bank facilities for \$69,301,815 thousand, \$67,537,430 thousand, \$68,657,053 thousand and \$58,131,014 thousand, respectively.

(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



**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
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instruments. The objective of market risk management is to manage and control market risk exposures within acceptable range and to optimize the return.

The Group's engages in transaction of financial instruments without involving any significant risk such as exchange rate risk, fair value risk arose from interest rate change, 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. Small portion 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 fixed 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 on 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 analyses of the two periods are on the same basis), for the six months ended June 30, 2013 and 2012, other comprehensive income would increase or decrease by \$115,257 thousand and \$67,500 thousand, respectively.

**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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Short-term employee benefits	\$ 70,821	76,867	187,852	171,570
Post-employment benefits	683	834	1,392	1,670
	<b>\$ 71,504</b>	<b>77,701</b>	<b>189,244</b>	<b>173,240</b>

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

c. Other Related Party Transactions

(1) Sale of Goods to Related Parties

	Operating revenues			
	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Other related parties	\$ 68,606	63,306	97,957	96,531

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.

(2) Purchase of Service from Related Parties

	Operating costs			
	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Associates	\$ 133,106	-	317,124	-
Other related parties	51,526	47,108	86,379	94,999
	\$ 184,632	47,108	403,503	94,999

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) Receivables and Payables

	Accounts receivable (Notes)			
	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Associates	\$ 4,982	107	-	-
Other related parties	65,565	70,932	107,758	129,019
	\$ 70,547	71,039	107,758	129,019

Receivables from related parties were not secured with collaterals, and not accrued provisions for bad debt expenses.

Note: Information of leasehold receivable from other related parties mentioned above were as follows: (Long-term receivables are recognized in non-current assets.)

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

<u>Terms</u>	<u>Leasehold receivable</u>		<u>Unrealized income</u>	
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
2013.6.30	\$ 21,954	17,349	(617)	(763)
2012.12.31	37,874	26,570	(881)	(1,270)
2012.6.30	50,501	40,444	(1,450)	(2,079)
2012.1.1	56,952	62,164	(2,139)	(3,020)

  

	<u>Accounts payable</u>			
	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Associates	\$ 49,730	64,377	-	-
Other related parties	34,853	-	32,880	-
	<b>\$ 84,583</b>	<b>64,377</b>	<b>32,880</b>	<b>-</b>

(4) Bank Deposits

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
(a) <u>Bank deposits and time deposits</u>				
Other related parties	<b>\$ 1,282,179</b>	<b>704,620</b>	<b>759,562</b>	<b>814,306</b>
(b) <u>Other financial assets — Pledged time deposits and restricted deposits</u>				
Other related parties	<b>\$ 13,736</b>	<b>28,796</b>	<b>67,983</b>	<b>39,252</b>
<u>Time deposits with maturities of more than three months</u>				
Other related parties	<b>\$ 935,008</b>	<b>923,000</b>	<b>216,500</b>	<b>22,300</b>

(5) Borrowings from Related Parties

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Other related parties	<b>\$ 267,482</b>	<b>158,440</b>	-	-

(6) Mutual funds purchased from Related Parties

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Other related parties	<b>\$ 200,000</b>	-	-	-

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

(7) Government Bonds with repurchase rights purchased from Related Parties

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Other related parties	\$ -	339,156	250,000	407,459

(8) Others

	<u>2013.6.30</u>	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
(a) <u>Other receivables</u>				
Other related parties	\$ 119,966	166,868	-	-
(b) <u>Prepayments</u>				
Other related parties	\$ 33,076	9,758	21,386	11,244
(c) <u>Guarantee deposits</u>				
Other related parties	\$ 85,149	56,306	56,206	56,201
(d) <u>Other payables</u>				
Other related parties	\$ 14,252	7,534	8,140	8,767

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
(e) <u>Donation expense</u>				
Other related parties	\$ 3,635	1,975	14,540	7,900
(f) <u>Other expense</u>				
Other related parties	\$ 52,180	36,187	93,184	70,718
(g) <u>Insurance expense</u>				
Other related parties	\$ 5,741	7,460	8,828	10,127
(h) <u>Repair and maintenance expense</u>				
Other related parties	\$ 7,508	6,248	13,550	11,631

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
(i) <u>Rental expenses</u>				
Other related parties	\$ 29,468	29,464	58,935	58,931

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

**8. ASSETS PLEDGED**

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

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Other current assets – time deposits	\$ 395,500	403,000	194,912	73,062
Other non-current assets – time deposits	53,562	56,110	19,433	28,369
	\$ 449,062	459,110	214,345	101,431

FMT uses the above current assets – time deposits as collateral to issue letter of credit (LC) as guarantee for the loan of 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 not higher than 14,600,000 thousand in September 2012. As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, the purchase amount was \$7,874,880 thousand, \$5,526,374 thousand, \$3,828,517 thousand and \$1,980,972 thousand, respectively.
- b. As of June 30, 2013, December 31, 2012, June 30, 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 \$20,150,700 thousand, \$21,116,400 thousand, \$21,147,375 thousand and 19,759,800 thousand in promissory notes outstanding for TFN's borrowings from banks, respectively. TFN had drawdown \$0, \$500 thousand, \$0 and \$0 from the banks within the guarantee amount, respectively.

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

- c. 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 June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, the purchase amount was \$551,373 thousand, \$448,776 thousand, \$182,018 thousand and \$46,123 thousand, respectively.
- d. To improve the cloud service, TFN, its subsidiary, entered into an engineering contract of cloud service facility with Shen Ton information technology Co., Ltd. in October 2012. The total amount of the contract will be not higher than \$443,990 thousand. As of June 30, 2013 and December 31, 2012, \$133,197 thousand and \$0 had been paid, respectively.
- e. In accordance with NCC's policy to establish network equipment that meets the Fixed Network Regulations, TFN entered into a contract with CommVerge Solutions Taiwan (BVI) to displace the existing Carrier Ethernet Network in March, 2013. The total amount of the contract will be no higher than \$357,739 thousand. As of June 30, 2013, TFN has not paid any amount yet.
- f. As of June 30, 2013, December 31, 2012 and June 30, 2012, FMT, its subsidiary, provided a guarantee for Fubon Gehua (Beijing) Enterprise Ltd. (FGE) with a ceiling of US\$12,320 thousand, US\$11,400 thousand and US\$ 5,700 thousand, respectively. The amount of LC, under bank practices, was US\$10,850 thousand, US\$11,400 thousand and US\$ 3,500 thousand, respectively, deriving from bank loans; and the time deposit of \$374,000 thousand, \$380,000 thousand and \$120,000 thousand, respectively, were pledged as guarantee for the LC. The ending drawdown balance within the guarantee and endorsement was CNY\$54,879 thousand, CNY\$34,022 thousand and CNY\$9,600 thousand, respectively, and no balance as of January 1, 2012.

**10. SIGNIFICANT CASUALTY LOSS: NONE**

**11. SIGNIFICANT SUBSEQUENT EVENTS**

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 third payment of \$294,410 thousand for subscribing shares as of July 8, 2013.

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

**12. OTHERS**

a. Employee benefits, depreciation, and amortization are summarized as follows:

	<b>For the three months ended June 30</b>					
	<b>2013</b>			<b>2012</b>		
	<b>Classified as</b>	<b>Classified as</b>	<b>Total</b>	<b>Classified as</b>	<b>Classified as</b>	<b>Total</b>
	<b>Operating</b>	<b>Operating</b>		<b>Operating</b>	<b>Operating</b>	
<b>Costs</b>	<b>Expenses</b>		<b>Costs</b>	<b>Expenses</b>		
Employee benefits						
Salary	\$ 478,640	982,134	1,460,774	465,801	919,665	1,385,466
Labor and health insurance	39,282	80,094	119,376	34,974	65,499	100,473
Pension	20,835	40,774	61,609	20,079	36,655	56,734
Others	20,536	49,758	70,294	19,406	41,428	60,834
Depreciation	2,000,143	156,584	2,156,727	1,927,774	161,093	2,088,867
Amortization	234,717	74,113	308,830	233,916	91,312	325,228

	<b>For the six months ended June 30</b>					
	<b>2013</b>			<b>2012</b>		
	<b>Classified as</b>	<b>Classified as</b>	<b>Total</b>	<b>Classified as</b>	<b>Classified as</b>	<b>Total</b>
	<b>Operating</b>	<b>Operating</b>		<b>Operating</b>	<b>Operating</b>	
<b>Costs</b>	<b>Expenses</b>		<b>Costs</b>	<b>Expenses</b>		
Employee benefits						
Salary	\$ 1,009,850	2,072,225	3,082,075	946,797	1,813,902	2,760,699
Labor and health insurance	77,406	157,658	235,064	69,965	129,876	199,841
Pension	41,635	80,407	122,042	40,357	72,737	113,094
Others	40,617	93,747	134,364	38,900	81,080	119,980
Depreciation	3,997,808	319,001	4,316,809	3,850,272	316,610	4,166,882
Amortization	468,762	147,891	616,653	467,594	182,989	650,583

b. Certain accounts in the consolidated financial statements as of and for the six months ended June 30, 2012, have been reclassified to conform to the presentation of consolidated financial statements as of and for the six months ended June 30, 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) Marketable securities held at balance sheet date: Table 3 (attached)
- (4) Marketable securities which the accumulated purchase or sale amounts for the period exceed NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- (5) Acquisition of real estate which exceeds NT\$100 million or 20% of the paid-in capital: None
- (6) Disposal of real estate which exceeds NT\$100 million or 20% of the paid-in capital: None
- (7) Total purchases from and sales to related parties, which exceed NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- (8) Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital: 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 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**

<b>For the three months ended June 30, 2013</b>	<b>Consumer Business Group (CBG)</b>	<b>Enterprise Business Group (EBG)</b>	<b>Home Business Group (HBG)</b>	<b>Fubon Multimedia Technology (FMT)</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Operating Revenues	\$ 17,460,073	2,736,032	1,547,006	5,103,477	(76,279)	26,770,309
Operating Costs	10,027,012	1,725,064	704,522	4,389,468	(23,364)	16,822,702
Operating Expenses	3,660,319	247,971	177,025	549,307	13,201	4,647,823
Other gains and losses, net	7,933	168	442	78	-	8,621
Profit	3,780,675	763,165	665,901	164,780	(66,116)	5,308,405
EBITDA (Note)	5,728,584	1,027,039	829,643	212,969	(22,908)	7,775,327
<b>For the three months ended June 30, 2012</b>						
Operating Revenues	\$ 15,803,230	2,574,741	1,527,440	4,201,594	(201,717)	23,905,288
Operating Costs	8,719,038	1,649,758	667,201	3,593,678	(136,811)	14,492,864
Operating Expenses	3,372,788	259,387	183,130	489,946	(43,390)	4,261,861
Other gains and losses, net	17,077	4,112	(418)	343	-	21,114
Profit	3,728,481	669,708	676,691	118,313	(21,516)	5,171,677
EBITDA (Note)	5,694,063	894,650	812,776	164,411	20,573	7,586,473
<b>For the six months ended June 30, 2013</b>						
Operating Revenues	\$ 34,815,137	5,328,334	3,088,413	10,241,838	(146,346)	53,327,376
Operating Costs	20,068,846	3,410,031	1,399,319	8,854,580	(35,717)	33,697,059
Operating Expenses	7,443,175	499,265	359,706	1,092,805	(37,842)	9,357,109
Other gains and losses, net	19,255	1,674	505	1,129	-	22,563
Profit	7,322,371	1,420,712	1,329,893	295,582	(72,787)	10,295,771
EBITDA (Note)	11,255,002	1,934,287	1,649,730	390,269	2,011	15,231,299
<b>For the six months ended June 30, 2012</b>						
Operating Revenues	\$ 32,260,321	5,188,968	3,042,398	8,425,742	(252,366)	48,665,063
Operating Costs	18,078,189	3,474,637	1,332,953	7,107,236	(139,234)	29,853,781
Operating Expenses	6,726,231	520,176	364,723	956,051	(69,433)	8,497,748
Other gains and losses, net	27,852	5,768	1,372	497	-	35,489
Profit	7,483,753	1,199,923	1,346,094	362,952	(43,699)	10,349,023
EBITDA (Note)	11,411,890	1,644,327	1,620,298	455,901	35,475	15,167,891

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

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.

**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(a), 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."

The accounting policies described in Note 4 has been adopted to the comparative interim consolidated financial statements for the six months ended June 30, 2012, consolidated balance sheet as of December 31, 2012, and initial IFRSs consolidated balance sheet as of January 1, 2012 (The Group's conversion date).

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:

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

a. Reconciliation of Balance sheet

	<b>2012.12.31</b>			
	<b>Former ROC GAAP</b>	<b>Changes in accounting policy (Note)</b>	<b>Effects of transition to IFRSs</b>	<b>IFRSs</b>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 7,223,640	-	(1,032,500)	6,191,140
Investments	205,397	-	-	205,397
Accounts receivable and other receivables	8,282,404	5,262,926	-	13,545,330
Inventories	2,566,900	-	-	2,566,900
Prepayments	1,136,424	-	(398,926)	737,498
Other current assets	637,702	-	985,860	1,623,562
<b>Total current assets</b>	<b>20,052,467</b>	<b>5,262,926</b>	<b>(445,566)</b>	<b>24,869,827</b>
<b>NON-CURRENT ASSETS:</b>				
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
<b>Total non-current assets</b>	<b>72,322,577</b>	<b>2,473,851</b>	<b>746,996</b>	<b>75,543,424</b>
<b>TOTAL ASSETS</b>	<b>\$ 92,375,044</b>	<b>7,736,777</b>	<b>301,430</b>	<b>100,413,251</b>
<b>LIABILITIES AND EQUITY:</b>				
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings	\$ -	-	-	3,158,440
	3,158,440	-	-	3,158,440
Notes payable and accounts payable	7,579,474	-	-	7,579,474
Current tax liability	1,523,604	-	-	1,523,604
Other payables	9,425,186	-	67,449	9,492,635
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
<b>Total current liabilities</b>	<b>30,749,506</b>	<b>(905,666)</b>	<b>109,579</b>	<b>29,953,419</b>
<b>NON-CURRENT LIABILITIES:</b>				
Bonds payable	8,995,180	-	-	8,995,180
Accrued pension liabilities	-	-	116,237	116,237
Deferred tax liabilities	239,163	1,469,672	410,192	2,119,747
Guarantee deposits	810,436	-	-	810,436
Other non-current liabilities, others	774,939	-	-	774,939
<b>Total non-current liabilities</b>	<b>10,819,718</b>	<b>1,469,672</b>	<b>527,149</b>	<b>12,816,539</b>
<b>TOTAL LIABILITIES</b>	<b>41,569,224</b>	<b>564,006</b>	<b>636,728</b>	<b>42,769,958</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>				
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)
<b>Total equity attributable to owners of parent</b>	<b>49,723,937</b>	<b>7,172,771</b>	<b>(325,619)</b>	<b>56,571,089</b>
<b>Non-controlling interests</b>	<b>1,081,883</b>	<b>-</b>	<b>(9,679)</b>	<b>1,072,204</b>
<b>TOTAL EQUITY</b>	<b>50,805,820</b>	<b>7,172,221</b>	<b>(335,298)</b>	<b>57,643,293</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 92,375,044</b>	<b>7,736,777</b>	<b>301,430</b>	<b>100,413,251</b>

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

	2012.6.30			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 6,131,843	-	(1,375,369)	4,756,474
Investments	264,717	-	-	264,717
Accounts receivable and other receivables	7,637,027	4,236,586	-	11,873,613
Inventories	2,511,249	-	-	2,511,249
Prepayments	955,771	-	(313,614)	642,157
Other current assets	393,692	-	1,329,161	1,722,853
<b>Total current assets</b>	<u>17,894,299</u>	<u>4,236,586</u>	<u>(359,822)</u>	<u>21,771,063</u>
<b>NON-CURRENT ASSETS:</b>				
Investments	2,221,922	-	158,385	2,380,307
Property, plant and equipment	40,112,077	-	719,631	40,831,708
Investment property	301,395	-	-	301,395
Intangible assets	27,247,703	-	(100,690)	27,147,013
Deferred income tax assets	626,299	319	503,887	1,130,505
Other non-current assets	1,981,154	2,244,712	(576,243)	3,649,623
<b>Total non-current assets</b>	<u>72,490,550</u>	<u>2,245,031</u>	<u>704,970</u>	<u>75,440,551</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 90,384,849</b></u>	<u><b>6,481,617</b></u>	<u><b>345,148</b></u>	<u><b>97,211,614</b></u>
<b>LIABILITIES AND EQUITY:</b>				
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings	\$ 1,845,216	-	-	1,845,216
Notes payable and accounts payable	5,606,525	-	-	5,606,525
Current tax liability	1,411,909	-	-	1,411,909
Other payables	23,568,575	-	61,649	23,630,224
Current provisions	105,953	-	-	105,953
Long-term liabilities, current portion	4,000,000	-	-	4,000,000
Advance receipts and other current liabilities	4,817,302	(1,188,212)	40,084	3,669,174
<b>Total current liabilities</b>	<u>41,355,480</u>	<u>(1,188,212)</u>	<u>101,733</u>	<u>40,269,001</u>
<b>NON-CURRENT LIABILITIES:</b>				
Bonds payable	4,000,000	-	-	4,000,000
Accrued pension liabilities	-	-	107,491	107,491
Deferred tax liabilities	217,498	1,304,136	360,535	1,882,169
Guarantee deposits	789,958	-	-	789,958
Other non-current liabilities, others	719,388	-	-	719,388
<b>Total non-current liabilities</b>	<u>5,726,844</u>	<u>1,304,136</u>	<u>468,026</u>	<u>7,499,006</u>
<b>TOTAL LIABILITIES</b>	<u>47,082,324</u>	<u>115,924</u>	<u>569,759</u>	<u>47,768,007</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>				
Ordinary share	34,208,328	-	-	34,208,328
Capital surplus	12,432,446	-	(595)	12,431,851
Retained earnings	26,659,975	6,365,693	(483,011)	32,542,657
Other equity interest	91,780	-	267,827	359,607
Treasury share	(31,077,183)	-	-	(31,077,183)
<b>Total equity attributable to owners of parent</b>	<u>42,315,346</u>	<u>6,365,693</u>	<u>(215,779)</u>	<u>48,465,260</u>
<b>Non-controlling interests</b>	<u>987,179</u>	<u>-</u>	<u>(8,832)</u>	<u>978,347</u>
<b>TOTAL EQUITY</b>	<u>43,302,525</u>	<u>6,365,693</u>	<u>(224,611)</u>	<u>49,443,607</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$ 90,384,849</b></u>	<u><b>6,481,617</b></u>	<u><b>345,148</b></u>	<u><b>97,211,614</b></u>

**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
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 6,693,992	-	(121,800)	6,572,192
Investments	277,537	-	-	277,537
Accounts receivable and other receivables	7,953,882	3,810,773	-	11,764,655
Inventories	2,004,103	-	-	2,004,103
Prepayments	893,383	-	(254,834)	638,549
Other current assets	252,616	-	93,409	346,025
<b>Total current assets</b>	<b>18,075,513</b>	<b>3,810,773</b>	<b>(283,225)</b>	<b>21,603,061</b>
<b>NON-CURRENT ASSETS:</b>				
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
<b>Total non-current assets</b>	<b>73,718,855</b>	<b>1,712,083</b>	<b>605,885</b>	<b>76,036,823</b>
<b>TOTAL ASSETS</b>	<b>\$ 91,794,368</b>	<b>5,522,856</b>	<b>322,660</b>	<b>97,639,884</b>
<b>LIABILITIES AND EQUITY:</b>				
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings	\$ 9,000,000	-	-	9,000,000
Short-term notes and bills payable	899,273	-	-	899,273
Notes payable and accounts payable	6,131,123	-	-	6,131,123
Current tax liability	1,331,623	-	-	1,331,623
Other payables	9,850,737	-	61,140	9,911,877
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
<b>Total current liabilities</b>	<b>36,105,959</b>	<b>(1,012,667)</b>	<b>99,119</b>	<b>35,192,411</b>
<b>NON-CURRENT LIABILITIES:</b>				
Bonds payable	4,000,000	-	-	4,000,000
Accrued pension liabilities	-	-	106,748	106,748
Deferred tax liabilities	195,847	1,111,431	320,926	1,628,204
Guarantee deposits	738,932	-	-	738,932
Other non-current liabilities, others	689,745	-	-	689,745
<b>Total non-current liabilities</b>	<b>5,624,524</b>	<b>1,111,431</b>	<b>427,674</b>	<b>7,163,629</b>
<b>TOTAL LIABILITIES</b>	<b>41,730,483</b>	<b>98,764</b>	<b>526,793</b>	<b>42,356,040</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>				
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 interest	112,143	-	244,075	356,218
Treasury share	(31,077,183)	-	-	(31,077,183)
<b>Total equity attributable to owners of parent</b>	<b>48,948,011</b>	<b>5,424,092</b>	<b>(194,686)</b>	<b>54,177,417</b>
<b>Non-controlling interests</b>	<b>1,115,874</b>	<b>-</b>	<b>(9,447)</b>	<b>1,106,427</b>
<b>TOTAL EQUITY</b>	<b>50,063,885</b>	<b>5,424,092</b>	<b>(204,133)</b>	<b>55,283,844</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 91,794,368</b>	<b>5,522,856</b>	<b>322,660</b>	<b>97,639,884</b>

**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
<b>OPERATING REVENUES</b>	\$ 98,250,353	2,138,282	(648,379)	99,740,256
<b>OPERATING COSTS</b>	62,273,706	-	(652,600)	61,621,106
<b>GROSS PROFIT FROM OPERATIONS</b>	35,976,647	2,138,282	4,221	38,119,150
<b>OPERATING EXPENSES</b>				
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
<b>NET OTHER INCOME AND EXPENSES</b>	-	-	70,012	70,012
<b>NET OPERATING INCOME</b>	18,734,841	2,106,842	(59,473)	20,782,210
<b>NON-OPERATING INCOME AND EXPENSES</b>				
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 accounted for using equity method	(10,502)	-	-	(10,502)
	(763,419)	-	(77,466)	(840,885)
<b>PROFIT BEFORE TAX</b>	17,971,422	2,106,842	(136,939)	19,941,325
<b>LESS: TAX EXPENSE</b>	3,055,140	358,163	(22,177)	3,391,126
<b>PROFIT</b>	14,916,282	1,748,679	(114,762)	16,550,199
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Exchange differences on translation				(13,663)
Unrealized gains on available-for-sale financial assets				(7,444)
Actuarial losses on defined benefit plans				(43,286)
Income tax generated from other comprehensive income				7,359
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>				(57,034)
<b>COMPREHENSIVE INCOME</b>				<b>\$ 16,493,165</b>
Earnings per share				
Basic	<u>\$ 5.46</u>	<u>0.65</u>	<u>(0.04)</u>	<u>6.07</u>
Diluted	<u>\$ 5.45</u>	<u>0.65</u>	<u>(0.04)</u>	<u>6.06</u>

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

	For the three months ended June 30, 2012			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
<b>OPERATING REVENUES</b>	\$ 23,862,791	293,072	(250,575 )	23,905,288
<b>OPERATING COSTS</b>	14,743,718	-	(250,854 )	14,492,864
<b>GROSS PROFIT FROM OPERATIONS</b>	9,119,073	293,072	279	9,412,424
<b>OPERATING EXPENSES</b>				
Marketing	2,991,197	-	48,137	3,039,334
Administrative	1,217,130	5,928	(531 )	1,222,527
	4,208,327	5,928	47,606	4,261,861
<b>NET OTHER INCOME AND EXPENSES</b>	-	-	21,114	21,114
<b>NET OPERATING INCOME</b>	4,910,746	287,144	(26,213 )	5,171,677
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Other income	25,787	-	1	25,788
Other gains and losses, net	(98,174 )	-	(18,801 )	(116,975 )
Financial costs	(69,975 )	-	-	(69,975 )
Share of profit (loss) of associates accounted for using equity method	(6,274 )	-	-	(6,274 )
	(148,636 )	-	(18,800 )	(167,436 )
<b>PROFIT BEFORE TAX</b>	4,762,110	287,144	(45,013 )	5,004,241
<b>LESS: TAX EXPENSE</b>	809,577	48,814	(8,040 )	850,351
<b>PROFIT</b>	3,952,533	238,330	(36,973 )	4,153,890
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Exchange differences on translation				1,872
Unrealized gains on available-for-sale financial assets				(182,709 )
Income tax generated from other comprehensive income				-
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>				(180,837 )
<b>COMPREHENSIVE INCOME</b>				<u>\$ 3,973,053</u>
Earnings per share				
Basic (NTD)	<u>\$ 1.45</u>	<u>0.09</u>	<u>(0.01)</u>	<u>1.53</u>
Diluted (NTD)	<u>\$ 1.46</u>	<u>0.08</u>	<u>(0.01)</u>	<u>1.53</u>

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

	For the six months ended June 30, 2012			
	Former ROC GAAP	Changes in accounting policy (Note)	Effects of transition to IFRSs	IFRSs
<b>OPERATING REVENUES</b>	\$ 48,005,163	1,148,060	(488,160)	48,665,063
<b>OPERATING COSTS</b>	30,342,176	-	(488,395)	29,853,781
<b>GROSS PROFIT FROM OPERATIONS</b>	17,662,987	1,148,060	235	18,811,282
<b>OPERATING EXPENSES</b>				
Marketing	6,089,861	-	54,226	6,144,087
Administrative	2,342,720	13,602	(2,661)	2,353,661
	8,432,581	13,602	51,565	8,497,748
<b>NET OTHER INCOME AND EXPENSES</b>	-	-	35,489	35,489
<b>NET OPERATING INCOME</b>	9,230,406	1,134,458	(15,841)	10,349,023
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Other income	49,609	-	(1)	49,608
Other gains and losses, net	(199,206)	-	(37,543)	(236,749)
Financial costs	(156,272)	-	-	(156,272)
Share of profit (loss) of associates accounted for using equity method	(12,531)	-	-	(12,531)
	(318,400)	-	(37,544)	(355,944)
<b>PROFIT BEFORE TAX</b>	8,912,006	1,134,458	(53,385)	9,993,079
<b>LESS: TAX EXPENSE</b>	1,515,070	192,857	(8,878)	1,699,049
<b>PROFIT</b>	7,396,936	941,601	(44,507)	8,294,030
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Exchange differences on translation				(10,064)
Unrealized gains on available-for-sale financial assets				9,512
Income tax generated from other comprehensive income				-
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>				(552)
<b>COMPREHENSIVE INCOME</b>				<b>\$ 8,293,478</b>
Earnings per share				
Basic (NTD)	<u>\$ 2.70</u>	<u>0.35</u>	<u>(0.01)</u>	<u>3.04</u>
Diluted (NTD)	<u>\$ 2.70</u>	<u>0.34</u>	<u>(0.01)</u>	<u>3.03</u>

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



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

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 redemption obligations are fulfilled the in accordance with IFRIC No. 13, "Customer Loyalty Programs." The effects of changes are summarized as follows:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Operating revenues	<b>\$ (4,052)</b>	<b>(892)</b>	<b>(1,989)</b>
		<b>2012.12.31</b>	<b>2012.6.30</b>
Consolidated balance sheets			<b>2012.1.1</b>
Deferred revenue		<b>\$ 42,224</b>	<b>40,161</b>
		<b>38,172</b>	

(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:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Commission expenses	<b>\$ 137,288</b>	<b>47,457</b>	<b>53,538</b>

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

	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>
Consolidated balance sheets			
Prepaid commissions	<b>\$ (400,336)</b>	<b>(316,586)</b>	<b>(263,048)</b>

**(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:

<b>Former GAAP</b>		<b>IFRSs</b>		
<b>Item</b>	<b>Amount of measurement</b>	<b>Item</b>	<b>Amount of measurement</b>	<b>Difference</b>
<b>As of December 31, 2012</b>				
		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)
	<b>\$ 1,093,791</b>		<b>1,308,983</b>	<b>215,192</b>
<b>As of June 30, 2012</b>				
		Non-current available-for-sale financial assets	1,145,698	1,145,698
Non-current financial assets carried at cost	\$ 1,096,791	Non-current financial assets carried at cost	184,238	(912,463)
	<b>\$ 1,096,791</b>		<b>1,330,026</b>	<b>233,235</b>
<b>As of January 1, 2012</b>				
		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)
	<b>\$ 1,098,739</b>		<b>1,309,420</b>	<b>210,681</b>
<b>The above adjustment of differences:</b>		<b>As of</b>	<b>As of</b>	<b>As of</b>
		<b>December 31, 2012</b>	<b>June 30, 2012</b>	<b>January 1, 2012</b>
Other equity interest – unrealized gains on available-for-sale financial assets		<b>\$ 215,192</b>	<b>233,235</b>	<b>210,681</b>

**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:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Wages and Salaries	\$ 550	26	(1,543)
		<b>2012.12.31</b>	<b>2012.6.30</b>
Consolidated balance sheets			<b>2012.1.1</b>
Wages and salaries payable		\$ 39,596	37,503
			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:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Rent expense	\$ 5,765	826	2,058
		<b>2012.12.31</b>	<b>2012.6.30</b>
Consolidated balance sheets			<b>2012.1.1</b>
Rents payable		\$ 27,853	24,146
			22,088

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

(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.”

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:

	<u>2012</u>	<u>For the three months ended June 30, 2012</u>	<u>For the six months ended June 30, 2012</u>
Consolidated statements of comprehensive income			
Pension expenses	\$ (17,334)	(1,906)	(3,812)
Actuarial losses on defined benefit plans	\$ 35,927	-	-
		<u>2012.12.31</u>	<u>2012.6.30</u>
Consolidated balance sheet			
Prepaid pension cost	\$ (21,050)	(3,949)	(8,504)
Deferred pension cost	\$ (22,039)	(25,409)	(25,409)
Accrued pension liabilities	\$ 116,237	107,491	106,748
Net loss not recognized as pension cost	\$ 24,050	16,775	16,775

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

(7) Affiliated Companies

Under former GAAP, the variation of proportion of share equity, arising from the additional share issuance by affiliated companies in which the original shareholders doesn't acquire new shares proportionately will be adjusted in additional paid-in capital or retained earnings. After the adoption of IFRSs, the resulting differences between the net fair value of the identifiable assets and liabilities in excess of the investment cost are reflected into additional paid-in capital. In case the equity has decreased, other comprehensive income and loss generated from affiliated companies are reclassified as profit and loss in the proportion which the company loss its share. The effects of changes are summarized as follows:

	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>
Consolidated balance sheets			
Capital surplus	\$ (595)	(595)	(595)

(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:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Amortizations	\$ (963)	-	(963)
Interest income	(6)	1	(1)
Exchange losses	7,576	(2,280)	2,117

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

	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheet			
Goodwill	\$ 966	178	(138)
Other payables	-	-	6
Exchange differences on translation of foreign statements	23,368	17,817	16,619

(9) Time deposits with original maturities of more than three months

Under former GAAP, deposits which can be canceled at any time without losing any principal are classified as cash and cash equivalent. After adoption of IFRSs, an investment qualified as a cash equivalent must be readily convertible to a known amount of cash and should not be subjected to a significant risk of changes in value. Therefore, an investment can generally be qualified as a cash equivalent only if it has a short maturity (Three months or less from the date of acquisition). The effects of changes are summarized as follows:

	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheet			
Cash and cash equivalents	\$ (1,032,500)	(1,375,369)	(121,800)
Other financial assets	1,032,500	1,375,369	121,800

(10) 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>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheet			
Leased assets	\$ (299,991)	(301,395)	(302,799)
Investment property	299,991	301,395	302,799

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

(11) 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:

	<b>2012</b>	<b>For the three months ended June 30, 2012</b>	<b>For the six months ended June 30, 2012</b>
Consolidated statements of comprehensive income			
Depreciation expenses	\$ 128	33	63
Non-operating expenses-others	(128)	(33)	(63)
	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>
Consolidated balance sheets			
Idle asset	\$ (99,685)	(99,749)	(99,813)
Property, plant and equipment	99,685	99,749	99,813

(12) 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:

	<b>2012.12.31</b>	<b>2012.6.30</b>	<b>2012.1.1</b>
Consolidated balance sheets			
Fixed assets	\$ (353)	(4,120)	(14,341)
Computer software	(111,468)	(83,788)	(133,277)
Other assets - prepayments for business facilities	111,821	87,908	147,618

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

(13) Classification of deferred charges

Under former GAAP, deferred expenses are classified as other assets. After the adoption of IFRSs, they are reclassified as prepayments, property, plant and equipment, computer software costs and prepayments for equipment. The effects of changes are summarized as follows:

	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheets			
Other assets – deferred charges	\$ (666,741)	(637,067)	(596,245)
Prepayments	1,410	2,972	8,214
Property, plant and equipment	659,660	624,002	584,043
Intangible assets – computer software costs	5,671	8,329	3,988
Other assets - prepayments for equipment	-	1,764	-

(14) Classification of prepayments for long-term investments

Under former GAAP, prepayments for long-term investments are classified as investments. After the adoption of IFRSs, they are reclassified as prepayments of investments under other assets. The effects of changes are summarized as follows:

	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheets			
Investments	\$ -	(74,850)	-
Other assets –prepayments for investments	-	74,850	-

(15) 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:

	<u>2012.12.31</u>	<u>2012.6.30</u>	<u>2012.1.1</u>
Consolidated balance sheets			
Non-current deferred tax assets	\$ 453,107	419,577	362,336
Non-current deferred tax liabilities	453,107	419,577	362,336

(16) 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 an 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:

	<u>2012</u>	<u>For the three months ended June 30, 2012</u>	<u>For the six months ended June 30, 2012</u>
Consolidated statements of comprehensive income			
Operating revenues	\$ (644,327)	(250,581)	(486,171)
Operating costs	(644,327)	(250,581)	(486,171)

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

(17) Classification of income and expenses

In the consolidated income statements under former GAAP, the operating income only includes operating revenues, operating costs and operating expenses. After the adoption of IFRSs, the Group reclassifies operating transactions (such as revenue from police inquiry) to other operating revenues and expenses, including in operating income. The effects of changes are summarized as follows:

	<u>2012</u>	<u>For the three months ended June 30, 2012</u>	<u>For the six months ended June 30, 2012</u>
Consolidated statements of comprehensive income			
Non-operating income and expenses	\$ (70,012)	(21,114)	(35,489)
Other operating revenues and expenses	70,012	21,114	35,489

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) Pension

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 SIX MONTHS ENDED JUNE 30, 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	Nature of Financing	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	\$ 2,870,000	\$ 1,070,000	1.194%~1.199%	Short-term financing	-	Operation requirements	-	-	-	\$ 19,817,450 (Note 2)	19,817,450 (Note 2)
		Global Wealth Media Technology Co., Ltd.	Other receivables	10,000	-	-	-	Short-term financing	-	Operation requirements	-	-	-	19,817,450 (Note 2)	19,817,450 (Note 2)
		Win TV Broadcasting Co., Ltd.	Other receivables	600,000	600,000	120,000	1.196%	Short-term financing	-	Operation requirements	-	-	-	19,817,450 (Note 2)	19,817,450 (Note 2)
		Taiwan Kuro Times Co., Ltd.	Other receivables	100,000	100,000	30,000	1.193%	Short-term financing	-	Operation requirements	-	-	-	19,817,450 (Note 2)	19,817,450 (Note 2)
		Wealth Media Technology Co., Ltd.	Other receivables	600,000	-	-	-	Short-term financing	-	Operation requirements	-	-	-	19,817,450 (Note 2)	19,817,450 (Note 2)
1	Taiwan Cellular Co., Ltd.	TWM	Other receivables	800,000	800,000	-	1.199%	Short-term financing	-	Operation requirements	-	-	-	37,863,730 (Note 2)	37,863,730 (Note 2)
		Taiwan Digital Communications Co., Ltd.	Other receivables	200,000	200,000	53,000	1.198%~1.199%	Short-term financing	-	Operation requirements	-	-	-	37,863,730 (Note 2)	37,863,730 (Note 2)
2	Taiwan Fixed Network Co., Ltd.	TWM	Other receivables	6,000,000	6,000,000	6,000,000	1.195%~1.199%	Short-term financing	-	Operation requirements	-	-	-	22,464,158 (Note 2)	22,464,158 (Note 2)
3	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	175,000	-	-	-	Short-term financing	-	Repayment of financing	-	-	-	715,850 (Note 3)	960,517 (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	-	-	-	256,901 (Note 3)	481,398 (Note 3)
5	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	560,000	532,000	532,000	1.190%~1.194%	Transactions	559,217	Business requirements	-	-	-	559,217 (Note 3)	935,882 (Note 3)
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	509,995	Business requirements	-	-	-	509,995 (Note 3)	751,780 (Note 3)
7	Wealth Media Technology Co., Ltd.	Win TV Broadcasting Co., Ltd.	Other receivables	600,000	-	-	1.593%~1.608%	Short-term financing	-	Operation requirements	-	-	-	6,029,943 (Note 2)	6,09,943 (Note 2)

Note 1: The Maximum balance for the period and the ending balance represent quotas, not actual drawdown.

Note 2: For the nature of short-term financing needs, 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 the company 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 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.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**ENDORSEMENT/GUARNTTEE PROVIDED**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2013**

TABLE 2  
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor	Receiving Party		Limits on Guarantee/Endorsement Amount Provided to Each Entity	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Drawdown Amounts	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Worth of the Guarantor (Note 1)	Maximum Guarantee/Endorsement Amount Allowable	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)	\$ 21,148,950	\$ 20,150,700	\$ -	\$ -	40.67%	\$ 49,543,62 (Note 3)	Y	N	N
1	Fubon Multimedia Technology Co., Ltd.	Fubon Gehua (Beijing) Enterprise Ltd.(FGE)	(Note 2)	369,91 (Note 4)	369,846	369,846	325,717	325,717	20.00%	1,849,237 (Note 4)	N	N	Y

Note 1: Maximum guarantee/endorsement balance for the period and the ending balance represent quotas, not actual drawdown.

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\$30.02 as of June 30, 2013.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2013

TABLE 3

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

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	June 30, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Worth (Note 1)	
TWM	<u>Stock</u> Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets –current	2,174	\$ 221,698	0.028	\$ 221,698 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Financial assets at cost –non-current	2,200	50,324	10	- (Note 3)	
	Yes Mobile Holdings Company	-	Financial assets at cost–non-current	74	-	0.19	- (Note 3)	
	Wealth Media Technology Co., Ltd.	Subsidiary	Investments accounted for using equity method	39,065	15,074,858	100	15,074,858	
	Taiwan Cellular Co., Ltd.	Subsidiary	Investments accounted for using equity method	371,196	17,738,249 (Note 4)	100	94,659,324	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Investments accounted for using equity method	92,315	790,382	49.9	790,382	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Prepayments for investments	-	528,940	-	528,940	
	Alliance Digital Tech. Ltd. (Pre-opening office)	Equity-method investee	Prepayments for investments	-	30,000	-	30,000	
Wealth Media Technology Co., Ltd.	<u>Stock</u> Fubon Multimedia Technology Co., Ltd.	Subsidiary	Investments accounted for using equity method	64,742	8,412,616	50.64	936,376	
	Win TV Broadcasting Co., Ltd.	Subsidiary	Investments accounted for using equity method	18,177	237,751	100	230,134	
	TFN Media Co., Ltd.	Subsidiary	Investments accounted for using equity method	230,921	5,848,953	100	8,166,116	
	Global Wealth Media Technology Co., Ltd.	Subsidiary	Investments accounted for using equity method	8,945	93,520	100	93,520	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Investments accounted for using equity method	1,500	17,082	100	17,082	
Global Wealth Media Technology Co., Ltd.	<u>Stock</u> Globalview Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	3,825	91,880	6.83	43,872	
Global Forest Media Technology Co., Ltd.	<u>Stock</u> Union Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	1,300	15,214	0.76	13,652	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2013

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	June 30, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Worth (Note 1)	
Fubon Multimedia Technology Co., Ltd.	<u>Stock</u> Fu Sheng Travel Service Co., Ltd.	Subsidiary	Investments accounted for using equity method	2,500	\$ 29,060	100	\$ 29,060	
	Fuli Life Insurance Agent Co., Ltd.	Subsidiary	Investments accounted for using equity method	300	8,948	100	8,948	
	Fuli Property Insurance Agent Co., Ltd.	Subsidiary	Investments accounted for using equity method	300	12,891	100	12,891	
	Asian Crown (BVI)	Subsidiary	Investments accounted for using equity method	47	22,419	100	22,419	
	Taiwan Pelican Express Co., Ltd.	Equity-method investee	Investments accounted for using equity method	17,200	370,178	20	210,396	
	<u>Beneficiary Certificate</u> Fubon Strategic High Income	Related party in substance	Available-for-sale financial assets –current	18,302	189,681	-	189,681 (Note 5)	
	Emerging Market High Yield Bond	-	Available-for-sale financial assets –current	10,225	91,104	-	91,104 (Note 5)	
	Global Multi-Strategy High Yield Bond	-	Available-for-sale financial assets –current	17,089	142,976	-	142,976 (Note 5)	
	Global High Income Bond Fund	-	Available-for-sale financial assets –current	19,028	190,570	-	190,570 (Note 5)	
	Asia High Yield Total Return Bond Fund	-	Available-for-sale financial assets –current	13,909	141,569	-	141,569 (Note 5)	
All Seasons Return Fund of Bond Funds	-	Available-for-sale financial assets –current	14,264	193,125	-	193,125 (Note 5)		
Asian Crown (BVI)	<u>Stock</u> Fortune Kingdom	Subsidiary	Investments accounted for using equity method	14,000	22,419	100	22,419	
Fortune Kingdom	<u>Stock</u> HK Fubon Multimedia	Subsidiary	Investments accounted for using equity method	14,000	22,419	100	22,419	
HK Fubon Multimedia	<u>Stock</u> Fubon Gehua (Beijing) Enterprise Ltd.	Subsidiary	Investments accounted for using equity method	-	(25,606)	80	(25,606)	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2013

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	June 30, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Worth (Note 1)	
Taiwan Cellular Co., Ltd.	<u>Stock</u> Arcoa Communication Co., Ltd.	-	Financial assets at cost –non-current	6,998	\$ 67,731	5.21	\$ - (Note 3)	
	Parawin Venture Capital Corp.	-	Financial assets at cost –non-current	2,700	16,873	3	- (Note 3)	
	Transportation High Tech Inc.	-	Financial assets at cost –non-current	1,200	-	12	- (Note 3)	
	WEB Point Co., Ltd.	-	Financial assets at cost –non-current	803	(Note 2) 6,773	3.17	- (Note 3)	
	TWM Holding Co. Ltd.	Subsidiary	Investments accounted for using equity method	1 share	250,083	100	250,083	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Investments accounted for using equity method	2,100,000	56,160,395	100	56,160,395	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Investments accounted for using equity method	11,200	597,634	100	128,036	
	TCC Investment Co., Ltd.	Subsidiary	Investments accounted for using equity method	22,103	36,288,152	100	36,160,969	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Investments accounted for using equity method	2,484	73,676	100	73,676	
	Taiwan Digital Service Co., Ltd. (Pre-opening office)	Subsidiary	Prepayments for investments	20,000	1,000,038	100	1,000,038	
TWM Holding	<u>Stock</u> TWM Communications (Beijing) Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	112,149	100	85,327	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT&T Holdings Co., Ltd.	Subsidiary	Investments accounted for using equity method	1,300	48,594	100	48,594	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Investments accounted for using equity method	2,000	24,311	100	24,311	
TT&T Holdings	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	48,299	100	48,299	

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2013

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer)	Financial Statement Account	June 30, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net worth (Note 1)	
TCC Investment Co., Ltd.	<u>Stock</u> TWN	TWM	Available-for-sale financial assets –non-current	200,497	\$ 23,758,866	5.86	\$ 23,758,866 (Note 5)	
	TCCI Investment and Development Co., Ltd.	Subsidiary	Investments accounted for using equity method	400	13,709,484	100	13,709,484	
	Great Taipei Broadband Co., Ltd.	-	Financial assets at cost –non-current	10,000	39,627	6.67	- (Note 3)	
	<u>Preferred stock</u> Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock – Series A	-	Bond investment without active market - non-current	50,000	500,000	1.24	- (Note 3)	
TCCI Investment and Development Co., Ltd.	<u>Stock</u> TWM	TWM	Available-for-sale financial assets –non-current	119,564	14,168,311	3.50	14,168,311 (Note 5)	
TFN Media Co., Ltd.	<u>Stock</u> Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	33,940	2,128,942	100	604,462	
	Mangrove Cable TV Co., Ltd.	Related party in substance	Investments accounted for using equity method	6,248	570,575	29.53	307,400 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	68,090	3,266,448	100	941,662	
	Union Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	169,141	1,978,930	99.22	1,775,744	
	Globalview Cable TV Co., Ltd.	Subsidiary	Investments accounted for using equity method	51,733	1,215,837	92.38	593,317	
	Taiwan Kuro Times Co., Ltd.	Subsidiary	Investments accounted for using equity method	14	158,676	100	49,658	
	Kbro Media Co., Ltd.	Equity-method investee	Investments accounted for using equity method	29,250	291,339	32.50	291,139	
Taiwan Kuro Times Co., Ltd.	<u>Stock</u> ezPeer Samoa	Subsidiary	Investments accounted for using equity method	1 share	4	100	4	

(Continued)



**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**JUNE 30, 2013**

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer)	Financial Statement Account	June 30, 2013				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Worth (Note 1)	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> TFN Union Investment Co., Ltd.	Subsidiary	Investments accounted for using equity method	400	\$ 47,084,133	100	\$ 47,084,133	
	TFN HK LIMITED	Subsidiary	Investments accounted for using equity method	1,300	11,592	100	11,592	
	Taiwan High Speed Rail Corporation	-	Financial assets at cost –non-current	225,531	1,134,421	3.46	1,134,421 (Note 5)	
TFN Union Investment Co., Ltd.	<u>Stock</u> TWM	TWM	Available-for-sale financial assets –non-current	410,665	48,663,836	12	48,663,836 (Note 5)	

Note 1: The net worth is based on the investee's net worth per latest financial statement, unless stated otherwise.

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

Note 3: As of the issuance date of the report, the investee's net worth of June 30, 2013 was not available.

Note 4: 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 \$94,659,324 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 \$(46,310,499) 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 \$(9,300) thousand.

Note 5: Based on the closing price or net worth of beneficiary certificate on June 30, 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 OR 20% OF THE PAID-IN CAPITAL

FOR THE SIX MONTHS ENDED JUNE 30, 2013

TABLE 4

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

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	-	\$ -	-	\$ 528,940	-	\$ -	\$ -	\$ -	-	\$ 528,940
Fubon Multimedia Technology Co., Ltd.	Beneficiary Certificate Fubon Strategic High Income	Available-for-sale financial assets - current	Fubon Securities Inv Trust Co Ltd	Related party in substance	-	-	18,302	200,000	-	-	-	-	18,302	189,681 (Note 2)
	Emerging Market High Yield Bond	Available-for-sale financial assets - current	-	-	-	-	10,225	100,000	-	-	-	-	10,225	91,104 (Note 2)
	Global Multi-Strategy High Yield Bond	Available-for-sale financial assets - current	-	-	-	-	17,089	150,000	-	-	-	-	17,089	142,976 (Note 2)
	Global High Income Bond Fund	Available-for-sale financial assets - current	-	-	-	-	19,028	200,000	-	-	-	-	19,028	190,570 (Note 2)
	Asia High Yield Total Return Bond Fund	Available-for-sale financial assets - current	-	-	-	-	13,909	150,000	-	-	-	-	13,909	141,569 (Note 2)
	All Seasons Return Fund of Bond Funds	Available-for-sale financial assets - current	-	-	-	-	14,264	200,000	-	-	-	-	14,264	193,125 (Note 2)
Taiwan Cellular Co., Ltd.	Stock Taiwan Digital Service Co., Ltd.	Investments accounted for using equity method	Taiwan Digital Service Co., Ltd.	Subsidiary	-	-	20,000	1,000,000	-	-	-	-	20,000	1,000,038 (Note 2)
TFN Media Co., Ltd.	Stock Kbro Media Co., Ltd.	Investments accounted for using equity method	Kbro Media Co., Ltd.	Equity-method investee	7,800	77,078	21,450 (Note 1)	214,500	-	-	-	-	29,250	291,339 (Note 2)

Note 1: Shares /Units purchased this period were from capital cash injection.

Note 2: The ending balance includes the exchange differences on translation of foreign financial statements, share of profit or loss of associates accounted for using equity method and unrealized income or loss from available-for-sale financial assets.

**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 SIX MONTHS ENDED JUNE 30, 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	\$ (1,043,969)	(3)	Based on contract terms	-	-	\$ 347,164	3	(Note 1)
			Purchase	3,046,168	(Note 2)	Based on contract terms	-	-	(605,356)	(Note 3)	
	Taiwan Kuro Times Co., Ltd.	Subsidiary	Purchase	150,653	1	Based on contract terms	-	-	(78,769)	2	(Note 7)
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	499,662	(Note 4)	Based on contract terms	-	-	(79,858)	(Note 3)	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Purchase	255,926	(Note 4)	Based on contract terms	-	-	(33,877)	(Note 3)	
Taiwan Teleservices & Technologies Co., Ltd.	TWM	Ultimate parent	Sale	(499,723)	(90)	Based on contract terms	-	-	79,870	90	
Taiwan Fixed Network Co., Ltd.	TWM	Ultimate parent	Sale	(3,038,234)	(45)	Based on contract terms	-	-	601,689	56	(Note 5)
			Purchase	1,046,142	30	Based on contract terms	-	-	(346,939)	(52)	(Note 1)
Taiwan Digital Communication Co., Ltd.	TWM	Ultimate parent	Sale	(255,926)	(68)	Based on contract terms	-	-	33,877	98	
Taiwan Kuro Times Co., Ltd.	TWM	Ultimate parent	Sale	(150,653)	(68)	Based on contract terms	-	-	78,769	80	(Note 8)
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(236,836)	(15)	Based on contract terms	(Note 6)	(Note 6)	-	-	
	Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(214,519)	(14)	Based on contract terms	(Note 6)	(Note 6)	-	-	
	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(109,352)	(7)	Based on contract terms	(Note 6)	(Note 6)	-	-	
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty for copyright	214,519	61	Based on contract terms	(Note 6)	(Note 6)	-	-	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty for copyright	236,836	62	Based on contract terms	(Note 6)	(Note 6)	-	-	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty for copyright	109,352	56	Based on contract terms	(Note 6)	(Note 6)	-	-	
Fubon Multimedia Technology Co., Ltd.	Taiwan Pelican Express Co., Ltd.	Equity-method investee	Purchase	310,661	4	Based on contract terms	-	-	(48,629)	(3)	

Note 1: The \$1,473 thousand accounts receivable on the book was the net amount of accounts receivable \$347,160 thousand deducting accounts payable and custodial receipts \$345,601 thousand.

Note 2: Included operating costs and operating expenses.

Note 3: Included other payable.

Note 4: Recognized as operating expenses.

Note 5: The \$606,153 thousand accounts receivable on the book was the net amount of accounts receivable \$601,689 thousand deducting accounts payable and custodial receipts \$(4,464) 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 is no comparable transaction.

Note 7: The \$78,543 thousand accounts receivable on the book was the net amount of accounts receivable \$78,769 thousand less custodial receipts \$226 thousand.

Note 8: The \$81,689 thousand accounts receivable on the book was the net amount of accounts receivable \$78,769 thousand deducting accounts payable and custodial receipts \$(2,920) thousand.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

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

June 30, 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	\$ 347,164	5.67	\$ -	-	\$ 346,152	\$ -
			Other receivables	39,861		-	-	366	-
	TFN Media Co., Ltd.	Subsidiary	Other receivables	1,073,412	-	-	1,057	-	
	Win TV Broadcasting Co., Ltd.	Subsidiary	Other receivables	120,112	-	-	23	-	
Taiwan Fixed Network Co., Ltd.	TWM	Ultimate parent	Accounts receivable	601,689	11.23	-	-	5,775	-
			Other receivables	6,133,735		-	-	50,195	-
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	16,186	3.09	-	-	-	-
			Other receivables	532,131		-	-	-	-
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	6,783	3.05	-	-	-	-
			Other receivables	261,001		-	-	-	-
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	16,087	2.99	-	-	-	-
			Other receivables	491,001		-	-	-	-
Fubon Multimedia Technology Co., Ltd.	Taiwan Pelican Express Co., Ltd.	Equity-method investee	Accounts receivable	134	14.08	-	-	44	-
			Other receivables	119,966		-	-	119,966	-

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**NAMES AND LOCATIONS OF, AND OTHER INFORMATION ON INVESTEES ON WHICH TWM EXERCISES SIGNIFICANT INFLUENCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2013**

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
TWM	Taiwan Cellular Co., Ltd.	Taipei, Taiwan	Investment	\$ 44,767,288	\$ 44,467,288	371,196	100	\$ 17,738,249 (Note 1)	\$ 2,494,850	\$ 2,499,397	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real estate rental and sale	923,150	923,150	92,315	49.9	790,382	(43,004)	(21,459)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	13,802,000	13,802,000	39,065	100	15,074,858	1,160,248	1,160,248	
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	8,412,616	271,718	(Note 2)	
	Win TV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	222,417	222,417	18,177	100	237,751	22,866	(Note 2)	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	5,210,443	5,210,443	230,921	100	5,848,953	1,064,709	(Note 2)	
	Global Wealth Media Technology Co., Ltd.	New Taipei City, Taiwan	Investment	92,189	92,189	8,945	100	93,520	2,582	(Note 2)	
	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	16,984	16,984	1,500	100	17,082	269	(Note 2)	
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	91,880	39,244	(Note 2)	
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	15,214	46,137	(Note 2)	
Fubon Multimedia Technology Co., Ltd.	Fu Sheng Travel Service Co., Ltd.	Taipei, Taiwan	Travel agent	6,000	6,000	2,500	100	29,060	1,728	(Note 2)	
	Fuli Life Insurance Agent Co., Ltd.	Taipei, Taiwan	Life Insurance Agent	3,000	3,000	300	100	8,948	464	(Note 2)	
	Fuli Property Insurance Agent Co., Ltd.	Taipei, Taiwan	Property Insurance Agent	3,000	3,000	300	100	12,891	4,010	(Note 2)	
	Asian Crown (BVI)	British Virgin Islands	Investment	443,450	443,450	47	100	22,419	(89,625)	(Note 2)	
	Taiwan Pelican Express Co., Ltd.	Taipei, Taiwan	Logistics industry	344,000	344,000	17,200	20	370,178	103,786	(Note 2)	
Asian Crown (BVI)	Fortune Kingdom	Samoa	Investment	443,450	443,450	14,000	100	22,419	(89,625)	(Note 2)	
Fortune Kingdom	HK Fubon Multimedia	Hong Kong	Investment	443,450	443,450	14,000	100	22,419	(89,625)	(Note 2)	
HK Fubon Multimedia	Fubon Gehua (Beijing) Enterprise Ltd.	Beijing, China	Wholesale and retail sales	369,816	369,816	-	80	(25,606)	(114,048)	(Note 2)	
				(US\$12,319)	(US\$12,319)						
Taiwan Cellular Co., Ltd.	TWM Holding	British Virgin Islands	Investment	347,951	347,951	1 share	100	250,083	3,128	(Note 2)	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	56,160,395	2,364,446	(Note 2)	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	TV program production and mobile phones wholesale	112,000	112,000	11,200	100	597,634	12,966	(Note 2)	
	TCC Investment Co., Ltd.	Taipei, Taiwan	Investment	20,680,441	20,680,441	22,103	100	36,288,152	962	(Note 2)	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and telephone marketing	56,210	56,210	2,484	100	73,676	29,775	(Note 2)	
	Taiwan Digital Service Co., Ltd.	Taipei, Taiwan	Telecommunications Service Agencies and retail business	1,000,000	-	20,000	100	1,000,038	38	(Note 2)	
TWM Holding	TWM Communications (Beijing) Co., Ltd.	Beijing, China	Mobile application development and design	148,179 (US\$4,936)	148,179 (US\$4,936)	-	100	112,149	(1,735)	(Note 2)	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings	Samoa	Investment	36,284	36,284	1,300	100	48,594	516	(Note 2)	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	3,511	3,511	2,000	100	24,311	3,871	(Note 2)	

(Continued)

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**NAMES AND LOCATIONS OF, AND OTHER INFORMATION ON INVESTEES ON WHICH TWM EXERCISES SIGNIFICANT INFLUENCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2013**

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2013	December 31, 2012	Shares (Thousands)	Percentage of Ownership	Carrying Value			
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	\$ 39,026 (US\$1,300)	\$ 39,026 (US\$1,300)	-	100	\$ 48,299	501	(Note 2)	
TCC Investment Co., Ltd.	TCCI Investment and Development Co., Ltd.	Taipei, Taiwan	Investment	6,498,076	6,498,076	400	100	13,709,484	(57)	(Note 2)	
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	2,128,942	113,104	(Note 2)	
	Mangrove Cable TV Co., Ltd.	New Taipei City, Taiwan	Cable TV service provider	510,724	510,724	6,248	29.53	570,575	52,214	(Note 2)	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	3,261,073	3,261,073	68,090	100	3,266,448	109,913	(Note 2)	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,986,250	1,986,250	169,141	99.22	1,978,930	46,137	(Note 2)	
	Globalview Cable TV Co., Ltd.	New Taipei City, Taiwan	Cable TV service provider	1,221,002	1,221,002	51,733	92.38	1,215,837	39,244	(Note 2)	
	Taiwan Kuro Times Co., Ltd.	Taipei, Taiwan	Online music platform	129,900	129,900	14	100	158,676	18,624	(Note 2)	
	Kbro Media Co., Ltd.	Taipei, Taiwan	Film distribution, art and literature service and entertainer	292,500	78,000	29,250	32.50	291,339	(1,328)	(Note 2)	
Taiwan Kuro Times Co., Ltd.	ezPeer Multimedia Limited	Samoa	Investment	48,700	48,700	1 share	100	4	(10,800)	(Note 2)	
Taiwan Fixed Network Co., Ltd.	TFN Union Investment Co., Ltd.	Taipei, Taiwan	Investment	22,314,536	22,314,536	400	100	47,084,133	(57)	(Note 2)	
	TFN HK LIMITED	Hong Kong	Telecommunications service provider	2,879 (HK\$744)	2,879 (HK\$744)	1,300	100	11,592	1,183	(Note 2)	

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 \$94,659,324 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 \$(46,310,499) 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 \$(9,300) thousand.

Note 2: Income/Loss of the investee is already included in the investor, so it is not mentioned in this table.

Note 3: 70.47% of shares are held under trustee accounts.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.02 and HK\$1 = NT\$3.869 as of June 30, 2013.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**INFORMATION ON INVESTMENT IN MAINLAND CHINA**  
**FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2013	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Value as of June 30, 2013	Accumulated Inward Remittance of Earnings as of June 30, 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\$ 39,026)	Indirect investment in Mainland China through a third place by TWM's subsidiary Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 39,026)	\$ -	\$ -	US\$ 1,300 (NT\$ 39,026)	100% ownership of indirect investment by TWM's subsidiary	\$ 501	\$ 48,299	\$ -
TWM Communications (Beijing) Co. Ltd.	Mobile application development and design	US\$ 3,000 (NT\$ 90,060)	Indirect investment in Mainland China through a third place by TWM's subsidiary Taiwan Cellular Co., Ltd.	US\$ 4,872 (NT\$ 146,257)	-	-	US\$ 4,872 (NT\$ 146,257)	100% ownership of indirect investment by TWM's subsidiary	(1,735)	112,149	-
Fubon Gehua (Beijing) Enterprise Ltd.	Wholesale and retail sales	RMB100,000 (NT\$ 487,401)	Indirect investment in Mainland China through a third place by TWM's subsidiary Fubon Multimedia Technology Co., Ltd.	US\$ 12,319 (NT\$ 369,816)	-	-	US\$ 12,319 (NT\$ 369,816)	80% ownership of indirect investment by TWM's subsidiary	(91,238)	(25,606)	-

Accumulated Investment in Mainland China as of June 30, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
US\$1,300 (NT\$39,026)	US\$1,300 (NT\$39,026)	\$80,000
US\$4,872 (NT\$146,257)	US\$4,872 (NT\$146,257)	\$56,795,594
US\$12,319 (NT\$369,816)	US\$15,000 (NT\$450,300)	\$1,109,542

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.02 and US\$1 = RMB\$6.1592 as of June 30, 2013.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2013**

TABLE 9  
(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	
TWM		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	\$ 6	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	16	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts receivable	19	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	19	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	41	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	50	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	144	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	1,473	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Accounts receivable	2,722	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Accounts receivable	3,058	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	5	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other receivables	14	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	57	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	86	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	88	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	129	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Other receivables	3,427	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	34,884	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	39,861	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	120,112	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,073,412	Based on regular terms	1%
		Wealth Media Technology Co., Ltd.	1	Other receivables	1,903,219	Based on regular terms	2%
		Taiwan Cellular Co., Ltd.	1	Other receivables	3,325,723	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Prepayments	1	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Prepayments	3	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	67	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowings	6,000,000	Based on regular terms	5%
		Win TV Broadcasting Co., Ltd.	1	Accounts payable	1	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	12	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	17,023	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts payable	78,543	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other payables	1	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other payables	401	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	781	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	1,299	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other payables	1,429	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	3,299	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	3,865	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Other payables	11,803	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Other payables	71,701	Based on regular terms	-
	Taiwan Teleservices & Technologies Co., Ltd.	1	Other payables	79,858	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.	1	Other payables	\$ 661,152	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Advanced receipts	33	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other current liabilities	(23)	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Other current liabilities	47	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	334	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	1,159	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other current liabilities	1,409	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other current liabilities	1,427	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	1,954	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other current liabilities	4,170	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	5,219	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	60,080	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	444	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	505	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	625	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	741	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating revenues	911	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	1,025	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,223	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating revenues	8,728	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Operating revenues	23,125	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	1,043,969	Based on regular terms	2%
		Win TV Broadcasting Co., Ltd.	1	Operating cost	7	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating cost	42	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating cost	61	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	94	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating cost	487	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating cost	762	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating cost	832	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	2,649	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating cost	150,653	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating cost	3,010,285	Based on regular terms	6%
		TFN Media Co., Ltd.	1	Operating expenses	-	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Operating expenses	56	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	23,607	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	41,748	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating expenses	294,696	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	499,662	Based on regular terms	1%
		Taiwan Cellular Co., Ltd.	1	Financial cost	4,678	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Financial cost	33,899	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Interest income	90	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Interest income	177	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	9,734	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Rental income	34	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 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.	TFN Union Investment Co., Ltd.	1	Rental income	\$ 34	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		TCCI Investment and Development Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Rental income	130	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	214	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Rental income	1,360	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	5,392	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Rental income	19,585	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Rental income	43,642	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	219	Based on regular terms	-
		Global Forest Media Technology Co., Ltd.	1	Other receivables	643	Based on regular terms	-
		Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,623	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	42,284	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,911,490	Based on regular terms	2%
		TWM	2	Other payables	1,903,219	Based on regular terms	2%
		TWM	2	Operating expenses	34	Based on regular terms	-
Win TV Broadcasting Co., Ltd.	1	Interest income	238	Based on regular terms	-		
Fubon Multimedia Technology Co., Ltd.	1	Other receivables	352	Based on regular terms	-		
2	Fubon Multimedia Technology Co., Ltd.	Fuli Property Insurance Agent Co., Ltd.	1	Accounts receivable	9	Based on regular terms	-
		Fuli Life Insurance Agent Co., Ltd.	1	Accounts receivable	12	Based on regular terms	-
		Fu Sheng Travel Service Co., Ltd.	1	Accounts receivable	32,036	Based on regular terms	-
		TWM	2	Accounts receivable	37	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	20	Based on regular terms	-
		TWM	2	Other current assets	-	Based on regular terms	-
		Fu Sheng Travel Service Co., Ltd.	1	Accounts payable	14	Based on regular terms	-
		TWM	2	Accounts payable	5,813	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	21	Based on regular terms	-
		Fu Sheng Travel Service Co., Ltd.	1	Other payables	433	Based on regular terms	-
		TWM	2	Other payables	38	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	5,671	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other non-current liabilities	2,732	Based on regular terms	-
		Fu Sheng Travel Service Co., Ltd.	1	Operating revenues	4,836	Based on regular terms	-
		TWM	2	Operating revenues	1	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	3	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	4	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	4	Based on regular terms	-
Fu Sheng Travel Service Co., Ltd.	1	Operating cost	185	Payment terms varied depend on the agreements and Based on regular terms	-		
TWM	2	Operating cost	42,418	Payment terms varied depend on the agreements and Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	\$ 29	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	29	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating cost	139	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	180	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating cost	563	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating cost	5,561	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	6,780	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating cost		Payment terms varied depend on the agreements and Based on regular terms	-
		Fu Sheng Travel Service Co., Ltd.	1	Operating expenses	57,036	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Operating expenses	1,015	and Based on regular terms	-
		Wealth Media Technology Co., Ltd.	2	Operating expenses	333	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	352	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	6,003	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Financial cost	106	Payment terms varied depend on the agreements and Based on regular terms	-
		Fuli Life Insurance Agent Co., Ltd.	1	Rental income	14	Payment terms varied depend on the agreements and Based on regular terms	-
3	Fu Sheng Travel Service Co., Ltd.	TWM	2	Other receivables	35	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Accounts receivable	237	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Other receivables	210	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Other payables	32,036	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Operating cost	4,836	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2			Payment terms varied depend on the agreements and Based on regular terms	-
4	Fuli Life Insurance Agent Co., Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Rental income	1,200	and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	2	Other payables	12	Based on regular terms	-
						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	Operating expenses	14	and Based on regular terms	-
				Other payables	9	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	
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	3	Other receivables	\$ 4,817	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	2	Other payables	4,623	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating expenses	34	Payment terms varied depend on the agreements	-
7	Global Forest Media Technology Co., Ltd.	Union Cable TV Co., Ltd.	1	Other receivables	817	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	2	Other payables	643	Based on regular terms	-
		TWM	2	Operating expenses	34	Payment terms varied depend on the agreements	-
8	Taiwan Cellular Co., Ltd.	Taiwan Digital Communications Co., Ltd.	1	Other receivables	53,105	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	3,064,385	Based on regular terms	3%
		Taiwan Kuro Times Co., Ltd.	3	Other receivables	45	Based on regular terms	-
		TWM	2	Other payables	3,325,723	Based on regular terms	3%
		TWM	2	Operating expenses	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Interest income	315	Based on regular terms	-
9	TWM Communications (Beijing) Co., Ltd.	TWM	2	Interest income	4,678	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	981	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Advanced receipts	14	Based on regular terms	-
10	Taiwan Fixed Network Co., Ltd.	Taiwan Kuro Times Co., Ltd.	3	Operating revenues	900	Based on regular terms	-
		TFN HK LIMITED	1	Accounts receivable	2	Based on regular terms	-
		TWM	2	Accounts receivable	606,153	Based on regular terms	1%
		Win TV Broadcasting Co., Ltd.	3	Accounts receivable	7	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	56	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	162	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	246	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	280	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	512	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	516	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	5,760	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	22,356	Based on regular terms	-
		TWM	2	Other receivables	6,132,102	Based on regular terms	5%
		Globalview Cable TV Co., Ltd.	3	Other receivables	2	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Other receivables	8	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Other receivables	777	Based on regular terms	-
		TWM	2	Prepayments	33	Based on regular terms	-
		TWM	2	Refundable deposits	830	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Other non-current assets, others	2,686	Based on regular terms	-
		TWM	Taiwan Kuro Times Co., Ltd.	TWM	2	Accounts payable	1,248
Taiwan Kuro Times Co., Ltd.	3			Accounts payable	-	Based on regular terms	-
TFN Media Co., Ltd.	3			Accounts payable	5,436	Based on regular terms	-
TFN HK LIMITED	1			Other payables	24,747	Based on regular terms	-
TWM	2			Other payables	40,086	Based on regular terms	-
Taiwan Cellular Co., Ltd.	2			Other payables	3,064,385	Based on regular terms	3%
Phoenix Cable TV Co., Ltd.	3			Other payables	17	Based on regular terms	-
Mangrove Cable TV Co., Ltd.	3			Other payables	26	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	
11	Taiwan Digital Communications Co., Ltd.	Globalview Cable TV Co., Ltd.	3	Other payables	\$ 34	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Other payables	78	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Other payables	222	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other payables	8,517	Based on regular terms	-
		TWM	2	Advanced receipts	116	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Advanced receipts	1	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Advanced receipts	1	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Advanced receipts	1	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Advanced receipts	57	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Guarantee deposits	288	Based on regular terms	-
		TWM	2	Operating revenues	3,038,234	Based on regular terms	6%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	106	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	223	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	1,045	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	1,239	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	2,134	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Operating revenues	2,429	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	2,737	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	12,795	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	64,195	Based on regular terms	-
		TFN HK LIMITED	1	Operating cost	33,709	Based on regular terms	-
		TWM	2	Operating cost	1,046,142	Based on regular terms	2%
		Mangrove Cable TV Co., Ltd.	3	Operating cost	51	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating cost	107	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	184	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	502	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating cost	884	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating cost	14,780	Based on regular terms	-
		TWM	2	Operating expenses	41,226	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	52,749	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Financial cost	2	Based on regular terms	-
		TWM	2	Interest income	33,899	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Interest income	106	Based on regular terms	-
TWM	2	Rental income	13,505	Based on regular terms	-		
Union Cable TV Co., Ltd.	3	Rental income	2	Based on regular terms	-		
Taiwan Kuro Times Co., Ltd.	3	Rental income	1,128	Based on regular terms	-		
Win TV Broadcasting Co., Ltd.	3	Rental income	2,730	Based on regular terms	-		
TWM	2	Miscellaneous expenses	219	Based on regular terms	-		
TWM	2	Accounts receivable	45,946	Based on regular terms	-		
TWM	2	Other receivables	27,272	Based on regular terms	-		
Taiwan Cellular Co., Ltd.	2	Short-term borrowings	53,000	Based on regular terms	-		
TWM	2	Accounts payable	4,064	Based on regular terms	-		
Taiwan Cellular Co., Ltd.	2	Other payables	105	Based on regular terms	-		
TWM	2	Other payables	525	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
12	TCC Investment Co., Ltd.	TWM	2	Operating revenues	\$ 294,741	Based on regular terms	1%
		TWM	2	Operating cost	5,210	Based on regular terms	-
13	TCCI Investment and Development Co., Ltd.	TWM	2	Operating expenses	3,915	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Financial cost	315	Based on regular terms	-
14	Win TV Broadcasting Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	-
		TWM	2	Operating expenses	34	Based on regular terms	-
		TWM	2	Accounts receivable	1	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	121	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	121	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	141	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	165	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	322	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	351	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Accounts receivable	29,066	Payment terms varied depend on the agreements	-
		TWM	2	Short-term borrowings	120,000	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Accounts payable	1	Payment terms varied depend on the agreements	-
		TWM	2	Other payables	156	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Other payables	42,284	Based on regular terms	-
TFN Media Co., Ltd.	3	Other payables	122	Payment terms varied depend on the agreements and Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Other payables	777	Payment terms varied depend on the agreements and Based on regular terms	-		
Fubon Multimedia Technology Co., Ltd.	3	Other current liabilities	83	Based on regular terms	-		
TWM	2	Operating revenues	3	Payment terms varied depend on the agreements	-		
Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	157	Based on regular terms	-		
Globalview Cable TV Co., Ltd.	3	Operating revenues	804	Payment terms varied depend on the agreements	-		
Mangrove Cable TV Co., Ltd.	3	Operating revenues		Payment terms varied depend on the agreements	-		
Union Cable TV Co., Ltd.	3	Operating revenues	872	Payment terms varied depend on the agreements	-		
Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	940	Payment terms varied depend on the agreements	-		
				1,842	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
15	TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	3	Operating revenues	\$ 2,006	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Operating revenues	29,064	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	89	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Operating cost	3	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating cost	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,955	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Operating expenses	49	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	660	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	881	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Financial cost	90	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Financial cost	238	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	10,531	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	13,512	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	20,719	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	30,979	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	33,678	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accounts receivable	122	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	5,436	Payment terms varied depend on the agreements	-
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	6,536	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	65,149	Based on regular terms	-
Mangrove Cable TV Co., Ltd.	1	Other receivables	94,979	Based on regular terms	-		
Union Cable TV Co., Ltd.	1	Other receivables	106,297	Based on regular terms	-		
Phoenix Cable TV Co., Ltd.	1	Other receivables	198,934	Based on regular terms	-		
Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	201,093	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	
		Globalview Cable TV Co., Ltd.	1	Short-term borrowings	\$ 261,000	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Short-term borrowings	491,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Short-term borrowings	532,000	Payment terms varied depend on the agreements	-
		TWM	2	Short-term borrowings	1,070,000	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Co., Ltd.	1	Accounts payable	555	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	4,629	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	5,438	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts payable	10,797	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	11,337	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	29,064	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Other payables	1,626	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	2,163	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	3,150	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	4,953	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	5,292	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Other payables	3,234	Payment terms varied depend on the agreements and Based on regular terms	-
		Wealth Media Technology Co., Ltd.	2	Other payables	1,911,490	Based on regular terms	2%
		Win TV Broadcasting Co., Ltd.	3	Other payables	1	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	21,877	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	5,700	Payment terms varied depend on the agreements	-

(Continued)



Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Globalview Cable TV Co., Ltd.	1	Operating revenues	\$ 101,745	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	109,352	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	233,308	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	257,756	Payment terms varied depend on the agreements	-
		TWM	2	Operating revenues	867	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	663	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	14,780	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	57,036	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating cost	2,904	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating cost	7,362	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating cost	10,534	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	17,602	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	18,408	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	245	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	29,064	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	63,170	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	306	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	443	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	542	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	696	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	884	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	
16	Union Cable TV Co., Ltd.	TWM	2	Operating expenses	\$ 5,965	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	996	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Financial cost	1,534	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Financial cost	2,820	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Financial cost	3,175	Payment terms varied depend on the agreements	-
		TWM	2	Financial cost	9,734	Payment terms varied depend on the agreements	-
		TWM	2	Accounts receivable	3,247	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	8,581	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	222	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	1	Based on regular terms	-
		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	-
		TWM	2	Other payables	68	Payment terms varied depend on the agreements and Based on regular terms	-
		Global Forest Media Technology Co., Ltd.	2	Other payables	817	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	127,016	Payment terms varied depend on the agreements	-
		Taiwan Kuro Times Co., Ltd.	3	Other payables	-	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	20	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Other payables	165	Payment terms varied depend on the agreements	-
		Taiwan Kuro Times Co., Ltd.	3	Other current liabilities	-	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating revenues	10,944	Payment terms varied depend on the agreements and Based on regular terms	-
Taiwan Kuro Times Co., Ltd.	3	Operating revenues	-	Payment terms varied depend on the agreements	-		
Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	139	Payment terms varied depend on the agreements	-		
Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,273	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	
17	Yeong Jia Leh Cable TV Co., Ltd.	TWM	2	Operating cost	\$ 236	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating cost	109,352	Payment terms varied	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	940	depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,918	Payment terms varied	-
		TWM	2	Operating expenses	676	depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	592	and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	33	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Notes receivable	30	Payment terms varied	-
		TWM	2	Accounts receivable	9,557	depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	16,087	Payment terms varied	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	78	depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	491,001	Payment terms varied	-
		TWM	2	Other current assets	39	depend on the agreements	-
		TWM	2	Other payables	93	and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	234,771	Payment terms varied	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	110	depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Other payables	322	and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Other current liabilities	30	Payment terms varied	-
		TWM	2	Operating revenues	2,578	depend on the agreements	-
TFN Media Co., Ltd.	2	Operating revenues	18,462	Payment terms varied	-		
Taiwan Kuro Times Co., Ltd.	3	Operating revenues	-	depend on the agreements	-		
Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	29	and Based on regular terms	-		
					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	Mangrove Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Operating revenues	\$ 502	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	313	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating cost	214,519	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating cost	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	34	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	1,842	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	989	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	18,789	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	184	Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	2,820	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	24	Based on regular terms	-
		TWM	2	Accounts receivable	1,145	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,181	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	203	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Other payables	16	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	105,510	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Other payables	121	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	172	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	18	Based on regular terms	-		
TWM	2	Operating revenues	487	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Operating revenues	3,201	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	
19	Mangrove Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Operating revenues	\$ 34	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	5,561	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	165	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating cost	3,580	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	19	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	692	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,096	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	284	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	2,120	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd. Win TV Broadcasting Co., Ltd.	3 3	Operating expenses Operating expenses	144 180	Based on regular terms Payment terms varied depend on the agreements	- -
	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Other receivables	10	Based on regular terms	-
		TWM	2	Accounts receivable	8,367	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	16,186	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	17	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	532,131	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Other payables	107	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	229,914	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Other payables	351	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	492	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Advanced receipts	31	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	
20	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	\$ 18,877	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	107	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	563	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	376	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating cost	236,836	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	2,006	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	2,267	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	896	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	20,920	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	472	Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,175	Payment terms varied depend on the agreements	-
		TWM	2	Rental income	94	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Rental income	189	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	38	Based on regular terms	-
		TWM	2	Accounts receivable	2,238	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,783	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	34	Payment terms varied depend on the agreements	-
TFN Media Co., Ltd.	2	Other receivables	261,001	Payment terms varied depend on the agreements and Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Accounts payable	26	Payment terms varied depend on the agreements and Based on regular terms	-		
TWM	2	Other payables	14	Payment terms varied depend on the agreements and Based on regular terms	-		
TFN Media Co., Ltd.	2	Other payables	78,661	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	
21	Taiwan Kuro Times Co., Ltd.	Taiwan Kuro Times Co., Ltd.	3	Other payables	\$ -	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Other payables	141	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	200	Payment terms varied depend on the agreements and Based on regular terms	-
		Global Wealth Media Technology Co., Ltd.	3	Other payables	4,817	Based on regular terms	-
		TWM	2	Operating revenues	780	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	7,895	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	19	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	29	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	195	Payment terms varied depend on the agreements	-
		TWM	2	Operating cost	157	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating cost	93,362	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	804	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	837	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Operating expenses	365	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	8,383	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	218	Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	1,534	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	Other receivables	10	Based on regular terms	-
		TWM	2	Accounts receivable	81,689	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	-	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	-	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	-	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	-	Based on regular terms	-
		TWM	2	Other receivables	37	Based on regular terms	-
		TWM Communications (Beijing) Co., Ltd.	3	Prepayments	15	Based on regular terms	-
		TWM	2	Short-term borrowings	30,000	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Accounts payable	513	Based on regular terms	-		
TWM Communications (Beijing) Co., Ltd.	3	Accounts payable	988	Based on regular terms	-		
TWM	2	Other payables	4,902	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	Taiwan Teleservices & Technologies Co., Ltd.	TFN Media Co., Ltd.	2	Other payables	\$ 6,536	Based on regular terms	-		
		Yeong Jia Leh Cable TV Co., Ltd.	3	Other payables	-	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Other payables	3	Based on regular terms	-		
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other payables	456	Based on regular terms	-		
		TWM	2	Operating revenues	150,653	Based on regular terms	-		
		TWM	2	Operating cost	787	Based on regular terms	-		
		TWM Communications (Beijing) Co., Ltd.	3	Operating cost	974	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	2,989	Based on regular terms	-		
		TWM	2	Operating expenses	1,381	Based on regular terms	-		
		Globalview Cable TV Co., Ltd.	3	Operating expenses	-	Based on regular terms	-		
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating expenses	-	Based on regular terms	-		
		Union Cable TV Co., Ltd.	3	Operating expenses	-	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	565	Based on regular terms	-		
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	1,335	Based on regular terms	-		
		TWM	2	Financial cost	177	Based on regular terms	-		
		TWM	2	Accounts receivable	79,870	Based on regular terms	-		
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	456	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	8,517	Based on regular terms	-		
		23	Taiwan Super Basketball Co., Ltd.	TWM	2	Other payables	129	Based on regular terms	-
				Fubon Multimedia Technology Co., Ltd.	3	Other payables	20	Based on regular terms	-
TWM	2			Operating revenues	499,723	Based on regular terms	1%		
Taiwan Kuro Times Co., Ltd.	3			Operating revenues	1,335	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3			Operating revenues	52,749	Based on regular terms	-		
TWM	2			Operating expenses	34	Based on regular terms	-		
TWM	2			Accounts receivable	11,803	Based on regular terms	-		
TWM	2			Operating revenues	23,607	Based on regular terms	-		
TWM	2			Operating expenses	34	Based on regular terms	-		
24	TFN HK LIMITED			Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	24,114	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	32,597	Based on regular terms	-		
25	TFN Union Investment Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	-		

- Note : 1. Parent to subsidiary  
2. Subsidiary to parent  
3. Between subsidiaries



**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 4,643	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	26,709	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	72	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	15	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	18	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	18	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	5	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts receivable	1	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Accounts receivable	4,223	Based on regular terms	-
		Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,008	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	42,399	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	117	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	25	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,489,880	Based on regular terms	3%
		Union Cable TV Co., Ltd.	1	Other receivables	40	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	67	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other receivables	9	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	87	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	7	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other receivables	3,180	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	67	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Prepayments	3	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 borrowings	765,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowings	5,080,000	Based on regular terms	6%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	14	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts payable	52,129	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	2,995	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Accrued expenses	53,329	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	17,643	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Accrued expenses	437	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	253,258	Based on regular terms	-		
Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	78,361	Based on regular terms	-		
Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	63	Based on regular terms	-		
Mangrove Cable TV Co., Ltd.	1	Accrued expenses	31	Based on regular terms	-		
Globalview Cable TV Co., Ltd.	1	Accrued expenses	52	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 Digital Communications Co., Ltd.	1	Other payables	\$ 26,133	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	61,978	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	810	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	1,613	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other payables	181	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	2,475	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	308	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other payables	1,466	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	33	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	74,779	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	1,451	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other current liabilities	5,470	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other current liabilities	757	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	4,082	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	895	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other current liabilities	1,502	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	8,009	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	1,275,057	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	478	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	625	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	837	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	414	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,081	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	424	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating revenues	1,276	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Operating revenues	8,953	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Operating costs	748	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	1,867,469	Based on regular terms	4%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	68	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating costs	208	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating costs	447	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating costs	70	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	86	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	428	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating costs	95,813	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating expenses	260,379	Based on regular terms	1%
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	17,213	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Operating expenses	(516)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	35,951	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	468,333	Based on regular terms	1%

(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.	Fubon Multimedia Technology Co., Ltd.	1	Operating expenses	\$ 795	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Interest income	82	Based on regular terms	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	8	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Interest income	1,141	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	13,052	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	-
		Taiwan Fixed Network Co., Ltd.	1	Rental income	44,880	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	130	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	5,392	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	18,172	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	2	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest expenses	2,973	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	22,880	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	110,153	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	7	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Interest income	153	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	1	Miscellaneous revenue	187	Based on regular terms	-
		TWM	2	Interest expenses	82	Based on regular terms	-
Taiwan Win TV Broadcasting Co., Ltd.	2	Operating expenses	6	Based on regular terms	-		
2	Taiwan Win TV Broadcasting Co., Ltd.	TWM	2	Operating expenses	6	Based on regular terms	-
		TWM	2	Operating expenses	6	Based on regular terms	-
3	Fubon Multimedia Technology Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	13	Payment terms varied depend on the agreements and Based on regular terms	-
		Fuli Life Insurance Agent Co.,Ltd.	1	Accounts receivable	8	Based on regular terms	-
		Fu Sheng Travel Service Co.,Ltd.	1	Accounts receivable	24,350	Based on regular terms	-
		Fuli Property Insurance Agent Co.,Ltd.	1	Accounts receivable	3	Based on regular terms	-
		TWM	2	Accounts payable	7,103	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	3,055	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	65	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	
		Fu Sheng Travel Service Co.,Ltd.	1	Accounts payable	\$ 9,354	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Leasehold payable-current	2,728	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	5	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Leasehold payable-non-current	5,264	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	781	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	260	Payment terms varied depend on the agreements and Based on regular terms	-
		Fu Sheng Travel Service Co.,Ltd.	1	Operating revenues	1,196	Based on regular terms	-
		TWM	2	Operating costs	27,183	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	11,442	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating costs	791	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating costs	45,714	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	139	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating costs	29	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating costs	4,618	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	563	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	29	Payment terms varied depend on the agreements and Based on regular terms	-
		Fu Sheng Travel Service Co.,Ltd.	1	Operating costs	199	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.	TWM	2	Operating expenses	\$ 218	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	3,327	Payment terms varied depend on the agreements and Based on regular terms	-		
		Fu Sheng Travel Service Co.,Ltd.	1	Operating expenses	1,001	Payment terms varied depend on the agreements and Based on regular terms	-		
		Fuli Life Insurance Agent Co.,Ltd.	1	Rental income	29	Payment terms varied depend on the agreements and Based on regular terms	-		
		Win TV Broadcasting Co., Ltd.	3	Miscellaneous revenue	3	Based on regular terms	-		
		Taiwan Fixed Network Co., Ltd.	3	Interest expenses	154	Payment terms varied depend on the agreements and Based on regular terms	-		
		Fubon Multimedia Technology Co., Ltd.	2	Accounts receivable	9,144	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	9,441	Based on regular terms	-		
		Fubon Multimedia Technology Co., Ltd.	2	Accrued expenses	14,908	Based on regular terms	-		
		Fubon Multimedia Technology Co., Ltd.	2	Operating costs	1,196	Based on regular terms	-		
		Fubon Multimedia Technology Co., Ltd.	2	Rental income	1,200	Payment terms varied depend on the agreements and Based on regular terms	-		
		5	Fuli Life Insurance Agent Co.,Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	8	Based on regular terms	-
				Fubon Multimedia Technology Co., Ltd.	2	Operating expenses	29	Payment terms varied depend on the agreements and Based on regular terms	-
6	Fuli Property Insurance Agent Co.,Ltd.	Fubon Multimedia Technology Co., Ltd.	2	Accounts payable	3	Based on regular terms	-		
7	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	-		
8	Global Wealth Media Technology Co., Ltd.	Wealth Media Technology Co., Ltd.	2	Interest expenses	54	Payment terms varied depend on the agreements	-		
		TWM	2	Short-term borrowings	4,000	Payment terms varied depend on the agreements	-		
		TWM	2	Accrued expenses	8	Payment terms varied depend on the agreements	-		
		Globalview Cable TV Co., Ltd.	3	Operating expenses	34	Payment terms varied depend on the agreements	-		
		TWM	2	Interest expenses	8	Payment terms varied depend on the agreements	-		
		Wealth Media Technology Co., Ltd.	2	Interest expenses	7	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	
		Tai Fu Media Technology Co., Ltd.	2	Interest expenses	\$ 7	Payment terms varied depend on the agreements	-
9	Fu Jia Leh Media Technology Co., Ltd.	TWM	2	Operating expenses	6	Payment terms varied depend on the agreements	-
10	Fu Sin Media Technology Co., Ltd.	TWM	2	Operating expenses	6	Payment terms varied depend on the agreements	-
11	Global Forest Media Technology Co., Ltd.	TWM	2	Operating expenses	34	Payment terms varied depend on the agreements	-
12	Taiwan Cellular Co., Ltd.	TWM	2	Other receivables	767,995	Based on regular terms	1%
		Taiwan Digital Communications Co., Ltd.	1	Other receivables	12,005	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other receivables	3,222	Based on regular terms	-
		TWM	2	Operating expenses	34	Based on regular terms	-
		TWM	2	Interest income	2,973	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Interest income	229	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	-
13	Taiwan Fixed Network Co., Ltd.	TWM	2	Accounts receivable	225,413	Based on regular terms	-
		TFN HK	1	Accounts receivable	2	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accounts receivable	8	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	18,773	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	157	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	261	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	526	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	247	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Accounts receivable	756	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	5,890	Based on regular terms	-
		TWM	2	Other receivables	5,244,603	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	33	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Prepayments	16	Based on regular terms	-
		TWM	2	Refundable deposits	830	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Long-term notes, accounts and overdue receivables	5,174	Based on regular terms	-
		TWM	2	Accounts payable	26,337	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts payable	13,475	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Accounts payable	1	Based on regular terms	-
		TWM	2	Accrued expenses	42,727	Based on regular terms	-
		TFN HK	1	Accrued expenses	28,005	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accrued expenses	9,229	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	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction 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	44	Based on regular terms	-
		TWM	2	Advance receipts	79	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	-
		Taiwan Kuro Times Co., Ltd.	3	Advance receipts	2	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Advance receipts	2	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	5	Based on regular terms	-
		TWM	2	Operating revenues	1,893,368	Based on regular terms	4%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	116	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	54,702	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	2,182	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	211	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	1,237	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	2,755	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	1,041	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Operating revenues	3,061	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	12,523	Based on regular terms	-
		TWM	2	Operating costs	1,276,675	Based on regular terms	3%
		TFN HK	1	Operating costs	36,957	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating costs	13,475	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	234	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating costs	502	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating costs	34	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	117	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	184	Based on regular terms	-
		TWM	2	Operating expenses	42,961	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	3	Operating expenses	114	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Operating expenses	(58)	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	56,977	Based on regular terms	-
		TWM	2	Interest income	22,880	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	154	Based on regular terms	-
		TWM	2	Rental income	9,934	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Rental income	2,657	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Rental income	7	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Rental income	1,694	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Interest expenses	6	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Interest expenses	7	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	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
14	Taiwan Digital Communications Co., Ltd.	TWM	2	Accounts receivable	\$ 79,461	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Short-term borrowings	12,000	Based on regular terms	-
		TWM	2	Accounts payable	3,808	Based on regular terms	-
		TWM	2	Accrued expenses	835	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	5	Based on regular terms	-
		TWM	2	Operating revenues	260,379	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	114	Based on regular terms	-
		TWM	2	Operating costs	3,761	Based on regular terms	-
		TWM	2	Operating expenses	4,282	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	229	Based on regular terms	-
15	TCC Investment Co., Ltd.	Win TV Broadcasting Co., Ltd.	3	Other receivables	53,788	Based on regular terms	-
		TWM	2	Operating expenses	34	Based on regular terms	-
16	TCCI Investment and Development Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	-
17	Win TV Broadcasting Co., Ltd.	TFN Media Co., Ltd.	3	Accounts receivable	29,555	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	525	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	3	Accounts receivable	525	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	525	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	525	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Accounts receivable	146	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	2	Short-term borrowings	110,000	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	68	Payment terms varied depend on the agreements and Based on regular terms	-
		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	-
		Wealth Media Technology Co., Ltd.	2	Accrued expenses	153	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Other payables	660	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	3	Other payables	53,788	Based on regular terms	-
Union Cable TV Co., Ltd.	3	Advance receipts	333	Payment terms varied depend on the agreements	-		
Yeong Jia Leh Cable TV Co., Ltd.	3	Advance receipts	333	Payment terms varied depend on the agreements	-		
Mangrove Cable TV Co., Ltd.	3	Advance receipts	333	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	TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	3	Advance receipts	\$ 333	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	333	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Other current liabilities	188	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Other current liabilities	42	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	30,261	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	250	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	310	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	250	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	250	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	250	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	390	Based on regular terms	-
		TWM	2	Operating costs	89	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,895	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating costs	27	Based on regular terms	-
		TWM	2	Operating expenses	57	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	872	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	660	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Interest income	5	Payment terms varied depend on the agreements	-
		TWM	2	Interest expenses	1,141	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	153	Payment terms varied depend on the agreements	-
TWM	2	Accounts receivable	58	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	13,475	Payment terms varied depend on the agreements	-		
Win TV Broadcasting Co., Ltd.	3	Accounts receivable	693	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	\$ 19,935	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts receivable	31,616	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts receivable	10,147	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	28,389	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	12,758	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	180	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	30,122	Payment terms varied depend on the agreements	-
		TWM	2	Other current liabilities	(18)	Based on regular terms	-
		TWM	2	Short-term borrowings	2,480,000	Payment terms varied depend on the agreements	3%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Short-term borrowings	344,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Short-term borrowings	580,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Short-term borrowings	250,000	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	29,368	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	922	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts payable	2,150	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts payable	564	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	1,831	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	827	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	937	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	18,334	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	2,981	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	5,284	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	
		Mangrove Cable TV Co., Ltd.	1	Accrued expenses	\$ 1,521	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	4,778	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	2,086	Payment terms varied depend on the agreements and Based on regular terms	-
		TWM	2	Accrued expenses	8,830	Payment terms varied depend on the agreements	-
		TWM	2	Other current liabilities	332	Based on regular terms	-
		TWM	2	Operating revenues	279	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	13,475	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	660	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	113,718	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	241,650	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	4,135	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	264,300	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	107,250	Payment terms varied depend on the agreements	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	45,714	Payment terms varied depend on the agreements	-
		TWM	2	Operating costs	171	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	53,622	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating costs	30,261	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating costs	12,254	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating costs	20,123	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating costs	3,700	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	20,303	Payment terms varied depend on the agreements	-

(Continued)

umber	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
19	Union Cable TV Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Operating costs	\$ 8,336	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	5,699	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,046	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	735	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	1,799	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	457	Payment terms varied depend on the agreements and Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	1,275	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	639	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Interest income	237	Payment terms varied depend on the agreements	-
		TWM	2	Interest expenses	13,052	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	3,322	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Interest expenses	2,711	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	3,422	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	1,457	Payment terms varied depend on the agreements	-
		TWM	2	Accounts receivable	2,244	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	3,896	Payment terms varied depend on the agreements and Based on regular terms	-		
TFN Media Co., Ltd.	2	Other receivables	1	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Prepayments	57	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	
20	Yeong Jia Leh Cable TV Co., Ltd.	Win TV Broadcasting Co., Ltd.	3	Prepayments	\$ 333	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	613	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	52	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	29	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	19,321	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	623	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	12,969	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	139	Payment terms varied depend on the agreements	-
		TWM	2	Operating costs	205	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,967	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating costs	250	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	113,718	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	556	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	586	Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,322	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	19	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Accounts payable	63	Based on regular terms	-
		TWM	2	Accounts receivable	8,625	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	78	Payment terms varied depend on the agreements	-
TFN Media Co., Ltd.	2	Accounts receivable	7,168	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Other receivables	344,267	Payment terms varied depend on the agreements and Based on regular terms	-		
TWM	2	Other current assets	(165)	Based on regular 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	-		

(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	Accounts payable	\$ 1,848	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	22	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	102	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	167	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accrued expenses	180	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	29,768	Payment terms varied depend on the agreements	-
		TWM	2	Operating revenues	511	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	502	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	21,874	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	29	Payment terms varied depend on the agreements	-
		TWM	2	Operating costs	256	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	37	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating costs	250	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	222,862	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	48	Based on regular terms	-
		TWM	2	Operating expenses	885	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	173	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	60	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating expenses	18,789	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	2,711	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	48	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total perating Revenues or Total Assets
				Account	Amount	Transaction Terms	
21	Mangrove Cable TV Co., Ltd.	TWM	2	Accounts receivable	\$ 302	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,085	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Accounts receivable	63	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Prepayments	333	Payment terms varied depend on the agreements	-
		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	680	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	23	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	97	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	525	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	9,470	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	21	Based on regular terms	-
		TWM	2	Operating revenues	76	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	34	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	4,123	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	60	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	45	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	4,618	Payment terms varied depend on the agreements	-
		TWM	2	Operating costs	189	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,096	Payment terms varied depend on the agreements	-		
Win TV Broadcasting Co., Ltd.	3	Operating costs	250	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Operating costs	2,015	Payment terms varied depend on the agreements	-		
Yeong Jia Leh Cable TV Co., Ltd.	3	Operating costs	60	Based on regular terms	-		
Phoenix Cable TV Co., Ltd.	3	Operating costs	45	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	Phoenix Cable TV Co., Ltd.	TWM	2	Operating expenses	\$ 230	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd. TFN Media Co., Ltd.	3 2	Operating expenses Operating expenses	143 2,120	Based on regular terms Payment terms varied depend on the agreements	- -
		TFN Media Co., Ltd. TWM	2 2	Miscellaneous revenue Accounts receivable	33 6,427	Based on regular terms Payment terms varied depend on the agreements	- -
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	17	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,603	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	580,001	Payment terms varied depend on the agreements and Based on regular terms	1%
		Win TV Broadcasting Co., Ltd.	3	Prepayments	333	Payment terms varied depend on the agreements	-
		TWM TFN Media Co., Ltd.	2 2	Other current assets Accounts payable	9 1,169	Based on regular terms Payment terms varied depend on the agreements	- -
		TWM	2	Accrued expenses	93	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	501	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	525	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	27,220	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Advance receipts	16	Payment terms varied depend on the agreements	-
		Taiwan Kuro Times Co., Ltd. Taiwan Fixed Network Co., Ltd.	3 3	Other current liabilities Operating revenues	(2) 117	Based on regular terms Payment terms varied depend on the agreements	- -
		TFN Media Co., Ltd.	2	Operating revenues	21,549	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd. Fubon Multimedia Technology Co., Ltd.	3 3	Operating revenues Operating revenues	249 563	Based on regular terms Payment terms varied depend on the agreements	- -
		TWM Taiwan Fixed Network Co., Ltd.	2 3	Operating costs Operating costs	354 2,267	Based on regular terms Payment terms varied depend on the agreements	- -
		Win TV Broadcasting Co., Ltd.	3	Operating costs	250	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	
23	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating costs	\$ 243,380	Payment terms varied depend on the agreements	1%
		Union Cable TV Co., Ltd.	3	Operating costs	249	Based on regular terms	-
		TWM	2	Operating expenses	772	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	488	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	20,920	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	3,422	Payment terms varied depend on the agreements	-
		TWM	2	Rental income	86	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	29	Based on regular terms	-
		TWM	2	Accounts receivable	1,417	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	2,911	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	250,001	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Prepayments	333	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	26	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	736	Payment terms varied depend on the agreements	-
		TWM	2	Accrued expenses	12	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	199	Payment terms varied depend on the agreements and Based on regular terms	-
Win TV Broadcasting Co., Ltd.	3	Accrued expenses	525	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	12,023	Payment terms varied depend on the agreements	-		
TWM	2	Operating revenues	458	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	
24	Taiwan Kuro Times Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Operating revenues	\$ 195	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	8,971	Payment terms varied depend on the agreements and Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating revenues	29	Payment terms varied depend on the agreements	-
		TWM	2	Operating costs	144	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	837	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating costs	250	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	98,867	Payment terms varied depend on the agreements	-
		TWM	2	Operating expenses	299	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	214	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	8,383	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,457	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	52,533	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	3	Based on regular terms	-
		TWM	2	Other current assets	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	5	Based on regular terms	-
		TFN Media Co., Ltd.	2	Short-term borrowings	30,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	742	Based on regular terms	-
		TWM	2	Accrued expenses	5,025	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	394	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	122	Based on regular terms	-
		TWM	2	Operating revenues	95,536	Based on regular terms	-
		TWM	2	Operating costs	24	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Operating costs	4,044	Based on regular terms	-		
TWM	2	Operating expenses	1,244	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Operating expenses	713	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	3	Interest income	2	Based on regular terms	-		
TFN Media Co., Ltd.	2	Interest expenses	237	Based on regular terms	-		
25	TWM Communications (Beijing) Ltd.	TWM	2	Accounts receivable	440	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	101	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Other payables	3,147	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	
26	Taiwan Teleservices & Technologies Co., Ltd.	TWM	2	Operating revenues	\$ 749	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	100	Based on regular terms	-
		TWM	2	Accounts receivable	78,369	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	9,229	Based on regular terms	-
		TWM	2	Other receivables	6	Based on regular terms	-
		TWM	2	Accrued expenses	117	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Accrued expenses	13	Based on regular terms	-
		TT&T Holdings	1	Accrued expenses	765	Based on regular terms	-
		TWM	2	Operating revenues	468,401	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	56,977	Based on regular terms	-
27	Taiwan Super Basketball Co., Ltd.	TWM	2	Operating expenses	34	Based on regular terms	-
		Fubon Multimedia Technology Co., Ltd.	3	Operating expenses	13	Based on regular terms	-
		TT&T Holdings	1	Operating expenses	12,657	Based on regular terms	-
		TWM	2	Accounts receivable	17,643	Based on regular terms	-
28	TT&T Holdings	TWM	2	Operating revenues	17,213	Based on regular terms	-
		TWM	2	Operating expenses	34	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	765	Based on regular terms	-
29	Xiamen Taifu Teleservices & Technologies Co., Ltd.	Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Other receivables	331	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	12,661	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	-
30	TFN HK	TT&T Holdings	2	Other payables	332	Based on regular terms	-
		TT&T Holdings	2	Operating revenues	9,266	Based on regular terms	-
		TT&T Holdings	2	Miscellaneous expenses	331	Based on regular terms	-
31	TFN Union Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	27,446	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	35,840	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