

**Taiwan Mobile Co., Ltd. and Subsidiaries**  
**Consolidated Financial Statements for the**  
**Years Ended December 31, 2010 and 2009, and**  
**Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheet of Taiwan Mobile Co., Ltd. (the "Corporation") and subsidiaries as of December 31, 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements of Taiwan Mobile Co., Ltd. as of December 31, 2009, and for the year then ended have been audited by other auditors, who have issued an audit report dated January 20, 2010, expressed an unqualified audit report.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taiwan Mobile Co., Ltd. and subsidiaries as of December 31, 2010, and the consolidated results of its operations and its consolidated cash flows for the year then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

KPMG  
Taipei, Taiwan (the Republic of China)  
January 15, 2011

### Notice to Readers

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2010 AND 2009**  
(In Thousands of New Taiwan Dollars, Except Par Value)

	2010		2009	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 2, 4(a), 4(s) and 5)	\$ 6,049,330	7	2,999,036	3
Available-for-sale financial assets - current (Notes 2, 4(b) and 4(s))	201,322	-	177,821	-
Notes receivable (Note 4(s))	45,277	-	68,498	-
Accounts receivable, net (Notes 2, 4(c) and 4(s))	6,455,465	8	6,637,930	8
Accounts receivable - related parties (Notes 2, 4(s) and 5)	132,642	-	163,998	-
Other receivables (Note 4(s))	524,087	1	319,201	-
Inventories (Note 2)	1,131,628	1	472,058	1
Prepayments (Note 5)	676,375	1	682,562	1
Deferred income tax assets - current (Notes 2 and 4(q))	10,060	-	29,132	-
Pledged time deposits (Notes 4(s), 5 and 6)	1,100	-	10,000	-
Other current assets	15,106	-	3,944	-
<b>Total current assets</b>	<b>15,242,392</b>	<b>18</b>	<b>11,564,180</b>	<b>13</b>
<b>INVESTMENTS</b>				
Investments accounted for using the equity method (Notes 2 and 4(d))	388,002	-	211,974	-
Financial assets carried at cost - non-current (Notes 2, 4(e) and 4(s))	2,308,709	3	2,498,980	3
Bonds measured at amortized cost - non-current (Notes 2, 4(f) and 4(s))	500,000	1	500,000	1
<b>Total investments</b>	<b>3,196,711</b>	<b>4</b>	<b>3,210,954</b>	<b>4</b>
<b>PROPERTY AND EQUIPMENT (Notes 2 and 4(g))</b>				
Cost				
Land	6,302,821	7	6,097,370	7
Buildings	4,061,567	5	3,924,993	5
Telecommunication equipment	61,822,603	72	62,730,071	73
Office equipment	95,342	-	148,627	v
Leased assets	1,285,920	2	1,285,920	1
Miscellaneous equipment	2,776,007	3	2,786,282	3
	76,344,260	89	76,973,263	89
Less accumulated depreciation	(35,235,653)	(41)	(32,660,164)	(38)
Less accumulated impairment-property	(74,229)	-	-	-
Construction in progress and prepayments for equipment	2,579,615	3	2,230,518	3
<b>Net property and equipment</b>	<b>43,613,993</b>	<b>51</b>	<b>46,543,617</b>	<b>54</b>
<b>INTANGIBLE ASSETS (Note 2)</b>				
3G concession license	5,981,673	7	6,729,382	8
Computer software cost	46,948	-	71,471	-
Goodwill (Note 4(h))	10,514,683	12	10,485,941	12
Customer relationship (Note 4(h))	2,336,978	3	2,511,760	3
Operating rights (Note 4(h))	1,395,031	2	1,382,000	2
Other intangible assets	76,886	-	33,184	-
<b>Total intangible assets</b>	<b>20,352,199</b>	<b>24</b>	<b>21,213,738</b>	<b>25</b>
<b>OTHER ASSETS</b>				
Assets leased to others (Notes 2, 4(i) and 5)	298,891	-	438,611	1
Idle assets (Notes 2 and 4(i))	154,412	-	311,726	-
Refundable deposits (Note 4(s))	400,186	-	388,391	-
Deferred charges (Note 2)	403,430	-	421,839	1
Deferred income tax assets - non-current (Notes 2 and 4(q))	1,135,264	2	1,631,570	2
Other (Notes 2, 4(l), 4(o), 5, and 6)	686,722	1	161,489	-
<b>Total other assets</b>	<b>3,078,905</b>	<b>3</b>	<b>3,353,626</b>	<b>4</b>
<b>TOTAL</b>	<b>\$ 85,484,200</b>	<b>100</b>	<b>85,886,115</b>	<b>100</b>

	2010		2009	
	Amount	%	Amount	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4(j) and 4(s))	\$ 3,203,000	4	6,800,000	8
Short-term notes and bills payable (Notes 4(k) and 4(s))	499,732	-	799,638	1
Notes payable (Note 4(s))	232,299	-	277,571	-
Accounts payable (Notes 4(s) and 5)	3,423,611	4	2,599,859	3
Income taxes payable (Notes 4(q) and 4(s))	1,387,348	2	1,665,244	2
Accrued expenses (Note 4(s))	5,564,242	6	5,640,613	7
Other payables (Notes 2 and 4(s))	5,001,640	6	4,321,341	5
Advance receipts (Note 4(l))	3,370,888	4	2,057,643	2
Guarantee deposits -current (Note 4(s))	65,194	-	60,624	-
Other current liabilities	483,699	1	524,869	1
<b>Total current liabilities</b>	<b>23,231,653</b>	<b>27</b>	<b>24,747,402</b>	<b>29</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds payable (Notes 4(m) and 4(s))	8,000,000	9	8,000,000	9
Long-term borrowings (Notes 4(n) and 4(s))	2,300,000	3	-	-
<b>Total long-term liabilities</b>	<b>10,300,000</b>	<b>12</b>	<b>8,000,000</b>	<b>9</b>
<b>OTHER LIABILITIES</b>				
Guarantee deposits (Note 4(s))	314,672	-	324,243	-
Deferred income tax liability - non-current (Notes 2 and 4(q))	153,486	-	125,956	-
Other (Note 2)	584,971	1	605,405	1
<b>Total other liabilities</b>	<b>1,053,129</b>	<b>1</b>	<b>1,055,604</b>	<b>1</b>
<b>Total liabilities</b>	<b>34,584,782</b>	<b>40</b>	<b>33,803,006</b>	<b>39</b>
<b>SHAREHOLDERS' EQUITY (Notes 2 and 4(p))</b>				
Parent's shareholders' equity				
Capital stock-NT\$10 par value	38,009,254	44	38,009,254	44
Authorized:6,000,000 thousand shares ; Issued:3,800,925 thousand shares				
Capital surplus				
From convertible bonds	8,775,819	10	8,775,819	10
From treasury stock transactions	3,639,302	5	3,639,302	5
From long-term investments	4,528	-	3,743	-
Other	12,840	-	12,840	-
Retained earnings				
Legal reserve	15,332,799	18	13,943,913	16
Special reserve	821,741	1	3,350,000	4
Unappropriated earnings	16,088,941	19	16,155,617	19
Other equity				
Cumulative translation adjustments	(5,716)	-	12,011	-
Net loss not recognized as pension cost	(10,695)	-	(3,797)	-
Unrealized gains on financial instruments	89,842	-	63,624	-
Treasury stock	(31,889,100)	(37)	(31,889,100)	(37)
	50,869,555	60	52,073,226	61
Minority interest	29,863	-	9,883	-
<b>Total shareholders' equity</b>	<b>50,899,418</b>	<b>60</b>	<b>52,083,109</b>	<b>61</b>
<b>Commitments and Contingencies(Note 7)</b>				
<b>TOTAL</b>	<b>\$ 85,484,200</b>	<b>100</b>	<b>85,886,115</b>	<b>100</b>

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2010</b>		<b>2009</b>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>OPERATING REVENUES (Notes 2 and 5)</b>	\$ 70,146,004	100	68,470,232	100
<b>OPERATING COSTS (Notes 2, 5, and 10)</b>	38,162,363	54	33,209,461	48
<b>GROSS PROFIT</b>	<u>31,983,641</u>	<u>46</u>	<u>35,260,771</u>	<u>52</u>
<b>OPERATING EXPENSES (Notes 2, 5, and 10)</b>				
Marketing	9,160,136	13	10,056,904	15
Administrative	4,515,794	7	4,755,733	7
<b>Total operating expenses</b>	<u>13,675,930</u>	<u>20</u>	<u>14,812,637</u>	<u>22</u>
<b>OPERATING INCOME</b>	<u>18,307,711</u>	<u>26</u>	<u>20,448,134</u>	<u>30</u>
<b>NON-OPERATING INCOME AND GAINS</b>				
Income from penalty charge	285,470	1	265,387	1
Rental income (Notes 2 and 5)	61,849	-	71,453	-
Gain on disposal of investments (Note 4(e))	51,499	-	-	-
Gain on disposal of property and equipment (Note 2)	47,731	-	27,605	-
Interest income	42,471	-	16,501	-
Dividend income	13,318	-	10,405	-
Other (Note 2)	237,178	-	204,780	-
<b>Total non-operating income and gains</b>	<u>739,516</u>	<u>1</u>	<u>596,131</u>	<u>1</u>
<b>NON-OPERATING EXPENSES AND LOSSES</b>				
Loss on disposal and retirement of property and equipment (Note 2)	1,465,392	2	1,627,693	3
Interest expenses (Notes 2, 4(g), and 11)	319,501	1	561,364	1
Investment loss recognized under the equity method (Notes 2 and 4(d))	25,768	-	37,526	-
Financial charges	22,877	-	24,578	-
Impairment loss (Notes 2 and 4(e))	3,229	-	16,188	-
Loss on disposal of investments	-	-	49,044	-
Other	109,138	-	81,541	-
<b>Total non-operating expenses and losses</b>	<u>1,945,905</u>	<u>3</u>	<u>2,397,934</u>	<u>4</u>
<b>INCOME BEFORE INCOME TAX</b>	<u>17,101,322</u>	<u>24</u>	<u>18,646,331</u>	<u>27</u>
<b>INCOME TAX EXPENSES (Notes 2 and 4(q))</b>	3,283,544	4	4,755,815	7
<b>CONSOLIDATED NET INCOME</b>	<u>\$ 13,817,778</u>	<u>20</u>	<u>13,890,516</u>	<u>20</u>
<b>ATTRIBUTED TO</b>				
Shareholders of the parent	\$ 13,822,186	20	13,888,862	20
Minority interest	(4,408)	-	1,654	-
	<u>\$ 13,817,778</u>	<u>20</u>	<u>13,890,516</u>	<u>20</u>
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
	<u>Income Tax</u>	<u>Income Tax</u>	<u>Income Tax</u>	<u>Income Tax</u>
<b>EARNINGS PER SHARE (Note 4(r))</b>				
Basic	<u>\$ 5.48</u>	<u>4.62</u>	<u>6.09</u>	<u>4.66</u>
Diluted	<u>\$ 5.47</u>	<u>4.61</u>	<u>6.07</u>	<u>4.65</u>

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
(In Thousands of New Taiwan Dollars)

	Retained earnings						Other equity					Total Shareholders' Equity
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated	Total	Cumulative Translation Adjustments	Net loss Not Recognized as Pension cost	Unrealized Gain (Losses) on Financial Instruments	Treasury Stock	Minority Interest	
<b>BALANCE, JANUARY 1, 2009</b>	\$ 38,009,254	12,297,839	12,406,775	3,406,744	17,716,013	33,529,532	17,840	2,862	(5,897)	(32,948,832)	33,935	50,936,533
Appropriation of the 2008 earnings												
Legal reserve	-	-	1,537,138	-	(1,537,138)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(56,744)	56,744	-	-	-	-	-	-	-
Cash dividends - NT\$4.68704 per share	-	-	-	-	(13,968,864)	(13,968,864)	-	-	-	-	-	(13,968,864)
Balance after appropriation	38,009,254	12,297,839	13,943,913	3,350,000	2,266,755	19,560,668	17,840	2,862	(5,897)	(32,948,832)	33,935	36,967,669
Consolidated net income in 2009	-	-	-	-	13,888,862	13,888,862	-	-	-	-	1,654	13,890,516
Unrealized loss on financial instruments, net	-	-	-	-	-	-	-	-	(52,695)	-	-	(52,695)
Compensation cost recognized from employee stock options	-	134,541	-	-	-	-	-	-	-	-	-	134,541
Transfer of treasury stock to employees	-	(3,254)	-	-	-	-	-	-	-	1,059,732	-	1,056,478
Adjustments on change of equity in equity-method investments	-	2,578	-	-	-	-	(5,829)	(6,659)	122,216	-	-	112,306
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(592)	(592)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(25,114)	(25,114)
<b>BALANCE, DECEMBER 31, 2009</b>	38,009,254	12,431,704	13,943,913	3,350,000	16,155,617	33,449,530	12,011	(3,797)	63,624	(31,889,100)	9,883	52,083,109
Appropriation of the 2009 earnings												
Legal reserve	-	-	1,388,886	-	(1,388,886)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(2,528,259)	2,528,259	-	-	-	-	-	-	-
Cash dividends - NT\$5.02783 per share	-	-	-	-	(15,028,235)	(15,028,235)	-	-	-	-	-	(15,028,235)
Balance after appropriation	38,009,254	12,431,704	15,332,799	821,741	2,266,755	18,421,295	12,011	(3,797)	63,624	(31,889,100)	9,883	37,054,874
Consolidated net income in 2010	-	-	-	-	13,822,186	13,822,186	-	-	-	-	(4,408)	13,817,778
Unrealized gain on financial instruments, net	-	-	-	-	-	-	-	-	26,218	-	-	26,218
Adjustments on change of equity in equity-method investments	-	785	-	-	-	-	(17,727)	(6,898)	-	-	-	(23,840)
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(323)	(323)
Control effect of the acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	30,865	30,865
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(6,154)	(6,154)
<b>BALANCE, DECEMBER 31, 2010</b>	<b>\$ 38,009,254</b>	<b>12,432,489</b>	<b>15,332,799</b>	<b>821,741</b>	<b>16,088,941</b>	<b>32,243,481</b>	<b>(5,716)</b>	<b>(10,695)</b>	<b>89,842</b>	<b>(31,889,100)</b>	<b>29,863</b>	<b>50,899,418</b>

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
(In Thousands of New Taiwan Dollars)

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Consolidated net income</b>	\$ 13,817,778	13,890,516
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	8,062,576	7,754,522
Loss on disposal and retirement of property and equipment, net	1,417,661	1,600,088
Amortization	1,094,436	1,089,051
Deferred income taxes	542,908	1,023,505
Bad debts	456,476	605,708
Loss (gain) on disposal of investments	(51,499)	49,044
Investment loss recognized under the equity method	25,768	37,526
Provision (reversal) of allowance for loss on inventories	24,857	(10,983)
Pension cost	4,696	(12,860)
Impairment loss	3,229	16,188
Compensation cost recognized from employee stock options	-	134,541
Other	4,705	9,215
<b>Changes in operating assets and liabilities</b>		
Notes receivable	23,223	(1,909)
Accounts receivable, net	(258,731)	(874,448)
Accounts receivable – related parties	31,356	69,031
Other receivables	(206,970)	104,424
Long-term capital lease receivables	(27,593)	(4,463)
Inventories	(684,742)	(97,414)
Prepayments	39,835	140,969
Other current assets	(11,135)	8,709
Notes payable	(48,486)	92,908
Accounts payable	806,885	(229,624)
Income taxes payable	(753,804)	(1,133,108)
Accrued expenses	(102,774)	(227,393)
Other payables	514,955	8,928
Advance receipts	1,309,559	(187,652)
Other current liabilities	(41,641)	95,853
<b>Net cash provided by operating activities</b>	25,993,528	23,950,872

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**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**  
**(In Thousands of New Taiwan Dollars)**

	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(6,196,382)	(6,673,566)
Proceeds from disposal of financial assets carried at cost	238,541	-
Increase in investments accounted for using the equity method	(199,600)	-
Increase in deferred charges	(121,892)	(220,214)
Proceeds from disposal of idle assets	92,787	952
Acquisition of subsidiaries	(74,492)	(18,282)
(Increase) decrease in other assets	(51,685)	10,176
Decrease in pledged time deposits	13,379	5,358
Increase in computer software costs and other intangible assets	(12,101)	(14,922)
(Increase) decrease in refundable deposits	(11,795)	5,047
Proceeds from investees' capital reduction	2,717	5,356
Proceeds from disposal of property and equipment	887	9,663
Proceeds from disposal of available-for-sale financial assets	-	139,259
<b>Net cash used in investing activities</b>	<b>(6,319,636)</b>	<b>(6,751,173)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends paid	(15,028,201)	(13,968,840)
(Decrease) increase in short-term borrowings	(3,597,000)	6,800,000
Increase in long-term borrowings	2,300,000	2,500,000
(Decrease) increase in short-term notes and bills payable	(299,906)	799,638
Decrease in guarantee deposits	(5,000)	(29,545)
Cash dividends paid to minority interest	(323)	(592)
Decrease in long-term borrowings	-	(7,700,000)
Decrease in bonds payable	-	(7,500,000)
Transfer of treasury stock to employees	-	1,056,478
Capital return to minority interest	-	(21,401)
<b>Net cash used in financing activities</b>	<b>(16,630,430)</b>	<b>(18,064,262)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(14,014)</b>	<b>(4,463)</b>
<b>ACQUISITION OF CASH AND CASH EQUIVALENT FOR SUBSIDIARIES</b>	<b>20,846</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,050,294</b>	<b>(869,026)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,999,036</b>	<b>3,868,062</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 6,049,330</b>	<b>2,999,036</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	\$ 273,193	470,605
Less interest capitalized	7,753	16,685
<b>Interest paid - excluding interest capitalized</b>	<b>\$ 265,440</b>	<b>453,920</b>
Income tax paid	<b>\$ 2,980,613</b>	<b>4,869,494</b>
<b>CASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of property and equipment	\$ 6,345,918	6,244,641
Decrease in notes payable	-	1,842
Increase in accrued expenses	(137)	(395)
(Increase) decrease in other payables	(169,834)	402,160
Decrease in other liabilities - other	20,435	25,318
<b>Cash paid for acquisition of property and equipment</b>	<b>\$ 6,196,382</b>	<b>6,673,566</b>

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**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

(In Thousands of New Taiwan Dollars)

The Corporation acquired 9.988% of Taiwan Kuro Times Co., Ltd.'s shares, which added up to a total of 54.988% on September 1, 2010. The fair values of the assets and liabilities upon acquisition were as follows:

Cash	\$	20,846
Receivables		18,102
Prepayments		18,835
Other current assets		2,002
Investments accounted for using the equity method		48,600
Property and equipment		955
Intangible assets		14,334
Other assets		1,366
		125,040
Payables		52,104
Advance receipts		3,686
Other current liabilities		447
Other liabilities		232
		56,469
Net		68,571
Percentage of equity interest		54.988%
		37,706
Add: Goodwill		24,907
Less: Fair value of 45% stake owned before tender offer (including the purchase price of shares, NT\$53,100 thousand, and investment loss recognized under the equity method from May 2, 2010.)		(51,813)
Cash paid for acquisition of Taiwan Kuro Times Co., Ltd.	\$	<b>10,800</b>

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

(Concluded)



# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2010 AND 2009 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

### 1. ORGANIZATION AND OPERATIONS

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

The Corporation's services are under the type I license issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows the Corporation to provide services for 15 years from 1997 onwards. The license had been extended to June 2017 by the order No. 09900111921 issued by the Ministry Of Transportation And Communications on November 25, 2010. It also entails the payment of an annual license fee consisting of 2% of total wireless communication service revenues. On March 24, 2005, the Corporation received the third generation (3G) concession operation license issued by the DGT. The 3G license allows the Corporation to provide services from the issuance date of the license to December 31, 2018.

As of December 31, 2010 and 2009, the Corporation and subsidiaries had 4,498 and 4,416 employees, respectively.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the ROC. In conformity with the above, the Corporation and subsidiaries (hereinafter referred to as the "Group") are required to make certain estimates and assumptions that could affect the amounts of allowance for doubtful accounts, provision for losses on decline in value of inventories, depreciation, pension, allowance for deferred income tax assets, bonus to employees, remuneration to directors and supervisors, impairment loss on assets, etc. Actual results may differ from these estimates.

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)**

**Consolidation**

a. Basis of consolidation

The consolidated financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, "Consolidated Financial Statements," and include the financial statements of the Corporation, its direct and indirect subsidiaries with at least 50% shareholding, and other investees controlled by the Corporation. If the Corporation obtains the majority of the shareholders' equity of a subsidiary during the year, the Corporation starts to consolidate the related revenues and expenses of the subsidiary from the date of obtaining the controlling interest.

For foreign subsidiaries using their local currency as their functional currency, assets and liabilities are translated at exchange rates in effect on the balance sheet date; shareholders' equity accounts are translated using historical exchange rates, and income statement accounts are translated using average exchange rates during the period.

All significant intercompany balances and transactions have been eliminated upon consolidation.

b. Under the above basis of consolidation, the consolidated entities were as follows:

<u>Investor</u>	<u>Subsidiary</u>	<u>Main Business and Products</u>	<u>Percentage of Direct Ownership as of December 31</u>		<u>Note</u>
			<u>2010</u>	<u>2009</u>	
Corporation	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00	100.00	-
WMT	Tai Fu Media Technology Co., Ltd. (TFMT)	Investment	100.00	100.00	-
WMT	Taiwan Win TV Broadcasting Co., Ltd. (TWTV)	Entertainment	100.00	-	Established on April 14, 2010
TFMT	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00	100.00	-
TFMT	Fu Jia Leh Media Technology Co., Ltd. (FJLMT)	Investment	100.00	100.00	-
TFMT	Fu Sin Media Technology Co., Ltd. (FSMT)	Investment	100.00	100.00	-
TFMT	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00	100.00	-
GWMT	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV SO (System Operator)	6.813	6.694	-
FSMT	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV SO (system Operator)	3.34	3.34	-
GFMT	Union Cable TV Co., Ltd. (UCTV)	Cable TV SO (System Operator)	0.0002	-	-
Corporation	Taiwan Cellular Co., Ltd. (TCC)	Equipment installation and IT service	100.00	100.00	-

(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 as of December 31</u>		<u>Note</u>
			<u>2010</u>	<u>2009</u>	
TCC	Tai Yi Digital Broadcasting Co., Ltd. (TYDB)	Broadcasts business and cell phone number agency	-	-	Liquidated on February 28, 2009
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed network service	100.00	100.00	-
TCC	Taiwan Digital Communications Co., Ltd. (TDC)	Equipment installation and IT service	100.00	100.00	-
TCC	TCC Investment Co., Ltd. (TCCI)	Investment	100.00	100.00	Established on August 10, 2009
					As of December 31, 2010, TCCI, TID and TUI collectively owned 811,918 thousand shares of the Corporation representing 21.36% of total outstanding shares.
TCCI	TCCI Investment & Development Co., Ltd. (TID)	Investment	100.00	100.00	Established on September 22, 2009
TCCI	Win TV Broadcasting Co., Ltd. (WTVB)	TV program producing	100.00	98.50	(Note 1)
TCCI	TFN Media Co., Ltd. (TFNM)	Cable broadband service	100.00	100.00	(Note 1)
TFNM	UCTV	Cable TV SO (System Operator)	99.9998	99.99	-
TFNM	Yeong Jia Leh Cable TV Co., Ltd. (YJCTV)	Cable TV SO (System Operator)	100.00	100.00	-
TFNM	Mangrove Cable TV Co., Ltd. (MCTV)	Cable TV SO (System Operator)	29.53	29.53	Another 70.47% shares were held under trustee accounts
TFNM	PCTV	Cable TV SO (System Operator)	96.66	96.66	-
TFNM	GCTV	Cable TV SO (System Operator)	92.38	92.38	-
TFNM	Shin Ho Cable TV Co., Ltd. (SHCTV)	Cable TV SO (System Operator)	-	30.15	Liquidated on December 1, 2009. Another 69.85% shares were held under trustee accounts.
TFNM	Taiwan Kuro Times Co., Ltd. (TKT)	The platform of musics supplied	54.988	-	TFNM acquired more than 50% equity and consolidated TKT into financial statements since September 1, 2010.
TKT	ezPeer Multimedia Limited. (ezPeer Samoa)	Investment	100.00	-	-
TCC	TWM Holding Co., Ltd. (TWM Holding)	Investment	100.00	100.00	-
TWM Holding	TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.) (TWMC)	Mobile application development and design	100.00	100.00	-
TCC	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and international simple resale (ISR)	100.00	-	(Note 2)
TT&T	Taiwan Super Basketball	Basketball team	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 as of December 31</b>		<b>Note</b>
			<b>2010</b>	<b>2009</b>	
	Co., Ltd. (TSB)	management and related business			
TT&T	TT&T Holdings Co., Ltd. (TT&T Holdings)	Investment	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	-
TFN	TFN HK LIMITED	Telecommunications	100.00	100.00	-
TFN	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and international simple resale (ISR)	-	100.00	(Note 2)
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00	100.00	Established on September 22, 2009
TFN	TFN Investment Co., Ltd. (TFNI)	Investment	-	-	Merged into TCCI on September 19, 2009
TFNI	Reach & Range Inc. (R&R)	Telecom equipment sales and maintenance	-	-	Merged into TFN on May 1, 2009

(Concluded)

Note 1: Became a subsidiary of TCCI, which merged with TFNI on September 19, 2009.

Note 2: Became a subsidiary of TCC, which purchased 100% of the shares of TT&T from TFN on May 14, 2010.

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

The Group's significant accounting policies are summarized as follows:

**Classification of Current and Non-current Assets and Liabilities**

Current assets include cash and cash equivalents, assets held for trading, and those expected to be converted to cash, sold or consumed within twelve months from the balance sheet date. Other assets such as property and equipment and intangible assets are classified as non-current. Current liabilities are obligations held for trading and those expected to be due within twelve months from the balance sheet date. All other liabilities are classified as non-current.

**Cash Equivalents**

Government bonds and short-term bills acquired with repurchase rights and having maturities of up to three months from the date of purchase are classified as cash equivalents, whose carrying value approximates fair value.

**Financial Instruments at Fair Value through Profit or Loss**

Financial instruments at fair value through profit or loss include financial assets or liabilities held for trading and those designated on initial recognition to be measured at fair value with fair value changes recognized in profit or loss. On initial recognition, the financial instruments are recognized at fair value plus transaction costs and are subsequently measured at fair value with fair value changes recognized in profit or loss. The purchase or sale of the financial instruments is recognized and derecognized using trade-date accounting.

The fair value of open-end mutual funds is based on the net asset value on the balance sheet date.

**Available-for-sale Financial Assets**

On initial recognition, available-for-sale financial assets are recognized at fair value plus transaction costs. When subsequently measured at fair value, the fair value changes are recognized directly in equity. The cumulative gain or loss that was recognized in equity is recognized in profit or loss when an available-for-sale financial asset is derecognized from the balance sheet. The purchase or sale of the financial instruments is recognized and derecognized using trade-date accounting.

Cash dividends are recognized as dividend income on the ex-dividend date, but are accounted for as reductions of the original cost of investments if such dividends are declared on the earnings of investees attributable to periods prior to the purchase of investments. Stock dividends are not recognized as current income but are accounted for only as an increase in the number of shares held. The cost per share is re-calculated based on the new number of shares.

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

An impairment loss is recognized if there is any objective evidence that a financial asset is impaired. If the amount of impairment loss decreases in the subsequent period, such decrease is recognized in equity.

The fair value of listed stocks is based on the closing price on the balance sheet date.

**Allowance for Doubtful Accounts**

Allowance for doubtful accounts is provided on the basis of past experience and an evaluation of the aging and collectibility of all receivables on the balance sheet date.

**Inventories**

Inventories are recorded at weighted-average cost. Before January 1, 2009, inventories were stated at the lower of the cost or market value. Market value was evaluated on the basis of replacement cost or net realizable value. Effective from January 1, 2009, however, inventories are stated at the lower of cost or net realizable value. When comparing cost and net realizable value, inventories are evaluated by individual items.

**Investments Accounted for Using the Equity Method**

Long-term investments in which the Group owns 20% or more of an investee's outstanding voting shares or exercises significant influence on an investee are accounted for under the equity method.

In accordance with a newly revised Statement of Financial Accounting Standards (SFAS), the cost of acquisition is subjected to an initial analysis, and goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net asset value. Goodwill is no longer amortized. If the fair value of identifiable net assets acquired exceeds the cost of investments, the excess should be assigned to non-current assets (except for financial assets not under the equity method, assets for disposal, deferred income tax assets, and prepaid pension costs or other retirement benefit costs). If these assets are all reduced to zero, the remaining excess should be recognized as extraordinary gain. Starting January 1, 2006, the unamortized balance of the excess of the acquisition cost of the long-term investment by the equity method over the equity in the investee's net asset value is no longer amortized, and this accounting treatment also applies to goodwill.

The cost and the resulting gain or loss of an investment sold is determined by the weighted-average cost method.

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

**Financial Assets Carried at Cost**

If there is no active market for an equity instrument and a reliable fair value cannot be estimated, the equity instrument, including non-publicly traded and emerging stocks, etc, is measured at cost. The accounting for the dividends from financial assets carried at cost is the same as that of an available-for-sale financial assets. Impairment losses are recognized if a decrease in the fair value of the instruments can be objectively related to an event. Reversal of impairment losses is not allowed.

**Bonds Measured at Amortized Cost**

Bond portfolios with fixed or determinable payments and with no quoted prices in an active market are carried at amortized cost using the effective interest method. These bond portfolios are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or the issuance of the financial assets. Profit or loss is recognized at the time of derecognized, impairment or amortization. A regular purchase or sale of financial assets is recognized and de-recognized using trade date accounting.

If there is any objective evidence of impairment loss as of the balance sheet date, impairment loss should be recognized. If the impairment loss decreases, and the decrease can be related objectively to an event occurring after impairment loss recognition, the impairment loss should be reversed. However, the increased carrying value of an asset due to impairment loss reversal should not exceed the carrying value that would have (net of amortization) had no impairment loss recognized for the asset in prior years.

**Property and Equipment, and Assets Leased to Others**

Property and equipment, and assets leased to others are stated at cost less accumulated depreciation and accumulated impairment. Significant additions, renewals, betterments and interest expenses incurred during the construction period are capitalized, while maintenance and repairs are expensed. Leased property and equipment from others covered by agreements qualifying as capital leases are carried at the lower of the present value of future minimum lease payments or the market value of the property on the starting dates of the leases.

For cost associated with dismantling and relocating fixed assets and restoring the leased premises housing our fixed assets to the previous state should be recognized as an addition to the fixed assets and accrued as a potential liability accordingly, based on the Interpretation No. 2008-340 issued by the Accounting Research and Development Foundation (ARDF) in November 2008.

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

Depreciation is calculated using the straight-line method over the estimated service lives, which range as follows: buildings - 20 to 55 years; telecommunication equipment - 2 to 15 years; office equipment - 3 to 8 years; leased assets - 20 years; and miscellaneous equipment - 3 to 9 years.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is credited or charged to non-operating gain or loss in the period of disposal.

**Accounting for Leases**

In accordance with SFAS No. 2, "Accounting for Leases," a lease is identified as either an operating lease or a capital lease, based on the lease contract terms, the collectability of the leasehold, and the un-reimbursable costs to be incurred by the lessor.

The asset held under an operating lease is stated at cost and depreciated on the straight-line basis over the estimated useful life. Receivables collected are periodically recognized as rental income during the lease contract.

At the inception date of a capital lease, total leasehold receivables shall be recognized as all rental receivables plus the pre-determined bargain purchase price offered to the lessee upon maturity or estimated residual value. For a sales-type capital lease, sales revenue should be recognized as the sum of present value derived from each future rental receivable based on an implicit interest rate of the lease. The excess of total leasehold receivables over sales revenue should be deferred as unrealized interest income and amortized as interest income by the effective interest method upon each collection. For a financing-type of capital lease, leasehold receivables should be recognized as the sum of present value derived from each future rental receivable based on an implicit interest rate of the lease. The excess of total leasehold receivables over the present value of leasehold receivables should be deferred as unrealized interest income and amortized as interest income by the effective interest method upon each collection.

**Intangible Assets**

a. Franchise

Franchise refers to the payment for the 3G mobile telecommunication service - License C. The 3G concession is recorded at acquisition cost and is amortized by straight-line method over 13 years and 9 months starting from the launch of 3G services.

b. Computer software

Computer software cost is amortized by the straight-line method over 3 to 5 years.



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

c. Goodwill

Goodwill is the unidentifiable difference between the cost of acquisition and the equity in the investee's net asset value. In accordance with the newly revised SFAS, goodwill is no longer amortized. Please refer to the accounting policy of investments accounted for by the equity method.

d. Customer relationship and operating rights

The customer relationship and operating rights shall be identified when analyzing the excess of acquisition cost over the ownership in net assets value of an investee, and be booked at fair values provided by the purchase price allocation report.

Customer relationship and operating rights are measured on the basis of the future economic value and the useful life of the subsidiaries' cable TV and data network businesses. Customer relationship is amortized by straight-line method over 6 to 20 years. Operating rights is based on a license issued by the Ministry of Transportation and Communications. Although the license has a statutory period, the subsidiary can file for license renewal. Furthermore, it does not have a definite useful life in the light of future competition from IPTV. Thus, this intangible asset should be tested annually for impairment instead of being amortized in accordance with SFAS No. 37. An impairment test is also required if there is evidence of operating rights impairment due to certain circumstances.

Operating rights refer to the payment for acquiring the membership and related business about on-line music downloading. The operating rights are recorded at acquisition cost and are amortized by straight-line method over 5 years.

**Idle Assets**

Properties not currently used in operations are stated at the lower of book value or net realizable value, with the difference charged to current loss. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets.

**Deferred Charges**

Deferred charges, mainly interior decoration costs, are amortized by the straight-line method over 2 to 5 years.

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

**Asset Impairment**

If the carrying value of assets (including property and equipment, intangible assets, idle assets, assets leased to others and investments accounted for using equity method and deferred charges) is more than its recoverable amount, which indicates that an impairment exists, an impairment loss should be recognized. Any subsequent reversal of the impairment loss for the increase in recoverable amount is recognized as income. The reversal of impairment loss on goodwill is not allowed.

**Share-based Compensation**

Employee stock options granted on or after January 1, 2008, are accounted for under SFAS No 39, "Accounting for Share-based Payment." Under the statement, the value of the stock options granted, which is equal to the best available estimate of the number of stock options expected to vest multiplied by the grant-date fair value, is expensed on a straight-line basis over the vesting period with a corresponding adjustment to capital surplus-employee stock options.

**Pension Costs**

The pension costs under the defined benefit pension plan are recognized on the basis of actuarial calculations. The contribution amounts of the pension costs under the defined contribution pension plan are recognized as current expenses during the employees' service years.

**Income Taxes**

The inter-period and intra-period allocation methods are used for income taxes. Deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused tax credits, and net operating loss carryforwards. Valuation allowance is provided for deferred income tax assets to the extent that more likely than not such assets will not be realized. Deferred tax assets or liabilities are classified as current or non-current according to the classification of related assets or liabilities for financial reporting. However, if deferred tax assets or liabilities do not relate to assets or liabilities in the financial statements, they are classified as current or non-current on the basis of the expected length of time before realized.

Tax credits for certain purchases of equipment and technology, research and development expenditures, and personnel training are recognized by the current method.

Adjustments to prior years' tax liabilities are added to or deducted from the current year's tax expense.

Income tax of 10% on unappropriated earnings generated is provided for as income tax in the year when the shareholders resolve to retain the earnings.

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

**Treasury Stock**

The purchase of issued shares is accounted for by debiting treasury stock, which is a reduction of shareholders' equity. The Corporation's shares held by its subsidiaries are treated as treasury stock and reclassified from investments accounted for using the equity method to treasury stock.

If the proceeds on the disposal of treasury stock exceed the carrying value of treasury stock, the excess is credited to capital surplus from treasury stock. If the proceeds are less than the carrying value of treasury stock, the difference is debited to capital surplus from treasury stock. If the balance of capital surplus from treasury stock is not sufficient to absorb the difference, the rest is recorded as a reduction of retained earnings.

**Foreign-currency Transactions**

Assets, liabilities, revenues or expenses denominated in foreign currencies as a result of foreign-currency transactions of non-derivative financial instruments are recorded in New Taiwan dollars at the exchange rates prevailing at the dates of transactions.

Monetary assets or liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the balance sheet date, and the resulting exchange differences are included in profit or loss for the current period.

Non-monetary assets or liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date when the fair value was determined, and the resulting exchange differences are included in profit or loss for the current period except for the differences arising from the retranslation of non-monetary assets and liabilities in respect of which gains and losses are recognized directly in equity. For such non-monetary assets and liabilities, any exchange component of that gain or loss is also recognized directly in equity. Non-monetary assets or liabilities carried at cost that are denominated in foreign currencies are translated at the historical rates prevailing at the dates of transactions.

The above prevailing exchange rates are based on the average of bid and ask rates of major banks.

**Revenue Recognition**

Revenues are recognized when the service rendering process is completed or virtually completed, and earnings are realizable and measurable. Related costs of providing services are concurrently recognized as incurred.

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

Service revenues from wireless services, value-added services, and fixed network services, net of any applicable discount, are billed at predetermined rates; the fixed-monthly fees on the basic cable TV services are accrued; prepaid card services are recognized on the basis of minutes of usage.

**Promotion Expenses**

Commissions and cellular phone subsidy costs pertaining to the Corporation's promotions are recognized as marketing expenses on an accrual basis in the current period.

**Hedging Derivative Financial Instruments**

Derivatives that qualify as effective hedging instruments are measured at fair value, with subsequent changes in fair value recognized either in earning or shareholders' equity, depending on the nature of the hedge.

**Hedge Accounting**

When hedge accounting is applied, gain or loss from changes in the fair value of the derivatives (hedging instruments) shall be offset by that of financial assets or liabilities (hedged position).

Because the Corporation entered into interest rate swaps (IRS) contracts to hedge against cash flow risk from inverse floating interest rates of liabilities, it was qualified to apply hedge accounting. The accounting treatment is as follows: Gain or loss from changes in the fair value of the derivatives, which is recognized in shareholder's equity, shall be reclassified in earnings, if gain or loss from the expected transaction of the hedged position occurs. When there is any objective evidence that the net loss recognized in shareholders' equity is expected to be unrecoverable, the mentioned net loss should be reclassified as earnings as well.

**3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES : None**

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

**4. SUMMARY OF MAJOR ACCOUNTS**

a. Cash and cash equivalents

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Government bonds with repurchase rights	\$ 3,531,684	1,580,638
Time deposits	1,641,870	347,350
Cash in banks	615,175	838,313
Short-term notes and bills with repurchase rights	200,024	202,000
Cash on hand	50,634	22,239
Revolving funds	9,943	8,496
	<b>\$ 6,049,330</b>	<b>2,999,036</b>

b. Available-for-sale financial assets – current

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Domestic listed stocks		
Chunghwa Telecom Co., Ltd.	<b>\$ 201,322</b>	<b>177,821</b>

c. Accounts receivable, net

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Accounts receivable	\$ 6,841,321	7,057,849
Less allowance for doubtful accounts	(385,856)	(419,919)
	<b>\$ 6,455,465</b>	<b>6,637,930</b>

For the first quarter of 2010, the Corporation entered into an accounts receivable factoring contract with HC First Asset Management Co., Ltd. The Corporation sold \$1,867,628 thousand of the overdue accounts receivable, which had been written off, to HC First Asset Management Co., Ltd. The aggregate selling price was \$27,268 thousand. Under this contract, the Corporation would no longer assume the risk on this receivable.

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

d. Investments accounted for using the equity method

	<b>December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Carrying</b>	<b>% of</b>	<b>Carrying</b>	<b>% of</b>
	<b>Value</b>	<b>Owner-</b>	<b>Value</b>	<b>Owner-</b>
		<b>ship</b>		<b>ship</b>
Taipei New Horizons Co., Ltd. (TNH)	<b>\$ 388,002</b>	49.9	<b>211,974</b>	49.9

(1) Taipei New Horizons Co., Ltd. (TNH)

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

On January 25, 2010, TNH's Board of Directors resolved to increase TNH's capital by \$500,000 thousand, divided into 50,000 thousand shares with par value of \$10 per share, with record date of December 1, 2010. On November 19, 2010, TNH's Board of Directors resolved to adjust the above-mentioned TNH's capital by \$400,000 thousand, divided into 40,000 thousand shares with par value of \$10 per share. The Corporation subscribed for the shares based on the proportion of the share holding which remains 49.9%.

(2) Taiwan Kuro Times Co., Ltd. (TKT)

The subsidiary of the Corporation, TFNM, acquired 45% of the TKT's shares in May, 2010. On September 1, 2010, it added up to 54.988% of the TKT's shares. The Corporation recognized investment loss of \$2,196 thousand from May 2 to August 31, on its investment in the TKT and TKT's subsidiaries.

(3) Equity in investees' losses

The carrying value of the investments under the equity method and the related investment losses were determined on the basis of audited financial statements.

The Corporation's investment losses were as follows:

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
TNH	\$ 23,572	37,526
TKT	2,196	-
	<b>\$ 25,768</b>	<b>37,526</b>

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

e. Financial assets carried at cost — non-current

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Domestic emerging stocks		
Taiwan High Speed Rail Corporation	\$ 2,120,829	2,120,829
Domestic unlisted stocks		
Arcoa Communication Co., Ltd.	67,731	67,731
Great Taipei Broadband Co., Ltd.	42,845	46,074
Parawin Venture Capital Corp.	20,207	20,207
WEB Point Co., Ltd.	6,773	6,773
New Century Information Tech. Co., Ltd.	-	187,042
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	50,324	50,324
	<b>\$ 2,308,709</b>	<b>2,498,980</b>

Because there is no active market quotation and a reliable fair value cannot be estimated, the above investments are measured at cost. An impairment loss of \$3,229 thousand and \$16,188 thousand were recognized for the years ended December 31, 2010 and 2009, respectively.

In August, 2010, TFN, a subsidiary of the Corporation, sold the stock of New Century Information Tech. Co., Ltd. for \$238,541 thousand. The book value of the stock was \$187,042 thousand, and the gain on disposal of investments was \$51,499 thousand.

f. Bonds measured at amortized cost — non-current

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A	<b>\$ 500,000</b>	<b>500,000</b>

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

g. Property and equipment — accumulated depreciation

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Buildings	\$ 700,021	595,463
Telecommunication equipment	32,439,642	30,273,020
Office equipment	48,756	65,726
Leased assets	550,606	485,455
Miscellaneous equipment	1,496,628	1,240,500
	<b>\$ 35,235,653</b>	<b>32,660,164</b>

Capitalized interests for the years ended December 31, 2010 and 2009, were \$7,753 thousand and \$16,685 thousand, respectively, with capitalization rates ranging from 1.56%-2.88% and 2.4%-2.76%, respectively.

h. Intangible assets

	<b>Year Ended December 31, 2010</b>		
	<b>Goodwill</b>	<b>Customer Relationship</b>	<b>Operating Rights</b>
<u>Cost</u>			
Beginning balance	\$ 10,485,941	2,511,760	1,382,000
Add:			
Acquired from merger	30,541	-	14,334
Effect of exchange rate changes	(1,799)	-	-
Amortization	-	(174,782)	(1,303)
Ending balance	<b>\$ 10,514,683</b>	<b>2,336,978</b>	<b>1,395,031</b>

	<b>Year Ended December 31, 2009</b>		
	<b>Goodwill</b>	<b>Customer Relationship</b>	<b>Operating Rights</b>
<u>Cost</u>			
Beginning balance	\$ 10,485,048	2,686,541	1,382,000
Add:			
Acquired from merger	3,742	-	-
Adjustment in contingent consideration of acquisition transaction	(2,371)	-	-
Effect of exchange rate changes	(478)	-	-
Amortization	-	(174,781)	-
Ending balance	<b>\$ 10,485,941</b>	<b>2,511,760</b>	<b>1,382,000</b>



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

(1) Customer relationship and operating rights

Under SFAS No. 25 “Accounting for Business Combinations” and No. 37 “Accounting for Intangible Assets,” the Group should measure the fair value of the acquired assets and identify major intangible assets as well as the amortization periods.

(a) On April 17, 2007, TFN, the Corporation’s 100%-owned subsidiary, acquired more than 50% of the former TFN through a public tender offer at the price of NT\$8.3 per share. The Corporation 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, the Corporation’s 100% owned subsidiary, acquired more than 50% of Taiwan Telecommunication Network Services Co., Ltd. (TTN) shares at NT\$13.843 per share. TTN was merged into TFN on August 1, 2008. The Corporation 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 major intangible asset.

The Corporation’s subsidiary, TKT, acquired the membership and related business about on-line music downloading from Darling Digital Co., Ltd. As of December 31, 2010, the carrying amounts after amortization is NT\$13,031 thousand.

(2) Goodwill

In conformity with SFAS No. 35, “Accounting for Asset Impairment,” the Group identified the smallest identifiable group of cash-generating units by years and entities as follows:

The Group’s members, which were engaged in mobile or wireless phone services, fixed network services, and the cable television business, were viewed as separate, independent cash-generating units. Thus, the recoverable amounts of the operating assets and goodwill were evaluated by business type, and the critical assumptions used for this evaluation were as follows:

(a) Wireless service

(i) 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.

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

(ii) Assumptions on operating costs and expenses

The estimates of activation commissions and customer retention 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.

(iii) Assumptions on discount rate

In 2010 and 2009, the discount rate used to calculate the asset recoverable amounts of the Corporation was 7.47% and 8.50%, respectively.

(b) Fixed network service

(i) 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 types of data transmission and bandwidth on demand.

(ii) Assumptions on operating costs and expenses

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

(iii) Assumptions on discount rate

In 2010 and 2009, the discount rates were 7.54% and 8.31%, respectively, in calculating the asset recoverable amounts of TFN.

(c) Cable television business

(i) 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.

(ii) Assumptions on operating costs and expenses

The estimates 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.

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

(iii) Assumptions on discount rate

The discount rates used to calculate the asset recoverable amounts for each System Operation was ranging from 3.70% to 8.00% and from 2.90% to 6.42% in 2010 and 2009, respectively.

Based on the key assumptions of each cash-generating unit, the Group's management believes that the carrying amounts of these assets for operating and goodwill will not exceed their recoverable amounts even if there are changes in the critical assumptions used to estimate recoverable amounts as long as these changes are reasonable for the years ended December 31, 2010 and 2009.

i. Assets leased to others and idle assets

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Assets leased to others		
Cost	\$ 328,992	471,664
Less accumulated depreciation	(19,510)	(22,462)
Less accumulated impairment	(10,591)	(10,591)
	<b>\$ 298,891</b>	<b>438,611</b>
Idle assets		
Cost	\$ 245,361	517,137
Less allowance for value decline	(35,928)	(35,929)
Less accumulated depreciation	(24,745)	(43,053)
Less accumulated impairment	(30,276)	(126,429)
	<b>\$ 154,412</b>	<b>311,726</b>

j. Short-term borrowings

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Unsecured loans	<b>\$ 3,203,000</b>	<b>6,800,000</b>
Interest rate	0.69%~1.56%	0.57%~0.60%

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

k. Short-term notes and bills payable

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Commercial paper payable		
China Bills Finance Corporation	\$ 500,000	-
International Bills Finance Corporation	-	500,000
Grand Bills Finance Corporation	-	300,000
Less discount on short-term notes and bills payable	(268)	(362)
Net carrying value	<b>\$ 499,732</b>	<b>799,638</b>
Interest rate	0.46%	0.27%~0.33%
Period	2010.12.31~ 2011.01.28	2009.12.10~ 2010.01.29

l. Advance receipts

In accordance with NCC's policy, the Corporation entered into a contract with First Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from prepaid card customers. The guaranteed advance receipts from prepaid card customers were \$905,748 thousand as of December 31, 2010.

In accordance with NCC's policy, TFN, the Corporation's subsidiary, entered into a contract with Mega International Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from IDD calling card customers. The Corporation also bears the repayment liability with respect to TFN's drawdown from its credit line with Mega Bank. The guaranteed advance receipts from above-mentioned IDD calling card customers were \$39,127 thousand as of December 31, 2010.

In accordance with NCC's policy, cable television companies should provided performance bond based on the proportion of the advance receipts to advance period. As of December 31, 2010, the cable television companies had receipted an advance fee of NT\$463,345 thousand and provided \$53,426 thousand as performance deposit which is classified as restrict asset.

m. Bonds payable

	<b>December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Domestic unsecured bonds	\$ -	8,000,000	-	8,000,000

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

(1) 1st domestic unsecured bonds

On December 13, 2002, the Corporation issued \$15,000,000 thousand of domestic unsecured bonds, each having a face value of \$5,000 thousand. There are four different types of bonds based on terms and dates. Types I and II both consist of A to L tranches. Types III and IV both consist of A to M tranches. Types I and II are five-year bonds and Types III and IV are seven-year bonds. The interest rates and payment terms are as follows:

	<u>Principal</u>	<u>Rate</u>	<u>Terms</u>
Type I	\$ 2,500,000	2.60%	Repayment of \$1,250,000 thousand each in the fourth and fifth years, interest payable annually
Type II	2,500,000	5.21%-6M LIBOR	Repayment on maturity date, interest payable semiannually
Type III	5,000,000	2.80%	Repayment of \$2,500,000 thousand each in the sixth and seventh years, interest payable annually
Type IV	5,000,000	5.75%-6M LIBOR	Repayment on maturity date, interest payable semiannually
	<u><u>\$ 15,000,000</u></u>		

The last installments of the above-mentioned corporate bonds were repaid by the Corporation in December 2009.

(2) 2nd domestic unsecured bonds

On November 14, 2008, the Corporation issued \$8,000,000 thousand five-year 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, respectively.

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

<u>Year</u>	<u>Amount</u>
2012	\$ 4,000,000
2013	4,000,000
	<u><u>\$ 8,000,000</u></u>

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

n. Long-term borrowings

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Unsecured loans	<b>\$ 2,300,000</b>	-
Interest rate	0.8832%	-

To provide medium-term working capital, the Corporation and its subsidiary, TFN, entered into a syndicated loan with a joint credit line of \$13,500,000 thousand with 9 banks led by Chinatrust Commercial Bank on February 21, 2008. This joint credit facility covers a period of three years commencing from May 20, 2008. Based on the terms of this agreement, the credit line will be decreased by 50% after two years from the commencing date. As of May 20, 2010, the credit line has been reduced to \$6,750,000 thousand. Also, interests are payable monthly. Upon maturity, the loan is allowed to revolve within its credit limits. The contract requires the Corporation to maintain certain financial ratios including debt ratios, interest coverage, and tangible net asset ratio based on semi-annual financials. The Corporation also bears the repayment liability with respect to TFN's borrowing. Please refer to Note 7 for further information.

o. Pension plan

The Labor Pension Act (LPA) provides for a defined contribution pension plan. Starting from July 1, 2005, the Group should contribute monthly an amount equal to 6% of the employees' monthly salaries to the employees' individual pension accounts. The contributed amount was \$169,458 thousand and \$172,910 thousand for the years ended December 31, 2010 and 2009, respectively.

The Labor Standards Act (LSA) provides for a defined benefit pension plan. Benefits are based on the length of service and average basic pay of the six months before retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries to a pension fund. The pension fund is managed by an independently administered pension fund committee and deposited in the committee's name in the Bank of Taiwan (formerly the Central Trust of China, which was merged into the Bank of Taiwan in July 2007.) Approved by Department of Labor of Taipei City Government, the Corporation suspended contributing from February 2007 to January 2011.

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

Information on the defined benefit pension plan is summarized as follows:

(1) Pension cost

	<b>Years Ended December 31</b>	
	<b>2010</b>	<b>2009</b>
Service cost	\$ 4,128	4,238
Interest cost	14,844	16,620
Projected return of pension assets	(13,357)	(16,280)
Amortization	6,341	5,172
Gain (loss) on settlement	611	(11,657)
<b>Pension cost</b>	<b>\$ 12,567</b>	<b>(1,907)</b>

(2) Changes in the prepaid pension cost

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Benefit obligation		
Vested	\$ (6,488)	(6,540)
Non-vested	(450,526)	(427,856)
Accumulated	(457,014)	(434,396)
Additional benefits based on future salaries	(288,272)	(282,031)
Projected benefit obligation	(745,286)	(716,426)
Fair value of plan assets	673,005	665,367
Funded status	(72,281)	(51,060)
Unrecognized net transition obligation	15,776	17,821
Unrecognized prior service cost	24,659	26,662
Unamortized net gain or loss	108,755	90,981
Unrecognized net gain	(32,637)	(35,345)
Additional liability	(41,459)	(36,899)
<b>Prepaid pension cost</b>	<b>\$ 2,813</b>	<b>12,160</b>
<b>(3) Vested benefit</b>	<b>\$ (7,424)</b>	<b>(7,364)</b>

(4) Actuarial assumptions

	<b>Years Ended December 31</b>	
	<b>2010</b>	<b>2009</b>
Discount rate used in determining present values	2.00%~2.25%	2.00%~2.25%
Future salary increase rate	2.50%~3.00%	2.50%~3.00%
Expected rate of return on plan assets	2.00%	2.00%

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

p. Shareholders' equity

(1) Capital surplus

Under the Company Act, capital surplus may only be used to offset a deficit. However, capital surplus generated from the excess of the issue price over the par value of capital stock, including the stock issued for new capital and the buyback of treasury stock, may be transferred to capital as stock dividends, and this transfer is restricted to a certain percentage of the paid-in capital and may be made only within prescribed limits each time. Also, the capital surplus from long-term investments may not be used for any other purposes.

(2) Appropriation of earnings and dividend policy

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

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

The Corporation's dividend distribution is based on the availability of excess funds. That is, the Corporation 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 dividend distribution. However, the amount of stock dividends should not be more than 80% of the total dividends to be distributed in a single year. The final amount, type and percentage of the dividends are subject to the approval of the Board of Directors and shareholders based on actual earnings and working capital requirements of the Corporation 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 shown in shareholders' equity. The special reserve appropriated will be reversed to the extent that the net debit balance reverses.

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



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

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

For the year ended December 31, 2010, the bonuses to employees and remuneration to directors and supervisors were accrued respectively based on 3% and 0.3% of net income (net of the bonus to employees and remuneration to directors and supervisors) after setting aside 10% 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 Director's 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 2011's P&L. 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 its closing price one day prior to the AGM, adjusted for cash and/or stock dividends if any.

The 2009 and 2008 earning appropriations resolved by the AGMs on June 18, 2010, and June 19, 2009, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividend Per Share(NT\$)</b>	
	<b>For Fiscal</b>	<b>For Fiscal</b>	<b>For Fiscal</b>	<b>For Fiscal</b>
	<b>Year 2009</b>	<b>Year 2008</b>	<b>Year 2009</b>	<b>Year 2008</b>
Appropriation of legal reserve	\$ 1,388,886	1,537,138		
Reversal of special reserve	(2,528,259)	(56,744)		
Cash dividends	15,028,235	13,968,864	5.02783	4.68704
	<b><u>\$ 13,888,862</u></b>	<b><u>15,449,258</u></b>		

The shareholders on June 18, 2010, resolved to distribute 2009 bonus of \$374,826 thousand to employees and remuneration of \$37,483 thousand to directors and supervisors.

The shareholders on June 19, 2009, resolved to distribute 2008 bonus of \$414,697 thousand to employees and remuneration of \$41,470 thousand to directors and supervisors.

The information related to the appropriation of the Company's earnings as resolved by the Board of Directors and approved by the AGM will be posted in the "Market Observation Post System" on the website of the Taiwan Stock Exchange.

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

(3) Treasury stock

<b>Purpose of Buyback</b>	<b>Beginning Shares</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Shares</b>
<b>(Shares in Thousands)</b>				
<u>Year ended December 31, 2010</u>				
Shares held by subsidiaries	811,918	-	-	811,918
<u>Year ended December 31, 2009</u>				
To be transferred to employees	24,193	-	24,193	-
Shares held by subsidiaries	811,918	-	-	811,918

(a) Transfer of stock to employees

For the year ended December 31, 2009, the Corporation transferred 24,193 thousand shares bought back from the market to employees at NT\$43.8 per share, resulting in a reduction of \$3,254 thousand in capital surplus.

Under the Securities and Exchange Act, the buyback amount of treasury stock should not exceed 10% of total issued shares, and the buyback cost should not exceed the sum of the retained earnings, additional paid-in capital in excess of par value, and realized capital surplus. In addition, the Corporation should not provide treasury stock as collateral and should not exercise shareholders' rights on those shares before transfer.

(b) Shares held by subsidiaries

As of December 31, 2010, the carrying and market value of the Corporation's stocks held by TCCI, TID and TUI (all are subsidiaries 100%-owned by the Corporation) were \$56,590,657 thousand. The Corporation reclassified \$31,889,100 thousand from investments accounted for using the equity method to treasury stock based on SFAS No. 30, "Accounting for Treasury Stock." Although these shares are treated as treasury stock in the consolidated financial statements, the shareholders are entitled to exercise their rights on these shares, except for the participation in capital injection by cash. In addition, based on the ROC Company Act, the shareholders of treasury stocks cannot exercise the voting right.

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

(4) Unrealized gain or loss on financial instruments

Unrealized gain or loss on financial instruments for the years ended December 31, 2010 and 2009 was summarized as follows:

	<b>Years Ended December 31</b>	
	<b>2010</b>	<b>2009</b>
Available-for-sale financial assets		
Balance, beginning of period	\$ 63,624	54,455
Fair value changes recognized directly in equity	26,218	9,169
	<u>89,842</u>	<u>63,624</u>
Changes in unrealized gains (losses) of cash flow hedge		
Balance, beginning of period	-	61,864
Fair value changes recognized directly in equity	-	(61,864)
	<u>-</u>	<u>-</u>
Changes in unrealized gains (losses) recognized by the equity accounted investees		
Balance, beginning of period	-	(122,216)
Fair value changes recognized directly in equity	-	122,216
	<u>-</u>	<u>-</u>
Unrealized gains on financial instruments	<u><b>\$ 89,842</b></u>	<u><b>63,624</b></u>

q. Income tax expense

(1) The reconciliation of imputed income taxes on pretax income at statutory tax rate to income tax expense was as follows:

	<b>Years Ended December 31</b>	
	<b>2010</b>	<b>2009</b>
Tax on pretax income at statutory tax rate	\$ 4,572,139	6,509,331
Add (deduct) tax effects of:		
Permanent differences		
Investment income from domestic investees accounted for using the equity method	(1,634,184)	(2,195,626)
Other	1,211	(23,226)
Temporary differences	(211,872)	(544,301)
Deferred income taxes	542,908	1,023,505
Prior years' adjustment	69,702	22,135
Investment tax credits	(42,933)	(15,857)
Prior years' loss carryforward	(13,427)	(20,412)
Tax on short-term bills	-	266
Income tax expense	<u><b>\$ 3,283,544</b></u>	<u><b>4,755,815</b></u>

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

In January 2009, the Article 39 of the Income Tax Act regarding the operating losses carryforward period was amended, which is changed from five years to ten years. On May 27, 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Act, which reduced a profit-seeking enterprise's income tax rate from 25% to 20%, effective January 1, 2010. On June 15, 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Act to reduce corporate statutory income tax rate from 20% to 17%, effective January 1, 2010. The Group recalculated its deferred tax assets and liabilities in accordance with the amended Article and recorded the resulting difference as an income tax expense.

(2) Deferred income tax assets (liabilities) were as follows:

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
Unrealized loss on retirement of property and equipment	\$ 1,093,815	1,412,488
Amortization of goodwill	(343,517)	(256,598)
Provision for doubtful accounts	254,274	482,476
Difference in the estimated lives of property and equipment	122,009	74,975
Prior years' loss carryforward	45,314	66,022
Provision for impairment losses on idle assets	21,650	30,375
Investment tax credits	157	27,760
Other	42,034	26,742
	1,235,736	1,864,240
Less valuation allowance	(243,898)	(329,494)
	<b>\$ 991,838</b>	<b>1,534,746</b>
Deferred income tax assets		
Current	\$ 10,060	29,132
Non-current	1,135,264	1,631,570
	<b>\$ 1,145,324</b>	<b>1,660,702</b>
Deferred income tax liabilities		
Non-current	<b>\$ (153,486)</b>	<b>(125,956)</b>

(3) As of December 31, 2010, the Group's investment tax credits consisted of the following:

<b>Regulatory Basis of Tax Credits</b>	<b>Item</b>	<b>Total Creditable Amount</b>	<b>Remaining Creditable Amount</b>	<b>Expiry Year</b>
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 42,013	157	2010
	Personnel training	1,077	-	-
		<b>\$ 43,090</b>	<b>157</b>	

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

(4) Followings were the net operating loss carryforwards of the Group as of December 31, 2010:

<u>Year</u>	<u>Total Creditable Amount</u>	<u>Remaining Creditable Amount</u>	<u>Expiry Year</u>
2006	\$ 139,619	61,674	2016
2007	126,844	125,956	2017
2008	62,545	62,352	2018
2009	1,647	1,647	2019
2010	14,926	14,926	2020
	<u>\$ 345,581</u>	<u>266,555</u>	

(5) Integrated income tax information was as follows:

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Balance of imputation credit account (ICA)		
The Corporation	\$ 1,438,180	2,990,172
TCC	232	-
WMT	-	-
TFMT	5,029	2,674
TWTV	-	Not applicable
FJLMT	-	-
GWMT	1,672	1,627
FSMT	2,247	2,370
GFMT	-	-
TDC	-	-
TCCI	115,848	-
TID	-	-
TSB	-	-
TFN	632,424	712,966
TT&T	9,729	562
TUI	-	-
WTVB	-	-
TFNM	80,455	148,001
UCTV	7,928	27,364
YJCTV	41,921	56,870
MCTV	7,758	14,119
PCTV	19,976	34,556
GCTV	18,682	28,694
TKT	-	Not applicable

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

As of December 31, 2010, there were no unappropriated earnings generated before January 1, 1998. The estimated or actual creditable ratios for the 2010 and 2009 earnings appropriation were as follows:

	<u>2010</u>	<u>2009</u>
The Corporation	20.35%	28.67%
TCC	18.57%	30.56%
WMT	-	-
TFMT	-	-
TWTV	Not applicable	Not applicable
FJLMT	-	-
GWMT	20.48%	33.33%
FSMT	20.48%	33.33%
GFMT	-	-
TDC	-	-
TCCI	20.48%	33.33%
TID	-	-
TSB	-	-
TFN	20.48%	33.33%
TT&T	20.48%	27.61%
TUI	-	-
WTVB	-	-
TFNM	19.92%	31.08%
UCTV	9.83%	29.75%
YJCTV	20.48%	33.33%
MCTV	20.48%	33.39%
PCTV	20.48%	33.37%
GCTV	20.48%	33.34%
TKT	-	Not applicable

The imputation credits allocated to the shareholders are based on the ICA balance as of the date of dividend distribution. The estimated creditable ratio for the 2010 earnings appropriation may be adjusted when the imputation credits are distributed.

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

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

	<u>Year</u>
The Corporation	2007, only 2006 not applicable
The former TransAsian Telecommunications Inc.	All applicable
TransAsian Telecommunications Inc.	2007
Mobitai Communications	2006
TCC	2007
WMT	2008
TWTV	Not applicable
TFMT	2008
FJLMT	2008
GWMT	2008
FSMT	2008
GFMT	2008
TDC	2008
TCCI	Not applicable
TID	Not applicable
TSB	2007
TFN	2008
TTN	2007
TT&T	2008
TUI	Not applicable
TFNI	2008
R&R	All applicable
WTVB	2008
TFNM	2007
UCTV	2008
SHCTV	All applicable
YJCTV	2008
MCTV	2008
PCTV	2008
GCTV	2008
TKT	Not applicable

The Corporation's income tax returns for the years up to 2007 had been examined by the tax authorities, except for 2006. In addition, the Corporation disagreed with the examination results of the income tax returns and had requested a reexamination for the 2003 through 2005, 2007 income tax returns.

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

TAT's income tax returns as of 2007 had been examined by the tax authorities. TAT disagreed with the examination results of the income tax returns and had requested a reexamination for the 2006 and 2007 income tax returns.

The former TAT's income tax returns as of 2006 had been examined by the tax authorities. The former TAT disagreed with the examination results of the 2002 and 2003 income tax returns and had filed an appeal for retrial. The former TAT also filed administrative proceedings for 2004 and 2005 income tax returns which were reviewed by the Supreme Court of the ROC.

Mobitai's income tax returns as of 2006 had been examined by the tax authorities. Mobitai disagreed with the result of the income tax returns and had requested a reexamination of the 2006 income tax return.

The former TFN's income tax returns as of 2007 had been examined by the tax authorities. The former TFN disagreed with the examination results of the income tax returns and had requested a correction of the 2007 income tax return.

TFN's income tax returns as of 2008 had been examined by the tax authorities. TFN disagreed with the examination results of the income tax returns and had requested a reexamination for the 2008 income tax return.

TFNM's income tax returns as of 2007 had been examined by the tax authorities. TFNM disagreed with the examination results of the income tax returns and had requested a reexamination for the 2006 and 2007 income tax returns.

r. Earnings per share

	<u>Amounts (Numerator)</u>		<u>Shares (Denominator) (Thousands)</u>	<u>EPS (NT\$)</u>	
	<u>Before Income Tax</u>	<u>After Income Tax</u>		<u>Before Income Tax</u>	<u>After Income Tax</u>
<u>Year ended December 31, 2010</u>					
Basic EPS					
Income of common shareholders	\$ 16,398,144	13,822,186	2,989,008	<u>5.48</u>	<u>4.62</u>
Add effect of dilutive potentially common stock-bonus to employees	-	-	8,234		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 16,398,144</u>	<u>13,822,186</u>	<u>2,997,242</u>	<u>5.47</u>	<u>4.61</u>
<u>Year ended December 31, 2009</u>					
Basic EPS					
Income of common shareholders	\$ 18,132,491	13,888,862	2,979,311	<u>6.09</u>	<u>4.66</u>
Add effect of dilutive potentially common stock-bonus to employees	-	-	9,846		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 18,132,491</u>	<u>13,888,862</u>	<u>2,989,157</u>	<u>6.07</u>	<u>4.65</u>



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

The ARDF issued Interpretation No. 2007-052 that requires companies to recognize bonuses paid to employees, and remunerations to directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses and remunerations were previously recorded as appropriations from earnings. If the Corporation may settle the bonus to employees by cash or shares, the Corporation should presume that the entire amount of the bonus will be settled in shares and the potential share dilutions should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. In the calculation of diluted EPS, the number of outstanding shares is derived from dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. Such potential dilutive effect should be taken into consideration in the calculation of diluted EPS until the shareholders resolved the actual number of shares to be distributed to employees at the AGM of the following year.

s. Financial instrument transactions

(1) Fair value information

	<b>December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<u>Financial instruments</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 6,049,330	6,049,330	2,999,036	2,999,036
Available-for-sale financial assets – current	201,322	201,322	177,821	177,821
Notes receivable	45,277	45,277	68,498	68,498
Accounts receivable (including related parties)	6,588,107	6,588,107	6,801,928	6,801,928
Other receivables	524,087	524,087	319,201	319,201
Pledged time deposits	1,100	1,100	10,000	10,000
Financial assets carried at cost – non-current	2,308,709	-	2,498,980	-
Bonds measured at amortized cost – non-current	500,000	-	500,000	-
Refundable deposits	400,186	400,186	388,391	388,391
<u>Liabilities</u>				
Short-term borrowings	3,203,000	3,203,000	6,800,000	6,800,000
Short-term notes and bills payable	499,732	499,732	799,638	799,638
Notes payable	232,299	232,299	277,571	277,571
Accounts payable	3,423,611	3,423,611	2,599,859	2,599,859
Income taxes payable	1,387,348	1,387,348	1,665,244	1,665,244
Accrued expenses	5,564,242	5,564,242	5,640,613	5,640,613
Other payables	5,001,640	5,001,640	4,321,341	4,321,341
Guarantee deposits (including current portion)	379,866	379,866	384,867	384,867
Bonds payable (including current portion)	8,000,000	8,264,392	8,000,000	8,373,376
Long-term borrowings	2,300,000	2,300,000	-	-

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

- (2) The methods and significant assumptions applied for determining fair values of financial instruments were as follows:
- (a) Available-for-sale financial assets—based on quoted prices in an active market at the balance sheet date
  - (b) Financial assets carried at cost – non-current and bonds measured at amortized cost– non-current—based on the net worth of the investee or estimated book value; this is because there is no active market for unlisted stocks, and a reliable fair value could only be verified at a more than reasonable cost
  - (c) Bonds payable—based on the over-the-counter quotations in December
  - (d) Long-term borrowings—based on the present value of future cash flows discounted by the interest rates the Corporation may obtain for similar loans
  - (e) The book values of short-term financial instruments approximate their fair value due to their short maturities; short-term financial instruments include cash and cash equivalents, receivables, pledged time deposits, refundable deposits, short-term borrowings, short-term notes and bills payable, payables, and guarantee deposits
- (3) The fair values of financial assets and liabilities were not simultaneously determined by quoted prices in active markets and by estimations using valuation technique.
- (4) The financial assets exposed to fair value interest rate risk amounted to \$5,320,362 thousand and \$2,006,775 thousand as of December 31, 2010 and 2009, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$13,999,732 thousand and \$15,599,638 thousand as of December 31, 2010 and 2009, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$733,290 thousand and \$975,905 thousand as of December 31, 2010 and 2009, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$3,000 thousand and zero thousand as of December 31, 2010 and 2009, respectively.

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

(5) Information on financial risks:

(a) Market risk

The Group did not enter into any financial derivatives transactions, which will have big exposure to exchange rate and interest rate risks.

(b) Credit risk

Credit risk represents the potential impacts to financial assets that the Group might encounter if counter-parties or third parties breach the contracts. Factors that affect the impacts include credit risk concentration, components of financial instruments, contract amount and other receivables. The Group's evaluation of credit risk exposure as of December 31, 2010 and 2009, were both zero because all counter-parties are reputable financial institutions with good credit ratings.

The Group's maximum credit risk exposure of each financial instrument is the same as its carrying value.

The credit risk amount listed above is an evaluation over the contracts with positive fair value at the balance sheet date and the contracts of off-balance-sheet commitments and guarantees. Significant concentration of credit risk exists when counter-parties in financial instrument transactions significantly concentrate on one individual, or when there are a number of counter-parties in financial instrument transactions, but these counter-parties are engaged in similar business activities and have similar economic characteristics so that their abilities to perform contractual obligations would be concurrently affected in similar economic changes or other situations. The characteristics of credit risk concentration include the nature of the debtors' operating activities. The Group does not rely significantly on single transaction and transact with single client or in the same region.

(c) Liquidity risk

The Group's operating funds are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

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

**5. RELATED-PARTY TRANSACTIONS**

a. The related parties and their relationships with the Group were as follows:

<b>Related Party</b>	<b>Relationship with the Group</b>
Taiwan Mobile Foundation (TWM Foundation)	Over one third of the Foundation's issued fund came from the Corporation
Taipei New Horizons Co., Ltd. (TNH)	Equity-method investee
Fubon Life Assurance Co., Ltd. (FLA)	Same chairman
Fubon Securities Investment Trust Co., Ltd.	Related party in substance
Fubon Marketing Co., Ltd. (formerly named Fubon Direct Marketing Consulting Co., Ltd.) (FMC)	Related party in substance (renamed on April 13, 2009)
Fubon Financial Venture Capital Co., Ltd.	Related party in substance
Fubon Multimedia Technology Co., Ltd. (FMT)	Related party in substance
Fubon Asset Management Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
Fubon Financial Holding Company (FFH)	Related party in substance
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Securities Co., Ltd. (FSC)	Related party in substance
Fubon Future Co., Ltd.	Related party in substance
Fubon Investment Services Co., Ltd.	Related party in substance
Fubon Insurance Co., Ltd. (Fubon Ins.)	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Fubon Real Estate Management Co., Ltd.	Related party in substance
Taiwan Sport Lottery Corporation (TSL)	Related party in substance
Fubon Venture Capital Consulting Co., Ltd.	Related party in substance
Dai-Ka Ltd. (DKL)	Related party in substance

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

b. Significant transactions with related parties were summarized below:

(1) Operating revenues

	<b>Years ended December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Amount</b>	<b>% of Total Revenues</b>	<b>Amount</b>	<b>% of Total Revenues</b>
FMT	\$ 124,281	-	108,446	-
TFCB	80,515	-	133,447	-
FLA	56,558	-	25,203	-
TSL	28,819	-	24,822	-
FSC	18,677	-	16,565	-
Fubon Ins.	11,791	-	16,521	-
FMC	10,004	-	9,446	-
FFH	9,717	-	18,359	-
	<b><u>\$ 340,362</u></b>		<b><u>352,809</u></b>	

The Group mainly rendered telecommunication services to the above companies. The average collection period for notes and accounts receivable was based on regular terms.

(2) Operating costs

	<b>Years ended December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Amount</b>	<b>% of Total Costs</b>	<b>Amount</b>	<b>% of Total Costs</b>
DKL	\$ 144,617	-	146,948	-
Fubon Ins.	53,154	-	66,336	-
	<b><u>\$ 197,771</u></b>		<b><u>213,284</u></b>	

The above companies mainly rendered telecommunication, maintenance, insurance, and TV programs licensing services to the Group. The average payment term for notes and accounts payable was based on regular terms.

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

(3) Rental income

		Years ended December 31	
		2010	2009
	<b>Leased Sites/Equipment</b>		
FMT	Office appliance, etc.	\$ 35,317	33,423

The above lease transactions were based on market price and rent was collected monthly.

(4) Cash in banks

		December 31			
		2010		2009	
		Amount	%	Amount	%
(a) Cash in banks					
	TFCB	\$ 384,739	6	408,101	14
(b) Pledged time deposits					
	TFCB	\$ 1,100	100	10,000	100

(5) Receivables and payables

		December 31			
		2010		2009	
		Amount	%	Amount	%
(a) Accounts receivable					
	TFCB	\$ 55,428	1	79,594	1
	FSC (Note)	17,271	-	17,983	-
	TSL (Note)	15,118	-	15,835	-
	FLA (Note)	13,274	-	14,566	-
	Fubon Ins.	10,809	-	15,199	-
	Other	20,742	-	20,821	-
		\$ 132,642		163,998	

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

Note: Leasehold receivables from FSC was as follows:

	<b>Current Portion</b>	<b>Maturities of over One Year (Classified under Other Assets)</b>	<b>Total</b>
<u>December 31, 2010</u>			
Leasehold receivable	\$ 5,408	5,715	11,123
Less unrealized interest income	(474)	(299)	(773)
	<u><b>\$ 4,934</b></u>	<u><b>5,416</b></u>	<u><b>10,350</b></u>
<u>December 31, 2009</u>			
Leasehold receivable	\$ 4,295	9,288	13,583
Less unrealized interest income	(679)	(766)	(1,445)
	<u><b>\$ 3,616</b></u>	<u><b>8,522</b></u>	<u><b>12,138</b></u>

Note: Leasehold receivables from TSL was as follows:

	<b>Current Portion</b>	<b>Maturities of over One Year (Classified under Other Assets)</b>	<b>Total</b>
<u>December 31, 2010</u>			
Leasehold receivable	\$ 14,599	19,091	33,690
Less unrealized interest income	(1,604)	(836)	(2,440)
	<u><b>\$ 12,995</b></u>	<u><b>18,255</b></u>	<u><b>31,250</b></u>
<u>December 31, 2009</u>			
Leasehold receivable	\$ 16,095	33,340	49,435
Less unrealized interest income	(2,438)	(2,498)	(4,936)
	<u><b>\$ 13,657</b></u>	<u><b>30,842</b></u>	<u><b>44,499</b></u>

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

Note: Leasehold receivables from FLA was as follows:

	<b>Current Portion</b>	<b>Maturities of over One Year (Classified under Other Assets)</b>	<b>Total</b>
<b>December 31, 2010</b>			
Leasehold receivable	\$ 7,624	24,302	31,926
Less unrealized interest income	(543)	(1,760)	(2,303)
	<b>\$ 7,081</b>	<b>22,542</b>	<b>29,623</b>
<b>December 31, 2009</b>			
Leasehold receivable	\$ 5,587	9,391	14,978
Less unrealized interest income	(209)	(670)	(879)
	<b>\$ 5,378</b>	<b>8,721</b>	<b>14,099</b>

	<b>December 31</b>			
	<b>2010</b>		<b>2009</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
(b) Prepayments				
Fubon Ins.	<b>\$ 9,443</b>	1	<b>20,543</b>	3
(c) Accounts payable				
DKL	<b>\$ -</b>	-	<b>35,916</b>	1
(d) Accrued expenses				
Fubon Ins.	<b>\$ 11,516</b>	-	<b>13,176</b>	-

(6) Other

	<b>December 31</b>	
	<b>2010</b>	<b>2009</b>
(a) Insurance expense		
Fubon Ins.	<b>\$ 11,941</b>	<b>12,065</b>
(b) Donation		
TWM Foundation	<b>\$ 13,007</b>	<b>30,400</b>
(c) Repairs and maintenance		
FPM	<b>\$ 23,342</b>	<b>24,709</b>
(d) Other expense		
FPM	\$ 26,054	27,392
TFCB	23,130	1,027
	<b>\$ 49,184</b>	<b>28,419</b>



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

(7) Endorsement/guarantee provided

The Group provides guarantee contracts for related party. Please see Note 7.

c. Compensation to directors, supervisors, and managers:

	Year Ended December 31	
	2010	2009
Salaries, incentives, and special compensation	\$ 245,016	216,507
Earnings paid as remunerations to directors	37,306	37,483
Earnings paid as bonus to employees	64,203	62,668
Professional fee	2,873	3,092
	\$ 349,398	319,750

The compensation to directors, supervisors and managers for the year ended December 31, 2009 included the bonus appropriation from 2009 earnings approved in 2010 AGM. While that for the year ended December 31, 2010 included the bonus appropriation from 2010 earnings subject to approval in 2011 AGM. More detailed information may be referred in the Corporation's annual reports.

**6. ASSETS PLEDGED**

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

	December 31	
	2010	2009
Current assets - time deposits	\$ 1,100	10,000
Other assets - time deposits	18,178	22,657
	\$ 19,278	32,657

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

**7. COMMITMENTS AND CONTINGENT EVENTS**

- a. To enhance 3G mobile communications, expand network coverage, and increase the service functions, the Corporation entered into a 3G expansion contract with Nokia Siemens Networks Taiwan Co., Ltd. for \$4,800,000 thousand in September 2006 and \$3,672,092 thousand in May 2009, respectively. As of December 31, 2010, the purchase amount was \$4,735,510 thousand and \$3,248,810 thousand, respectively.
- b. The Corporation provided \$21,500,000 thousand guarantee for TFN's bank loans. The Corporation also provided \$19,757,595 thousand in promissory notes outstanding for TFN's borrowings with banks. TFN has drawn down \$242,149 thousand from banks within the guarantee amount.
- c. The Corporation and its subsidiary, TFN, obtained \$13,500,000 thousand of syndicated loan from 9 banks led by Chinatrust Commercial Bank. Based on the terms of the agreement, the credit line will be decreased by 50% after two years commencing from May 20, 2008. As of May 20, 2010, the credit line has been reduced to \$6,750,000 thousand. The Corporation provided a guarantee for TFN's bank loan. As of December 31, 2010, the Corporation and TFN had made draw down \$800,000 thousand and \$1,500,000 thousand, respectively.
- d. As of December 31, 2010, the Corporation had provided TFN \$50,000 thousand as performance guarantee for IDD calling card service issued by July 31, 2008, in accordance with NCC's new policy effective from April 1, 2007.
- e. As of December 31, 2010, TT&T provided an \$146 thousand guarantee for TFN's obligation of construction and equipment sales.
- f. Future minimum rental payments as of December 31, 2010, for significant operating lease agreements, were summarized as follows:

	<b>Amount</b>
2011	\$ 65,856
2012	39,987
2013	29,071
2014	28,554
2015	16,736

**8. SIGNIFICANT CASUALTY LOSS: NONE**

**9. SIGNIFICANT SUBSEQUENT EVENTS: NONE**

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

**10. OTHER**

a. Labor cost, depreciation, and amortization expense

	<b>Years Ended December 31</b>					
	<b>2010</b>			<b>2009</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>		
Labor cost						
Salary	\$ 1,367,698	3,098,271	4,465,969	1,359,345	3,186,135	4,545,480
Labor and health insurance	92,899	187,097	279,996	88,288	179,782	268,070
Pension	60,442	122,004	182,446	58,567	110,564	169,131
Other	61,132	135,360	196,492	59,474	132,977	192,451
Depreciation	7,414,272	643,225	8,057,497	7,136,739	610,436	7,747,175
Amortization	946,407	148,029	1,094,436	962,059	126,992	1,089,051

b. Reclassification

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2009, have been reclassified to conform to the presentation of consolidated financial statements as of and for the year ended December 31, 2010.

**11. ADDITIONAL DISCLOSURES**

Following were the additional disclosures required by the Securities and Futures Bureau for the Corporation and its investees:

- a. Financing provided: Table 1 (attached)
- b. Endorsement/guarantee provided: Table 2 (attached)
- c. Marketable securities held: Table 3 (attached)
- d. Marketable securities acquired and disposed of at costs or prices of at least \$100 million or 20% of the paid-in capital: Table 4
- e. Acquisition of individual real estate at costs of at least \$100 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least \$100 million or 20% of the paid-in capital: None
- g. Total purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 5 (attached)
- h. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 6 (attached)

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

i. Names, locations, and related information of investees on which the Corporation exercised significant influence: Table 7 (attached)

j. Derivative transactions

The Corporation entered into interest rate swap (IRS) contracts in December 2002 to hedge fluctuation on inverse floating interest rates of bonds, which are settled semiannually. Please refer to Note 4.s for the related information.

<b>Financial Instrument</b>	<b>Term</b>	<b>Contract Amount</b>	<b>Due Date</b>
Interest rate swap contracts	Inverse floating interest rate in exchange for fixed interest rate of 2.45%	\$ 5,000,000	December 2009

The Corporation entered into IRS contracts to hedge inverse floating interest rate fluctuation. For the year ended 2009, the Corporation recognized gains of \$84,485 thousand, recorded as deduction to interest expense.

k. Investment in Mainland China:

(1) The name of the investee company in Mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, investment gain or loss, ending balance, amount received as earnings distributions from the investment, and the limitation on investment: Table 8 (attached)

(2) Significant direct or indirect transactions with the investee company, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: None

l. Business relationships and significant intercompany transactions: Table 9 and Table 10 (attached)

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

**12. SEGMENT INFORMATION**

a. Industry

	Years Ended December 31, 2010					Consolidated
	Mobile	Fixed-line	Cable TV	Others	Adjustments and Elimination	
Revenues from outside of the Group	\$ 56,416,429	8,056,848	5,670,346	2,381	-	70,146,004
Revenues from other segments in the Group (Note 2)	2,237,723	2,196,660	29,075	32,850	(4,496,308)	-
Total revenues	<u>\$ 58,654,152</u>	<u>10,253,508</u>	<u>5,699,421</u>	<u>35,231</u>	<u>(4,496,308)</u>	<u>70,146,004</u>
Gross profit (loss) (Notes3)	<u>\$ 13,743,188</u>	<u>2,305,074</u>	<u>2,280,454</u>	<u>24</u>	<u>(21,029)</u>	<u>18,307,711</u>
Interest income						42,471
Other income						697,045
Interest expenses						(319,501)
Operating expenses						-
Other expenses						(1,626,404)
Income before income tax						<u>\$ 17,101,322</u>
Identifiable assets (Note 4)	<u>\$ 64,961,549</u>	<u>7,370,132</u>	<u>12,744,540</u>	<u>26,663</u>	<u>(2,746,717)</u>	<u>82,086,167</u>
Financial assets						201,322
Lon-term investment						3,196,711
General assets						-
Total assets						<u>\$ 85,484,200</u>
Depreciation expenses	<u>\$ 7,188,238</u>	<u>383,737</u>	<u>490,537</u>	<u>64</u>		
Amortization expenses	<u>\$ 886,420</u>	<u>63,550</u>	<u>143,695</u>	<u>771</u>		
Capital expenditure	<u>\$ 4,324,239</u>	<u>1,554,280</u>	<u>467,280</u>	<u>119</u>		

  

	Years Ended December 31, 2009					Consolidated
	Mobile	Fixed-line	Cable TV	Others	Adjustments and Elimination	
Revenues from outside of the Group	\$ 54,762,097	8,399,835	5,244,538	63,762	-	68,470,232
Revenues from other segments in the Group (Note 2)	2,299,111	1,541,744	28,527	35,070	(3,904,452)	-
Total revenues	<u>\$ 57,061,208</u>	<u>9,941,579</u>	<u>5,273,065</u>	<u>98,832</u>	<u>(3,904,452)</u>	<u>68,470,232</u>
Gross profit (loss) (Notes3)	<u>\$ 16,696,861</u>	<u>1,778,066</u>	<u>1,984,498</u>	<u>8,843</u>	<u>(20,134)</u>	<u>20,448,134</u>
Interest income						16,501
Other income						579,630
Interest expenses						(561,364)
Operating expenses						-
Other expenses						(1,836,570)
Income before income tax						<u>\$ 18,646,331</u>
Identifiable assets (Note 4)	<u>\$ 65,984,131</u>	<u>6,414,055</u>	<u>12,642,162</u>	<u>27,118</u>	<u>(2,570,126)</u>	<u>82,497,340</u>
Financial assets						177,821
Lon-term investment						3,210,954
General assets						-
Total assets						<u>\$ 85,886,115</u>
Depreciation expenses	<u>\$ 7,026,751</u>	<u>232,577</u>	<u>491,537</u>	<u>3,657</u>		
Amortization expenses	<u>\$ 872,755</u>	<u>72,801</u>	<u>142,468</u>	<u>1,027</u>		
Capital expenditure	<u>\$ 4,573,900</u>	<u>1,183,005</u>	<u>487,341</u>	<u>395</u>		

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

Note 1: The Group is divided into mobile, fixed-line and cable TV service business.

Note 2: Represents sales or service revenue between segments.

Note 3: Represents revenue minus cost and expenses on segment basis, not included the Group's general and administrative expenses.

Note 4: Represents tangible and intangible assets which can be separately allocated to each segment.

However, these assets do not include:

- 1) Asset not for use by any specific segment.
- 2) Advances or loans to another segment.
- 3) Long-term investments accounted for using equity method.

b. Foreign operations

The Corporation has no revenue-generating unit that operates outside the ROC.

c. Foreign revenues

The Corporation has no foreign revenues.

d. Customers with revenues exceeding 10% of the total net operating revenues were as follows:

Company	Years Ended December 31					
	2010	Percentage of Operating Revenue		2009	Percentage of Operating Revenue	
Amount	Amount	Revenue	Amount	Revenue	Amount	Revenue
Chunghwa Telecom Co., Ltd.	<u>\$ 8,319,543</u>	12	<u>8,833,137</u>	13	<u>8,833,137</u>	13

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**FINANCING PROVIDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

TABLE 1  
(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits
											Item	Value		
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Wealth Media Technology Co., Ltd.	Other receivables	\$ 2,500,000	\$ -	0.838%~0.851%	Short-term financing	\$ -	Operation requirements	\$ -	-	-	\$ 20,347,822 (Note 2)	\$ 20,347,822 (Note 2)
		TCC Investment Co., Ltd.	Other receivables	7,300,000	-	-	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
		Taiwan Fixed Network Co., Ltd.	Other receivables	7,000,000	-	-	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
		TFN Media Co., Ltd.	Other receivables	7,000,000	5,000,000	0.838%~0.893%	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
		Taiwan Cellular Co., Ltd.	Other receivables	9,000,000	9,000,000	0.893%~0.95%	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
		Taiwan Digital Communication Co., Ltd.	Other receivables	300,000	300,000	0.948%	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
		Tai Fu Media Technology Co., Ltd.	Other receivables	50,000	50,000	0.950%	Short-term financing	-	Operation requirements	-	-	-	20,347,822 (Note 2)	20,347,822 (Note 2)
1	Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Other receivables	7,000,000	2,000,000	0.838%~1.350%	Short-term financing	-	Operation requirements	-	-	-	23,520,151 (Note 2)	23,520,151 (Note 2)
		TCC Investment Co., Ltd.	Other receivables	3,000,000	-	0.845%~0.854%	Short-term financing	-	Operation requirements	-	-	-	23,520,151 (Note 2)	23,520,151 (Note 2)
		Win TV Broadcasting Co., Ltd.	Other receivables	360,000	360,000	0.847%~0.896%	Short-term financing	-	Operation requirements	-	-	-	23,520,151 (Note 2)	23,520,151 (Note 2)
2	Taiwan Fixed Network Co., Ltd.	Taiwan Cellular Co., Ltd.	Other receivables	9,000,000	-	0.838%~0.847%	Short-term financing	-	Operation requirements	-	-	-	15,314,639 (Note 2)	15,314,639 (Note 2)
		The Corporation	Other receivables	9,000,000	9,000,000	0.893%	Short-term financing	-	Operation requirements	-	-	-	15,314,639 (Note 2)	15,314,639 (Note 2)
3	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,200,000	-	0.838%~0.940%	Transactions	283,669	Business requirements	-	-	-	13,500,000 (Note 3)	13,500,000 (Note 3)
			Other receivables	739,000	739,000	0.851%~0.955%	Short-term financing	-	Repayment of financing	-	-	-	746,931 (Note 3)	13,500,000 (Note 3)
4	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	233,000	233,000	0.845%~0.940%	Transactions	234,995	Business requirements	-	-	-	234,995 (Note 4)	503,666 (Note 4)

(Continued)

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**FINANCING PROVIDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits
5	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	\$ 1,500,000	\$ 584,000	0.838%~0.955%	Transactions	\$ 583,728	Business requirements	\$ -	-	-	\$ 12,000,000 (Note 5)	\$ 12,000,000 (Note 5)
6	Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,200,000	373,000	0.838%~1.068%	Transactions	530,381	Business requirements	-	-	-	24,000,000 (Note 5)	24,000,000 (Note 5)
7	TFN Media Co., Ltd.	Win TV Broadcasting Co., Ltd.	Other receivables	500,000	-	0.839%~0.845%	Transactions	60,303	Business requirements	-	-	-	15,000,000 (Note 5)	15,000,000 (Note 5)
8	Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Other receivables	60,000	-	0.838%	Short-term financing	-	Repayment of financing	-	-	-	120,791 (Note 2)	120,791 (Note 2)
		Global Wealth Media Technology Co., Ltd.	Other receivables	15,000	15,000	0.851%	Short-term financing	-	Repayment of financing	-	-	-	120,791 (Note 2)	120,791 (Note 2)
9	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Other receivables	24,000	-	0.867%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	80,308 (Note 2)	80,308 (Note 2)

Note 1: Maximum amount for the period and the ending balance are the amount allowed, not actual appropriation.

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

Note 3: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the financing company's capital, or 2) the amount of business dealing. A) for reasons of business dealings: the individual lending amount and the aggregate amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the financing company's capital, or 2) the amount of business dealing. B) for short-term financing needs: the individual lending amount and the aggregate amount of loaning funds shall not exceed 40% of the financing company's net worth.

Note 4: Where funds are loaned for reasons of business dealings and short-term financing needs, the amount of loaning funds shall be limited to the total amount of business dealing and 40% of the financing 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 financing company's net worth.

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



**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**ENDORSEMENT/GUARANTEE PROVIDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

TABLE 2  
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor (A)	Receiving Party		Maximum Guarantee/ Endorsement Amount Can Be Provided to Each Receiving Party	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Value of Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Worth of the Guarantor (Note 1)	Maximum Guarantee/ Endorsement Can Be Provided by the Guarantor/Endorser
		Name (B)	Nature of Relationship (B is A's)						
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Fixed Network Co., Ltd.	(Note 2)	\$ 42,000,000 (Note 3)	\$ 34,878,330	\$ 26,557,595	\$ -	52.21%	\$ 50,869,555
1	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Fixed Network Co., Ltd.	(Note 4)  (Note 6)	20,000 (Note 5)/ (Note 6)	146	146	-	0.18%	80,947 (Note 5)

Note 1: Maximum guarantee/endorsement amount for the period and the ending balance are the amount allowed, not actual appropriation.

Note 2: Direct/indirect subsidiary

Note 3: For 100% direct/indirect owned subsidiaries, the aggregate endorsement/guarantee amount provided shall not exceed the net worth of the Corporation, and the upper-limit to each subsidiary shall be the double of the investment amount.

Note 4: Parent company

Note 5: TT&T is directly and indirectly 100% owned by TFN. The endorsement/guarantee amount provided by TT&T, shall be limited within the net worth of TT&T, and not over the double of the investment amount in TT&T.

Note 6: Following the sale by TFN of its 100% shareholdings in TT&T on May 14, 2010, the endorsement/guarantee provided by TT&T is for transaction. The aggregate endorsement/guarantee amount shall not exceed the net worth of TT&T, and the individual endorsement/guarantee amount shall not exceed the amount of business dealing. The amount of business dealing is \$141,464 thousands.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2010**

TABLE 3  
(In Thousands of New Taiwan Dollars or stated otherwise)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2010				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Taiwan Mobile Co., Ltd. (the "Corporation")	<u>Stock</u> Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	2,717	\$ 201,322	0.035	\$ 201,322 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	50,324	10	- (Note 3)	
	Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	-	0.19	- (Note 3)	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	37,200	301,977	100	301,977	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	30,000	10,618,840 (Note 4)	100	58,803,377	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Long-term investments - equity method	44,910	388,002	49.9	388,002	
Wealth Media Technology Co., Ltd.	<u>Stock</u> Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	200,769	100	200,769	
	Taiwan Win TV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	16	9,912	100	9,912	
Tai Fu Media Technology Co., Ltd.	<u>Stock</u> Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	89,937	100	89,937	
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	767	100	767	
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	141,279	100	141,279	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	643	100	643	
Global Wealth Media Technology Co., Ltd.	<u>Stock</u> Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,815	93,667	6.813	45,762	
Fu Sin Media Technology Co., Ltd.	<u>Stock</u> Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	132,411	3.34	32,131	
Global Forest Media Technology Co., Ltd.	<u>Stock</u> Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	326 shares	4	0.0002	4	
Taiwan Cellular Co., Ltd.	<u>Stock</u> Arcoa Communication Co., Ltd.	-	Financial assets carried at cost - non-current	6,998	67,731	5.21	- (Note 3)	
	Parawin Venture Capital Corp.	-	Financial assets carried at cost - non-current	3,000	20,207	3	- (Note 3)	

(Continued)

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2010**

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2010				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	Transportation High Tech Inc.	-	Financial assets carried at cost - non-current	1,200	\$ -	12	\$ -	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	(Note 2) 6,773	3.17	(Note 3) -	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US\$ 8,575	100	US\$ 8,575	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	2,100,000	38,286,597	100	38,286,597	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	11,604	100	11,604	
	TCC Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	3,950	26,428,349	100	26,301,166	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	80,947	100	80,947	
TWM Holding Co., Ltd.	<u>Stock</u> TWM Communications (Beijing) Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 4,028	100	US\$ 3,137	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US\$ 1,383	100	US\$ 1,383	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	20,083	100	20,083	
TT&T Holdings Co., Ltd.	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 1,356	100	US\$ 1,356	
TCC Investment Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	222,774	15,527,360	5.86	15,527,360	
	Win TV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	18,177	275,809	100	268,192	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	2,384,676	100	4,360,839	
	TCCI Investment and Development Co., Ltd.	Subsidiary	Long-term investments - equity method	400	8,996,439	100	8,996,439	
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	42,845	6.67	(Note 3) -	
	<u>Preferred stock</u> Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock - Series A	-	Bonds measured at amortized cost - non-current	50,000	500,000	1.24	(Note 3) -	
TCCI Investment and Development Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	132,849	9,259,552	3.50	9,259,552	(Note 5)
TFN Media Co., Ltd.	<u>Stock</u> Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,114,721	100	590,241	

(Continued)

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2010**

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2010				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	Mangrove Cable TV Co., Ltd.	Related party in substance	Long-term investments - equity method	6,248	\$ 594,602	29.53	\$ 331,427 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	65,818	3,155,367	96.66	930,862	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	2,071,829	99.9998	1,867,082	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,243,022	92.38	620,501	
	Taiwan Kuro Times Co., Ltd.	Subsidiary	Long-term investments - equity method	667	54,480	54.988	29,573	
Taiwan Kuro Times Co., Ltd.	<u>Stock</u> ezPeer Multimedia Limited	Subsidiary	Long-term investments - equity method	1,522	US\$ 1,496	100	US\$ 1,496	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> TFN Union Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	400	30,900,208	100	30,900,208	
	TFN HK LIMITED	Subsidiary	Long-term investments - equity method	1,300	HK\$ 1,364	100	HK\$ 1,364	
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.46	- (Note 3)	
TFN Union Investment Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	456,295	31,803,745	12	31,803,745 (Note 5)	

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

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

Note 3: As of January 15, 2011, the independent auditors' report date, the investee's net worth was not available.

Note 4: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of \$58,800,377 thousand on TCC shall be reduced by 1) downward adjusting \$31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding \$16,754,716 thousand unrealized gain from financial assets investment, 3) adding back \$475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of \$13,628 thousand.

Note 5: Based on the closing price on December 31, 2010.

Note 6: 70.47% 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 YEAR ENDED DECEMBER 31, 2010**

TABLE 4  
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
Taiwan Mobile Co., Ltd. (the "Corporation")	Beneficiary certificates	Financial assets at fair value through profit or loss-current	-	-	-	\$ -	20,000	\$ 200,000	20,000	\$ 194,072	\$ 200,000	\$ (5,928)	-	\$ -
	Stock Wealth Media Technology Co., Ltd.	Long-term investment-equity method	Wealth Media Technology Co., Ltd.	Subsidiary	27,200	192,615	10,000 (Note 1)	100,000	-	-	-	-	37,200	301,977 (Note 2)
	Taipei New Horizons Co., Ltd.	Long-term investment-equity method	Taipei New Horizons Co., Ltd.	Equity-method investee	24,950	211,974	19,960 (Note 1)	199,600	-	-	-	-	44,910	388,002 (Note 2)
Taiwan Cellular Co., Ltd.	Stock TCCI investment Co., Ltd.	Long-term investment-equity method	TCCI investment Co., Ltd.	Subsidiary	2,100	21,092,818	1,850 (Note 1)	1,850,000	-	-	-	-	3,950	26,428,349 (Note 2)
Taiwan Fixed Network Co., Ltd.	Stock New Century infocomm Technology Co., Ltd.	Financial assets Carried at cost –non-current	Yuan Cing Infocomm Tech Co., Ltd.	-	21,890	187,042	-	-	21,890	238,541	187,042	51,499	-	-

Note 1: The shares/units and amount of marketable securities acquired do not include stock dividends from investees.

Note 2: The ending balance includes the unrealized gain or loss on financial instruments, cumulative translation adjustments, investment income or loss recognized under the equity method, and other adjustments in long-term investment using equity method.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

TABLE 5  
(In Thousands of New Taiwan Dollars)

Company Name (A)	Related Party (B)	Nature of Relationship (B is A's)	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	
Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Fixed Network Co., Ltd.	Subsidiary	Sale	\$ (2,216,854)	(4)	Based on contract terms	-	-	\$ 370,835	6	(Note 1)
			Purchase	2,095,107	(Note 2)	Based on contract terms	-	-	(245,359)	(Note 3)	
Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	841,116	(Note 4)	Based on contract terms	-	-	(67,278)	(Note 5)	
			Sale	(841,304)	(86)	Based on contract terms	-	-	67,306	88	
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Sale	(841,304)	(86)	Based on contract terms	-	-	67,306	88	
	Taiwan Fixed Network Co., Ltd.	Related party in substance	Sale	(141,464)	(14)	Based on contract terms	-	-	9,533	12	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(2,091,036)	(20)	Based on contract terms	-	-	245,359	27	
			Purchase	2,219,511	33	Based on contract terms	-	-	(370,375)	(49)	
			Purchase	141,464	(Note 4)	Based on contract terms	-	-	(9,533)	(Note 5)	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(484,524)	(18)	Based on contract terms	(Note 6)	(Note 6)	2,817	2	
	Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(438,024)	(16)	Based on contract terms	(Note 6)	(Note 6)	4,279	3	
	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(227,304)	(8)	Based on contract terms	(Note 6)	(Note 6)	1,516	1	
	Globalview Cable Co., Ltd.	Subsidiary	Channel leasing fee	(195,349)	(7)	Based on contract terms	(Note 6)	(Note 6)	182	-	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	227,304	62	Based on contract terms	(Note 6)	(Note 6)	(1,516)	(24)	
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	438,024	62	Based on contract terms	(Note 6)	(Note 6)	(4,279)	(26)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	484,524	66	Based on contract terms	(Note 6)	(Note 6)	(2,817)	(40)	
Globalview Cable Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	195,349	63	Based on contract terms	(Note 6)	(Note 6)	(182)	(7)	
Mangrove Cable Co., Ltd.	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	158,359	61	Based on contract terms	(Note 6)	(Note 6)	-	-	

Note 1: The \$75,990 thousand accounts receivable amount was expressed on a gross basis in accordance with sales amount. The net accounts receivable should be \$370,835 thousand after deducting accounts payable and accrued custodial receipts/payments totaled \$294,845 thousand.

Note 2: Included operating costs and operating expenses.

Note 3: Included accounts payable and accrued expenses.

Note 4: Recognized as operating expenses.

Note 5: Recognized as accrued expenses.

Note 6: No comparables on such kind of transactions.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**DECEMBER 31, 2010**

TABLE 6  
(In Thousands of New Taiwan Dollars)

Company Name (A)	Related Party (B)	Nature of Relationship (B is A's)	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts				
					Amount	Action Taken						
Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Fixed Network Co., Ltd.	Subsidiary	Accounts receivable \$ 370,835	6	\$ -	-	\$ 372	\$ -				
			Other receivables 59,310						-	-	10,880	-
	TFN Media Co., Ltd.	Subsidiary	Other receivables 3,725,325						-	-	-	-
Taiwan Cellular Co., Ltd.	Taiwan Cellular Co., Ltd.	Subsidiary	Other receivables 8,397,779		-	-	-	-				
			Other receivables 1,814,284						-	-	-	-
	TFN Media Co., Ltd.	Subsidiary	Other receivables 123,200						-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 67,306	12.64	-	-	-	-				
	Taiwan Fixed Network Co., Ltd.	Related party in substance	Accounts receivable 9,533	13.62	-	-	-	-				
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 245,359	7.75	-	-	534	-				
			Other receivables 6,917,553						-	-	141,172	-
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 7,819	10.74	-	-	-	-				
			Other receivables 582,167						-	-	-	-
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 9,753	4.74	-	-	-	-				
			Other receivables 595,143						-	-	-	-
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 3,647	8.2	-	-	-	-				
			Other receivables 220,152						-	-	-	-
Yeong Jia Leh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 9,735	8.59	-	-	-	-				
			Other receivables 313,509						-	-	-	-

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

TABLE 7

(In Thousands of New Taiwan Dollars or stated otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2010			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2010	December 31, 2009	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Cellular Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	\$ 37,558,330	\$ 37,558,330	30,000	100	\$ 10,618,840 (Note 1)	\$ 3,678,672	\$ 3,672,572	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real Estate Rental and Sale	449,100	249,500	44,910	49.9	388,002	(47,238)	(23,572)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	372,000	272,000	37,200	100	301,977	9,491	9,491	
Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	270,000	27,000	100	200,769	9,721	NA	
	Taiwan Win TV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program producing	10,000	-	16	100	9,912	(88)	NA	
Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Xizhi Dist., New Taipei City, Taiwan	Investment	84,000	84,000	8,400	100	89,937	5,174	NA	
	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,700	1,700	100	100	767	(201)	NA	
	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	135,000	13,500	100	141,279	5,398	NA	
	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,000	1,000	100	100	643	(138)	NA	
Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	Xizhi Dist., New Taipei City, Taiwan	Cable TV service provider	91,691	90,099	3,815	6.813	93,667	80,477	NA	
Fu Sin Media Technology Co., Ltd.	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	133,358	133,358	2,272	3.34	132,411	168,255	NA	
Global Forest Media Technology Co., Ltd.	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	4	-	326 shares	0.0002	4	132,143	NA	
Taiwan Cellular Co., Ltd.	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US\$ 10,800	US\$ 10,800	1 share	100	US\$ 8,575	US\$ 66	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	21,000,000	21,000,000	2,100,000	100	38,286,597	2,054,662	NA	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	12,000	12,000	1,200	100	11,604	654	NA	
	TCC Investment Co., Ltd.	Taipei, Taiwan	Investment	22,301,000	20,451,000	3,950	100	26,428,349	1,608,730	NA	
	Taiwan Teleservices & Technologies Co., Ltd. (Note 3)	Taipei, Taiwan	Call center service and ISR (international simple resales)	10,000	10,000	1,000	100	80,947	40,966	NA	
TWM Holding Co. Ltd.	TWM Communications (Beijing) Ltd.	Beijing, China	Mobile application development and design	US\$ 4,936	US\$ 4,936	-	100	US\$ 4,028	US\$ 62	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samoa	Investment	US\$ 1,300	US\$ 1,300	1,300	100	US\$ 1,383	US\$ (68)	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100	20,083	73	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Co., Ltd.	Xiamen, China	Call center service	US\$ 1,300	US\$ 1,300	-	100	US\$ 1,356	US\$ (89)	NA	
TCC Investment Co., Ltd.	Win TV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	188,047	179,047	18,177	100	257,809	79,122	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	2,035,714	230,526	100	2,384,676	1,676,545	NA	
	TCCI Investment and Development Co., Ltd.	Taipei, Taiwan	Investment	6,629,149	6,629,149	400	100	8,996,439	(17)	NA	
TFN Media Co., Ltd.	Yeong Jia Leh Cable TV Co., Ltd.	Xinzhuang Dist., New Taipei City, Taiwan	Cable TV service provider	1,616,824	1,616,824	33,940	100	2,114,721	147,207	NA	
	Mangrove Cable TV Co., Ltd.	Danshui Dist., New Taipei City, Taiwan	Cable TV service provider	397,703	397,703	6,248 (Note 2)	29.53	594,602	92,740	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	2,294,967	2,294,967	65,818	96.66	3,155,367	168,255	NA	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,904,436	1,904,440	170,441	99.9998	2,071,829	132,143	NA	
	Globalview Cable TV Co., Ltd.	Xizhi Dist., New Taipei City, Taiwan	Cable TV service provider	841,413	841,413	51,733	92.38	1,243,022	80,477	NA	
Taiwan Kuro Times Co., Ltd.	Taiwan Kuro Times Co., Ltd.	Taipei, Taiwan	The platform of music supplied	63,900	-	667	54.988	54,480	(15,719)	NA	
Taiwan Fixed Network Co., Ltd.	ezPeer Multimedia Limited	Samoa	Investment	US\$ 1,522	-	1,522	100	US\$ 1,496	US\$ (26)	NA	
	TFN Union Investment Co., Ltd.	Taipei, Taiwan	Investment	22,769,109	22,769,109	400	100	30,900,208	(17)	NA	
	TFN HK LIMITED	Hong Kong	Telecommunications service provider	HK\$ 1,300	HK\$ 1,300	1,300	100	HK\$ 1,364	HK\$ 558	NA	

Note 1: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of \$58,800,377 thousand on TCC shall be reduced by 1) downward adjusting \$31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding \$16,754,716 thousand unrealized gain from financial assets investment, 3) adding back \$475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of \$13,628 thousand.

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

Note 3: On May 14, 2010, TFN sold to TCC its 100% shareholdings in TT&T.



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

**INVESTMENT IN MAINLAND CHINA**

**YEAR ENDED DECEMBER 31, 2010**

**TABLE 8**  
(In Thousands of New Taiwan Dollars or U.S. Dollars)

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, 2010	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2010	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of June 30, 2010	Accumulated Inward Remittance of Earnings as of December 31, 2010
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Co., Ltd.	Call center service	US\$ 1,300 (NT\$ 39,282)	Indirect investment in Mainland China through a third place by the Corporation's subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 39,282)	\$ -	\$ -	US\$ 1,300 (NT\$ 39,282)	100% ownership of indirect investment by the Corporation's subsidiary	(US\$ 89) (NT\$ (2,689))	US\$ 1,356 (NT\$ 40,974)	\$ -
TWM Communications (Beijing) Ltd.	Mobile application development and design	US\$ 3,000 (NT\$ 90,651)	Indirect investment in Mainland China through a third place by the Corporation's subsidiary, Taiwan Cellular Co., Ltd.	US\$ 4,872 (NT\$ 147,217)	-	-	US\$ 4,872 (NT\$ 147,217)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ 62 (NT\$ 1,873)	US\$ 4,028 (NT\$ 121,714)	-

Accumulated Investment in Mainland China as of June 30, 2010	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2)
US\$1,300 (NT\$39,282)	US\$1,300 (NT\$39,282)	\$80,947
US\$4,872 (NT\$147,217)	US\$4,872 (NT\$147,217)	\$58,800,377

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.217, and RMB1 = NT\$4.5626 as of December 31, 2010.

Note 2: The indirect investment made by Taiwan Teleservices & Technologies Co., Ltd. and Taiwan Cellular Co., Ltd., subsidiaries of the Corporation.

Note 3: Calculation was based on unreviewed financial statements.

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
**BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**  
**YEAR ENDED DECEMBER 31, 2010**

**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	
0	Taiwan Mobile Co., Ltd.	Taiwan Digital Communications Co., Ltd.	1	Account receivable	630	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Account receivable	75,990	Based on regular terms	-
		TFN Media Co., Ltd.	1	Account receivable	86	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Account receivable	35	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Account receivable	77	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Account receivable	18	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Account receivable	101	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Account receivable	14	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Account receivable	(2)	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	33,055	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Other receivables	8,397,799	Based on regular terms	12%
		Taiwan Digital Communications Co., Ltd.	1	Other receivables	30,040	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	59,310	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other receivables	58	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	3,725,325	Based on regular terms	5%
		TFN Union Investment Co., Ltd.	1	Other receivables	23	Based on regular terms	-
		TCCI Investment and Development Co., Ltd.	1	Other receivables	23	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	62	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Prepayments	20	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	6,645,000	Based on regular terms	9%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	27	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Accounts payable	8,482	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	689	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Accrued expenses	42	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	5,850	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Accrued expenses	38,250	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	248,681	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	67,278	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Other payables	11	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other payables	13,774	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	147,841	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	691	Based on regular terms	-
Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	1,488	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Mangrove Cable TV Co., Ltd.	1	Other payables	179	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	2,760	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	305	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other payables	1,652	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	137	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	88,814	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other current liabilities	30	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	162	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	1,693	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other current liabilities	5,138	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Other current liabilities	584	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	3,609	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	1,011	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Other current liabilities	1,836	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	844	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	2,216,854	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	2,491	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	642	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	1,021	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	516	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,379	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	526	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating revenues	775	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Operating cost	400	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating cost	2,026,718	Based on regular terms	3%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating cost	710	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating cost	(124)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	171	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	1	Operating cost	9,930	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Operating expenses	40	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	32,850	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Operating expenses	38,250	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	87,824	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	841,765	Based on regular terms	1%
		TFN Media Co., Ltd.	1	Operating expenses	(6)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(20)	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	(38)	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	(7)	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(45)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(21)	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Operating expenses	5,408	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Interest income	235	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	55	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest income	28,252	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Interest income	40	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	28,651	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	34	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Fu Sin Media Technology 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 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	119,094	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	259	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	10,784	Based on regular terms	-
		TFN Union Investment Co., Ltd.	1	Rental income	17	Based on regular terms	-
		TCCI Investment and Development Co., Ltd.	1	Rental income	17	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	26	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	4,619	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	25,603	Based on regular terms	-
1	Wealth Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	272	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	20	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	235	Payment terms varied depend on the agreements	-
2	Taiwan Win TV Broadcasting Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	26	Based on regular terms	-
3	Tai Fu Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	55	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other payables	33,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	14	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Mobile Co., Ltd.	2	Interest expenses	55	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	272	Payment terms varied depend on the agreements	-
4	Global Wealth Media Technology Co., Ltd.	Wealth Media Technology Co., Ltd.	2	Other payables	4,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	34	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	20	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	2	Interest expenses	14	Payment terms varied depend on the agreements	-
5	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
6	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
7	Global Forest Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
8	Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	689	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	123,200	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,814,284	Based on regular terms	3%
		Taiwan Mobile Co., Ltd.	2	Short-term borrowing	8,370,000	Based on regular terms	12%
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	27,799	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Interest income	442	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	23,601	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Interest income	10,987	Based on regular terms	-
		TT&T Holdings	1	Miscellaneous revenue	95	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	28,252	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	35,837	Based on regular terms	-
9	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	213,039	Based on regular terms	-
		TFN HK	1	Account receivable	2	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Account receivable	11	Based on regular terms	-
		TFN Media Co., Ltd.	3	Account receivable	25,331	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Account receivable	66	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Account receivable	136	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Account receivable	139	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Account receivable	595	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Account receivable	198	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Account receivable	1,335	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	6,917,265	Based on regular terms	10%
		Win TV Broadcasting Co., Ltd.	3	Other receivables	576	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Union Cable TV Co., Ltd.	3	Other receivables	104	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	2	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Prepayments	114	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	75,530	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts payable	25,710	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	59,739	Based on regular terms	-
		TFN HK	1	Accrued expenses	35,368	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accrued expenses	9,533	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	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	31	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Accrued expenses	3,248	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Advance receipts	62	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Other current liabilities	79	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Guarantee deposits	288	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	2,091,036	Based on regular terms	3%
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	495	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	88,199	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	2,953	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	652	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	2,078	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	6,610	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	1,849	Based on regular terms	-
		Taiwan Kuro Times Co., Ltd.	3	Operating revenues	2,788	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	2,219,511	Based on regular terms	3%
		TFN HK	1	Operating cost	54,164	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating cost	24,774	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating cost	880	Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating cost	889	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating cost	69	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating cost	1,601	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	331	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	115,702	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Operating expenses	6	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	141,464	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Operating expenses	3,248	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	25,603	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest income	35,837	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	19,092	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Win TV Broadcasting Co., Ltd.	3	Rental income	442	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	3,683	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous expense	4,619	Based on regular terms	-
10	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	53	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Short-term borrowing	30,000	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	630	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	40	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	40	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	844	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	40	Based on regular terms	-
11	TCC Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	5,408	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Miscellaneous revenue	31	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	10,987	Based on regular terms	-
12	TCCI Investment and Development Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	23	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	17	Based on regular terms	-
13	Win TV Broadcasting Co., Ltd.	TFN Media Co., Ltd.	3	Note receivable	14,894	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Account receivable	179	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Account receivable	250	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Account receivable	788	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Accrued expenses	116	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	2	Accrued expenses	16	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	28	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	200	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Other payables	123,000	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Advance receipts	(42)	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Advance receipts	121	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Other current liabilities	24	Payment terms varied depend on the agreements	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	143	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		TFN Media Co., Ltd.	3	Operating revenues	58,978	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	500	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	3	Operating revenues	1,500	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	14,290	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,450	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	653	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	177	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	288	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	1,320	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	2	Operating expenses	47	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	89	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	182	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	442	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Interest expenses	176	Payment terms varied depend on the agreements	-
14	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Account receivable	25,710	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Account receivable	116	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Account receivable	18,061	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Account receivable	27,561	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Account receivable	8,374	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Account receivable	24,977	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Account receivable	9,545	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other receivables	139	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	16	Based on regular terms	-

(Continued)



Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Cellular Co., Ltd.	2	Prepayments	7	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Notes payable	14,894	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accounts payable	179	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	451	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accounts payable	3,984	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Accounts payable	1,274	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	959	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	475	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	998	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	24,948	Payment terms varied depend on the agreements and Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	9,284	Payment terms varied depend on the agreements and Based on regular terms	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	6,321	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	1	Accrued expenses	2,227	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	7,661	Payment terms varied depend on the agreements and Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	3,295	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	14,251	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	4,284	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Accrued expenses	6	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other payables	3,710,000	Payment terms varied depend on the agreements	5%
		Taiwan Cellular Co., Ltd.	2	Other payables	1,810,000	Payment terms varied depend on the agreements	3%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Union Cable TV Co., Ltd.	1	Other payables	595,000	Payment terms varied depend on the agreements	1%
		Yeong Jia Leh Cable TV Co., Ltd.	1	Other payables	313,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	582,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Other payables	220,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	24,774	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating revenues	1,320	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	246,881	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating revenues	475,602	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Co., Ltd.	1	Operating revenues	6,143	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	526,364	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	212,115	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	58,883	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating cost	34,943	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating cost	52,832	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating cost	10,514	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating cost	55,189	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating cost	22,131	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	337	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	86,389	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	100	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating expenses	2,687	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Operating expenses	4,736	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Co., Ltd.	1	Operating expenses	1,650	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	4,361	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	1,659	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	12,808	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,804	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Interest income	176	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	28,651	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	23,593	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	5,397	Payment terms varied depend on the agreements	-
		Yeong Jia Leh Cable TV Co., Ltd.	1	Interest expenses	2,816	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	5,164	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	1,834	Payment terms varied depend on the agreements	-
15	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	2,378	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	108	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	9,753	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	595,143	Payment terms varied depend on the agreements and Based on regular terms	1%
		Win TV Broadcasting Co., Ltd.	3	Prepayments	(42)	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Prepayments	46	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Refundable deposits	288	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	1,516	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	31	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	123	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	16,545	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,246	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	36,788	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	227,304	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	310	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	2,052	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	500	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	19,577	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	372	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,266	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	5,397	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	841	Based on regular terms	-
16	Yeong Jia Leh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	6,391	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	78	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	9,735	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	313,509	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other current assets	3	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other current assets	89	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current assets	79	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	22	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	3,787	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	250	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	161	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	182	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	139	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	23,281	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	288	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating revenues	221	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	736	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	350	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	889	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	54,779	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating cost	288	Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Operating cost	221	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating cost	736	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating cost	350	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	500	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	438,024	Payment terms varied depend on the agreements	1%
		Taiwan Mobile Co., Ltd.	2	Operating cost	472	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	291	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	37,577	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	643	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	358	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	1,002	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	2,816	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	2,789	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
17	Mangrove Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	90	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	20	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	3,374	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	127	Payment terms varied depend on the agreements and Based on regular terms	-
		Mangrove Cable TV Co., Ltd.	3	Prepayments	208	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other current assets	47	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current assets	218	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	282	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	1,328	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	30	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	103	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	7,046	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other current liabilities	31	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	69	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	11,121	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	14,242	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	1,903	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	287	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,763	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	4,240	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Mobile Co., Ltd.	2	Operating expenses	250	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	315	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	50	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,043	Based on regular terms	-
18	Phoenix Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	8,800	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	170	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	7,819	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	15	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	582,167	Payment terms varied depend on the agreements and Based on regular terms	1%
		Win TV Broadcasting Co., Ltd.	3	Prepayments	(99)	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	2,817	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Accrued expenses	788	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	(23)	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	574	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	22,160	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other current liabilities	2,723	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	108	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,601	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	57,364	Payment terms varied depend on the agreements	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	500	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	484,524	Payment terms varied depend on the agreements	1%

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Mobile Co., Ltd.	2	Operating cost	654	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	5,225	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	41,840	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	842	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,383	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	950	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	5,164	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Rental income	143	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	14	Based on regular terms	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	2,187	Based on regular terms	-
19	Globalview Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	1,230	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	31	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Account receivable	3,647	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	220,152	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other current assets	22	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	28	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	182	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accrued expenses	16	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	11	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	154	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	9,363	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	809	Based on regular terms	-

(Continued)



Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	352	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	22,880	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating cost	809	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating cost	500	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating cost	195,349	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	269	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	1,835	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	16,766	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	284	Payment terms varied depend on the agreements and Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	36	Payment terms varied depend on the agreements and Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	155	Payment terms varied depend on the agreements and Based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	1,834	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	910	Based on regular terms	-
20	Taiwan Kuro Times Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	12,156	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	599	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	678	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Advance receipts	210	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	9,934	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating cost	2,152	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating cost	(134)	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	643	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	7	Based on regular terms	-
21	TWM Communications (Beijing) Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	52,571	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	3,239	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	40,144	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	3,320	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	102	Based on regular terms	-
22	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	67,306	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
		Taiwan Fixed Network Co., Ltd.	3	Account receivable	9,533	Based on regular terms	-
		TT&T Holdings	1	Accrued expenses	5,808	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	841,304	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	141,464	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		TT&T Holdings	1	Operating expenses	85,329	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	3	Operating expenses	150	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	1,171	Based on regular terms	-
23	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Account receivable	5,850	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	32,850	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
24	TT&T Holdings	Taiwan Teleservices & Technologies Co., Ltd.	2	Account receivable	5,776	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Other receivables	2,414	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Accounts payable	5,002	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	85,425	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	102	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Operating expenses	72,625	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Co., Ltd.	1	Miscellaneous revenue	4,330	Based on regular terms	-
25	Xiamen Taifu Teleservices & Technologies Co., Ltd.	TT&T Holdings	2	Account receivable	5,002	Based on regular terms	-
		TT&T Holdings	2	Other payables	2,528	Based on regular terms	-
		TT&T Holdings	2	Operating revenues	72,571	Based on regular terms	-
26	TFN HK	Taiwan Fixed Network Co., Ltd.	2	Account receivable	33,138	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	53,110	Based on regular terms	-
27	TFN Union Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	23	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	17	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**  
**YEAR ENDED DECEMBER 31, 2009**

**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	Taiwan Mobile Co., Ltd.	Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	\$ 19,347	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	46	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	17	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	39	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	9	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	51	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	11	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Other receivables	45,065	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Other receivables	3,500,000	Based on regular terms	4%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	53,418	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other receivables	28	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,003,836	Based on regular terms	2%
		TFN Union Investment Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		TCCI Investment & Development Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	212	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Prepayments	21	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	14	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	275	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	4,300	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	265,004	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	65,790	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other payables	5,508	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	176,836	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	476	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	1,253	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	361	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	1,720	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	297	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	175	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	83,059	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	893	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	2,638	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other current liabilities	693	Based on regular terms	-
Phoenix Cable TV Co., Ltd.	1	Other current liabilities	1,851	Based on regular terms	-		
Globalview Cable TV Co., Ltd.	1	Other current liabilities	779	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	Guarantee deposits	\$ 830	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	2,276,319	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	642	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	605	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	101	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	803	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	438	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,105	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	449	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	1,404,455	Based on regular terms	2%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	971	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	171	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	34,304	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	91,612	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	860,420	Based on regular terms	1%
		TFN Investment Co., Ltd.	1	Operating expenses	3,157	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	(549)	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(497)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(10)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(23)	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	(3)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(29)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(11)	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Interest income	69	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	40,132	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest income	371	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	2,893	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	34	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Global Forest Media Technology Co., Ltd.	1	Rental income	37	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	119,447	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Reach & Range Inc.	1	Rental income	34	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Rental income	173	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	10,784	Based on regular terms	-
		TFN Union Investment Co., Ltd.	1	Rental income	6	Based on regular terms	-
		TCCI Investment & Development Co., Ltd.	1	Rental income	6	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Rental income	14	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	3,221	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	16,869	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.	Tai Fu Media Technology Co., Ltd.	1	Other receivables	\$ 45,065	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	65	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other payables	45,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	69	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	69	Payment terms varied depend on the agreements	-
2	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,000	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Accrued expenses	65	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Other payables	45,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	37	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	40,132	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	69	Payment terms varied depend on the agreements	-
3	Global Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	2	Other payables	4,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	34	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	2	Interest expenses	37	Payment terms varied depend on the agreements	-
4	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
5	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
6	Global Forest Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	37	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	
7	Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	\$ 275	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Other receivables	100	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Other receivables	100	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other receivables	100	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	4,679,014	Based on regular terms	5%
		TCC Investment Co., Ltd.	1	Other receivables	2,274,467	Based on regular terms	3%
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	8,040,000	Based on regular terms	9%
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	15,329	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other payables	3,500,000	Based on regular terms	4%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	15,056	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Interest income	4,467	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	371	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	16,667	Based on regular terms	-
8	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Notes receivable	39	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts receivable	257,097	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Accounts receivable	10	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	12,581	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	62	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	99	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Accounts receivable	265	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	599	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	211	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	267,490	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Other receivables	8,055,329	Based on regular terms	9%
		Union Cable TV Co., Ltd.	3	Other receivables	8	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	3	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Prepayments	152	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	19,021	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts payable	12,195	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	53,744	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Accrued expenses	2,883	Based on regular terms	-
		TFN HK	1	Accrued expenses	8,660	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	11,240	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accrued expenses	113	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other payables	12,805	Based on regular terms	-
Taiwan Mobile Co., Ltd.	2	Advance receipts	212	Based on regular terms	-		
Taiwan Mobile Co., Ltd.	2	Operating revenues	1,464,178	Based on regular terms	2%		
WinTV Broadcasting Co., Ltd.	3	Operating revenues	506	Based on regular terms	-		
TFN Media Co., Ltd.	3	Operating revenues	66,972	Based on regular terms	-		
Union Cable TV Co., Ltd.	3	Operating revenues	1,523	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 Jialeh Cable TV Co., Ltd.	3	Operating revenues	\$ 650	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	1,833	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	5,282	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	800	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	2,273,452	Based on regular terms	3%
		TFNHK	1	Operating costs	29,292	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	426	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating costs	24,390	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	1,298	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	362	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating costs	51	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	1,949	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	352	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	117,457	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Operating expenses	2,883	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	156,273	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	20	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	16,869	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest income	16,667	Based on regular terms	-
		TFN Media Co., Ltd.	3	Interest income	11,162	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	21,305	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Rental income	91	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Rental income	31	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	5,720	Based on regular terms	-
		TFN Media Co., Ltd.	3	Miscellaneous revenue	1,268	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous expense	3,221	Based on regular terms	-
9	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
10	TCC Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Prepayments	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Short-term borrowing	2,270,000	Based on regular terms	3%
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	4,467	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	14	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	1,984	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	4,467	Based on regular terms	-
11	TCCI Investment & Development Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	6	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	6	Based on regular terms	-
12	WinTV Broadcasting Co., Ltd.	TFN Media Co., Ltd.	3	Notes receivable	19,781	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Accounts receivable	50	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	28	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	\$ (9)	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other payables	307,116	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Advance receipts	48	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	56,566	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	335	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	14,263	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	231	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	121	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	425	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	82	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	752	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Operating expenses	770	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Interest expenses	1,348	Payment terms varied depend on the agreements	-
13	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	25,000	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Accounts receivable	116	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	67,651	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	115,567	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts receivable	5,808	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	134,306	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	52,737	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	
		WinTV Broadcasting Co., Ltd.	3	Other receivables	\$ 307,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Prepayments	1	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current assets	16	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Notes payable	14,836	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Accrued expenses	50	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	9,014	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	12,204	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	3,882	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,822	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	3,187	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	1,874	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,998	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	1,986	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other payables	2,000,000	Payment terms varied depend on the agreements	2%
		Taiwan Cellular Co., Ltd.	2	Other payables	4,670,000	Payment terms varied depend on the agreements	5%
		Union Cable TV Co., Ltd.	1	Other payables	700,000	Payment terms varied depend on the agreements	1%
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	360,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	680,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Other payables	200,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	24,390	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating revenues	770	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
		Union Cable TV Co., Ltd.	1	Operating revenues	\$ 231,708	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	426,306	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Corporation	1	Operating revenues	17,096	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	502,181	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	200,971	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	56,518	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating costs	36,809	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	1,350	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	51,155	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	18,242	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	59,237	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	21,968	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	299	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	64,707	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	3,489	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating expenses	48	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	64	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	11,384	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	2,522	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	2,765	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	1,538	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
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	\$ 3,461	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	1,064	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Interest income	1,348	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Miscellaneous revenue	20	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	2,893	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	15,056	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Interest expenses	11,162	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	43,524	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	10,210	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	3,593	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	3,198	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	2,269	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	8,599	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	4,714	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	2	Interest expenses	1,984	Payment terms varied depend on the agreements	-
14	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,345	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	5,767	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	700,055	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	53,205	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	18	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	
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	\$ 113	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	14,446	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	258	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,298	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	38,505	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	299	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	414	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	212,096	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating expenses	19,611	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	320	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,286	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	10,210	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	826	Based on regular terms	-
15	Yeong Jialeh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	3,494	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	3,020	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	360,127	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other current assets	40	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	22	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	97,917	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	61	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	16	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	40	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	
		WinTV Broadcasting Co., Ltd.	3	Other payables	\$ 50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	17,650	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	655	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	1,955	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,155	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	739	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	362	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	52,635	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	386	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	913	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating costs	1,955	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	1,476	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	739	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	256	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	388,009	Payment terms varied depend on the agreements	1%
		WinTV Broadcasting Co., Ltd.	3	Operating expenses	35	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	38,297	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	439	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	391	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,198	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,284	Based on regular terms	-
16	Mangrove Cable TV Corporation	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,021	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,786	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	87	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	120	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	517	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	132	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 Mobile Co., Ltd.	2	Accrued expenses	\$ 9	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Other payables	50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	5,291	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	51	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	18,643	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	220	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,369	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	14,263	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	517	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	387	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	16,579	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	184	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	2,269	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,137	Based on regular terms	-
17	Phoenix Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	3,506	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	113	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,859	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	680,139	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	115,122	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	53	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	580	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	19,184	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	321	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,949	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	Operating revenues	\$ 61,044	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	490	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	3,703	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	459,667	Payment terms varied depend on the agreements	1%
		TFN Media Co., Ltd.	2	Operating expenses	42,514	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	644	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,579	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	8,599	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Rental income	171	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,653	Based on regular terms	-
18	Globalview Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,059	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,933	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	200,036	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other current assets	18	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	30	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	45,862	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	163	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Accrued expenses	50	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	11	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	6,876	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	352	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	22,465	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
		Taiwan Mobile Co., Ltd.	2	Operating costs	\$ 254	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	182,643	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	713	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	117	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	18,327	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	206	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	4,714	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	567	Based on regular terms	-
19	Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	1,350	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	57	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	45	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,593	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	64	Based on regular terms	-
20	TWM Communications (Beijing) Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	5,507	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	2,901	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	2,974	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	102	Based on regular terms	-
21	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	65,804	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	11,240	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Accrued expenses	7,812	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	859,350	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	156,205	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	52,126	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	34,448	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	(68)	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	2,007	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
22	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	\$ 4,300	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	34,304	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	1	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
23	TT&T Holdings	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	7,799	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Accounts payable	5,192	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	52,767	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	103	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	33,953	Based on regular terms	-
24	Xiamen Taifu Teleservices & Technologies Ltd.	TT&T Holdings Co., Ltd.	2	Accounts receivable	5,192	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		TT&T Holdings Co., Ltd.	2	Operating revenues	33,944	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	33,919	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	103	Based on regular terms	-
25	TFN HK LIMITED	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	8,312	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	28,414	Based on regular terms	-
26	TFN Union Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	6	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	6	Based on regular terms	-
27	TFN Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	36	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	43,524	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	3,157	Based on regular terms	-
28	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Operating revenues	426	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	170	Based on regular terms	-

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

Concluded)