

# **Taiwan Mobile Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2009 and 2008 and  
Independent Accountants' Review Report**

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. (the "Corporation") and subsidiaries as of June 30, 2009 and 2008, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the six months then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to issue a report based on our reviews.

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

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the Republic of China.

As stated in Note 3 of the consolidated financial statements, in March 2007, the Accounting Research and Development Foundation issued an interpretation that requires companies to recognize employees bonuses and remuneration paid to directors and supervisors as expenses starting from January 1, 2008. The mentioned bonuses and remuneration were previously recorded as appropriations from earnings.

July 17, 2009

### 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China*

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**JUNE 30, 2009 AND 2008**
**(In Thousands of New Taiwan Dollars, Except Par Value)**
**(Reviewed, Not Audited)**

ASSETS	2009		2008		LIABILITIES AND SHAREHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Notes 2, 4 and 25)	\$ 6,503,838	7	\$ 4,257,660	5	Short-term borrowings (Note 14)	\$ -	-	\$ 9,950,000	11
Available-for-sale financial assets - current (Notes 2 and 5)	317,414	-	314,709	1	Short-term notes and bills payable (Note 15)	-	-	996,918	1
Hedging derivative financial assets - current (Notes 2, 24 and 28)	53,923	-	-	-	Notes payable	118,277	-	36,674	-
Notes receivable	34,663	-	31,792	-	Accounts payable (Note 25)	3,170,997	3	3,234,054	3
Accounts receivable - third parties (Notes 2 and 6)	6,717,924	7	6,788,197	7	Income taxes payable (Notes 2 and 21)	2,200,125	2	2,506,432	3
Accounts receivable - related parties (Notes 2 and 25)	216,772	-	170,676	-	Accrued expenses	5,238,605	6	5,150,157	6
Other receivables (Note 25)	417,047	1	265,103	-	Other payables (Note 2)	17,780,265	19	11,949,352	13
Inventories (Note 2)	287,692	-	200,236	-	Advance receipts (Note 16)	1,698,804	2	1,987,146	2
Prepayments (Note 25)	669,501	1	749,191	1	Current portion of long-term liabilities (Notes 17 and 24)	7,500,000	8	2,500,000	3
Deferred income tax assets - current (Notes 2 and 21)	438,051	1	274,067	-	Guarantee deposits - current	63,390	-	78,145	-
Pledged time deposits (Notes 25 and 26)	37,157	-	46,965	-	Deferred income tax liability - current (Notes 2 and 21)	-	-	5,560	-
Other current assets	10,662	-	18,251	-	Other current liabilities	472,642	1	519,378	-
<b>Total current assets</b>	<b>15,704,644</b>	<b>17</b>	<b>13,116,847</b>	<b>14</b>	<b>Total current liabilities</b>	<b>38,243,105</b>	<b>41</b>	<b>38,913,816</b>	<b>42</b>
<b>INVESTMENTS</b>					<b>LONG-TERM LIABILITIES</b>				
Investments accounted for using the equity method (Notes 2 and 7)	224,324	-	-	-	Bonds payable (Notes 17 and 24)	8,000,000	9	7,500,000	8
Hedging derivative financial assets - non-current (Notes 2, 24 and 28)	-	-	2,486	-	Long-term borrowings (Note 18)	-	-	900,000	1
Financial assets carried at cost - non-current (Notes 2 and 8)	2,498,980	3	2,515,168	3	<b>Total long-term liabilities</b>	<b>8,000,000</b>	<b>9</b>	<b>8,400,000</b>	<b>9</b>
Bond measured at amortized cost - non-current (Notes 2 and 9)	500,000	-	500,000	-	<b>OTHER LIABILITIES</b>				
<b>Total investments</b>	<b>3,223,304</b>	<b>3</b>	<b>3,017,654</b>	<b>3</b>	Accrued pension cost (Notes 2 and 19)	-	-	2,206	-
<b>PROPERTY AND EQUIPMENT (Notes 2 and 10)</b>					Guarantee deposits	325,486	-	360,518	1
Cost					Deferred income tax liability - non-current (Notes 2 and 21)	124,940	-	108,592	-
Land	6,097,370	7	6,169,969	7	Other (Note 2)	566,675	1	19,744	-
Buildings	3,921,749	4	4,057,003	4	<b>Total other liabilities</b>	<b>1,017,101</b>	<b>1</b>	<b>491,060</b>	<b>1</b>
Telecommunication equipment	64,163,793	70	63,962,734	69	<b>Total liabilities</b>	<b>47,260,206</b>	<b>51</b>	<b>47,804,876</b>	<b>52</b>
Office equipment	175,205	-	207,456	-	<b>SHAREHOLDERS' EQUITY (Notes 2 and 20)</b>				
Leased assets	1,285,920	2	1,276,190	1	Parent's shareholders' equity				
Miscellaneous equipment	2,172,606	2	2,353,568	3	Capital stock - NT\$10 par value				
Total cost	77,816,643	85	78,026,920	84	Authorized: 6,000,000 thousand shares				
Less accumulated depreciation	(32,616,332)	(36)	(30,873,733)	(33)	Issued: 3,800,925 thousand shares	38,009,254	41	38,009,254	41
Construction in progress and prepayments for equipment	2,560,187	3	2,373,329	3	Capital surplus				
<b>Net property and equipment</b>	<b>47,760,498</b>	<b>52</b>	<b>49,526,516</b>	<b>54</b>	From convertible bonds	8,775,819	10	8,775,819	9
<b>INTANGIBLE ASSETS (Note 2)</b>					From treasury stock transactions	3,582,980	4	3,493,759	4
3G concession	7,103,236	8	7,850,946	8	From long-term investments	1,165	-	1,313	-
Computer software cost	85,484	-	83,327	-	Other	12,840	-	-	-
Goodwill (Note 11)	10,486,569	12	10,482,669	11	Retained earnings				
Other intangible assets					Legal reserve	13,943,913	15	12,406,775	13
Customer relationship (Note 11)	2,599,151	3	2,773,932	3	Special reserve	3,350,000	4	3,406,744	4
Operating rights (Note 11)	1,382,000	1	1,382,000	2	Unappropriated earnings	9,126,789	10	10,504,839	11
Other intangible assets	30,087	-	15,916	-	Other equity				
<b>Total intangible assets</b>	<b>4,011,238</b>	<b>4</b>	<b>4,171,848</b>	<b>5</b>	Cumulative translation adjustments	18,644	-	(11,671)	-
<b>OTHER ASSETS</b>					Net loss not recognized as pension cost	2,862	-	1,534	-
Assets leased to others (Notes 2 and 12)	443,429	1	507,851	1	Unrealized gains on financial instruments	53,559	-	21,664	-
Idle assets (Notes 2 and 12)	312,690	-	268,462	-	Treasury stock	(32,269,888)	(35)	(31,889,100)	(34)
Refundable deposits	397,481	-	396,145	1	Minority interest	44,607,937	49	44,720,930	48
Deferred charges (Notes 2 and 13)	428,895	1	305,957	-		9,185	-	35,726	-
Deferred income tax assets - non-current (Notes 2 and 21)	1,791,851	2	2,709,751	3	<b>Total shareholders' equity</b>	<b>44,617,122</b>	<b>49</b>	<b>44,756,656</b>	<b>48</b>
Other (Notes 2, 19, 25 and 26)	128,009	-	123,559	-	<b>TOTAL</b>	<b>\$91,877,328</b>	<b>100</b>	<b>\$92,561,532</b>	<b>100</b>
<b>Total other assets</b>	<b>3,502,355</b>	<b>4</b>	<b>4,311,725</b>	<b>5</b>					
<b>TOTAL</b>	<b>\$91,877,328</b>	<b>100</b>	<b>\$92,561,532</b>	<b>100</b>					

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

(With Deloitte &amp; Touche review report dated July 17, 2009)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2009 AND 2008

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 25)	\$ 34,231,827	100	\$ 34,749,439	100
OPERATING COSTS (Notes 2, 23 and 25)	<u>16,792,688</u>	<u>49</u>	<u>15,525,329</u>	<u>44</u>
GROSS PROFIT	<u>17,439,139</u>	<u>51</u>	<u>19,224,110</u>	<u>56</u>
OPERATING EXPENSES (Notes 2, 23 and 25)				
Marketing	4,964,082	15	5,498,612	16
Administrative	<u>2,415,073</u>	<u>7</u>	<u>2,400,577</u>	<u>7</u>
Total operating expenses	<u>7,379,155</u>	<u>22</u>	<u>7,899,189</u>	<u>23</u>
OPERATING INCOME	<u>10,059,984</u>	<u>29</u>	<u>11,324,921</u>	<u>33</u>
NON-OPERATING INCOME AND GAINS				
Income from penalty charge	128,451	1	105,602	-
Rental income (Notes 2 and 25)	36,900	-	35,103	-
Interest income (Note 2)	9,754	-	65,359	-
Gain on disposal of property and equipment (Note 2)	40	-	1,037	-
Gain on disposal of investments, net (Note 2)	-	-	262,759	1
Other (Notes 2 and 6)	<u>106,365</u>	<u>-</u>	<u>145,390</u>	<u>1</u>
Total non-operating income and gains	<u>281,510</u>	<u>1</u>	<u>615,250</u>	<u>2</u>
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Note 2)	865,239	2	576,651	2
Interest expenses (Notes 2 and 10)	224,195	1	369,738	1
Investment loss recognized under the equity method, net (Notes 2 and 7)	25,176	-	-	-
Impairment loss (Notes 2 and 8)	16,188	-	11,532	-
Other (Note 2)	<u>58,368</u>	<u>-</u>	<u>52,690</u>	<u>-</u>
Total non-operating expenses and losses	<u>1,189,166</u>	<u>3</u>	<u>1,010,611</u>	<u>3</u>
INCOME BEFORE INCOME TAX	9,152,328	27	10,929,560	32
INCOME TAX EXPENSE (Notes 2 and 21)	<u>2,291,339</u>	<u>7</u>	<u>2,756,648</u>	<u>8</u>
CONSOLIDATED NET INCOME	<u>\$ 6,860,989</u>	<u>20</u>	<u>\$ 8,172,912</u>	<u>24</u>

(Continued)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2009 AND 2008

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
ATTRIBUTED TO				
Shareholders of the parent	\$ 6,860,034	20	\$ 8,160,212	24
Minority interest	<u>955</u>	<u>-</u>	<u>12,700</u>	<u>-</u>
	<u>\$ 6,860,989</u>	<u>20</u>	<u>\$ 8,172,912</u>	<u>24</u>
	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 2.94</u>	<u>\$ 2.31</u>	<u>\$ 3.54</u>	<u>\$ 2.76</u>
Diluted	<u>\$ 2.93</u>	<u>\$ 2.31</u>	<u>\$ 3.54</u>	<u>\$ 2.76</u>

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

(With Deloitte & Touche review report dated July 17, 2009)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**SIX MONTHS ENDED JUNE 30, 2009 AND 2008**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Capital Stock	Capital Surplus	Retained Earnings				Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain (Loss) on Financial Instruments	Treasury Stock	Minority Interest	Total Shareholders' Equity
			Legal Reserve	Special Reserve	Unappropriated	Total						
BALANCE, JANUARY 1, 2009	\$ 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 for the six months ended June 30, 2009	-	-	-	-	6,860,034	6,860,034	-	-	-	-	955	6,860,989
Adjustments on change of equity in equity-method investments	-	-	-	-	-	-	804	-	71,573	-	-	72,377
Transfer of treasury stock to employees	-	(2,035)	-	-	-	-	-	-	-	678,944	-	676,909
Unrealized losses on financial instruments, net	-	-	-	-	-	-	-	-	(12,117)	-	-	(12,117)
Compensation cost recognized from employee stock options	-	77,000	-	-	-	-	-	-	-	-	-	77,000
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(592)	(592)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(25,113)	(25,113)
<b>BALANCE, JUNE 30, 2009</b>	<b>\$ 38,009,254</b>	<b>\$ 12,372,804</b>	<b>\$ 13,943,913</b>	<b>\$ 3,350,000</b>	<b>\$ 9,126,789</b>	<b>\$ 26,420,702</b>	<b>\$ 18,644</b>	<b>\$ 2,862</b>	<b>\$ 53,559</b>	<b>\$ (32,269,888)</b>	<b>\$ 9,185</b>	<b>\$ 44,617,122</b>
BALANCE, JANUARY 1, 2008	\$ 38,009,254	\$ 8,785,159	\$ 11,745,475	\$ 3,493,563	\$ 10,720,230	\$ 25,959,268	\$ 5,764	\$ 1,534	\$ (64,043)	\$ (40,844,007)	\$ 552,231	\$ 32,405,160
Appropriation of the 2007 earnings												
Legal reserve	-	-	661,300	-	(661,300)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(86,819)	86,819	-	-	-	-	-	-	-
Remuneration to directors and supervisors	-	-	-	-	(18,116)	(18,116)	-	-	-	-	-	(18,116)
Bonus to employees - cash	-	-	-	-	(181,155)	(181,155)	-	-	-	-	-	(181,155)
Cash dividends - NT\$2.54326 per share	-	-	-	-	(7,601,851)	(7,601,851)	-	-	-	-	-	(7,601,851)
Balance after appropriation	38,009,254	8,785,159	12,406,775	3,406,744	2,344,627	18,158,146	5,764	1,534	(64,043)	(40,844,007)	552,231	24,604,038
Consolidated net income for the six months ended June 30, 2008	-	-	-	-	8,160,212	8,160,212	-	-	-	-	12,700	8,172,912
Adjustments on change of equity in equity-method investments	-	-	-	-	-	-	(17,435)	-	11,198	-	-	(6,237)
Disposal of the Corporation's shares held by subsidiaries	-	3,485,732	-	-	-	-	-	-	-	8,954,907	-	12,440,639
Unrealized gains on financial instruments, net	-	-	-	-	-	-	-	-	74,509	-	-	74,509
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,148)	(1,148)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(528,057)	(528,057)
<b>BALANCE, JUNE 30, 2008</b>	<b>\$ 38,009,254</b>	<b>\$ 12,270,891</b>	<b>\$ 12,406,775</b>	<b>\$ 3,406,744</b>	<b>\$ 10,504,839</b>	<b>\$ 26,318,358</b>	<b>\$ (11,671)</b>	<b>\$ 1,534</b>	<b>\$ 21,664</b>	<b>\$ (31,889,100)</b>	<b>\$ 35,726</b>	<b>\$ 44,756,656</b>

Note: The bonus to employees of \$41,470 thousand and the remuneration to directors and supervisors of \$414,697 thousand have been expensed and deducted from 2008 earnings.

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

(With Deloitte & Touche review report dated July 17, 2009)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 6,860,989	\$ 8,172,912
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,831,044	3,485,646
Loss on disposal and retirement of property and equipment, net	865,199	575,614
Amortization	543,745	551,778
Deferred income taxes	439,808	114,461
Bad debts	303,091	322,428
Compensation cost recognized from employee stock options	77,000	-
Investment loss recognized under the equity method, net	25,176	-
Impairment loss	16,188	11,532
Reversal of allowance for loss on inventories	(9,525)	(167)
Pension cost	1,784	(742)
Gain on disposal of investments, net	-	(262,759)
Amortization of long-term notes payable	-	9,660
Other	9,782	17,621
Net changes in operating assets and liabilities		
Financial assets held for trading	-	131,973
Notes receivable	31,926	53,311
Accounts receivable - third parties	(637,519)	(323,511)
Accounts receivable - related parties	16,257	(50,042)
Other receivables	8,600	(22,578)
Long-term capital lease receivables	1,443	(58,991)
Inventories	82,031	(40,250)
Prepayments	154,029	19,942
Other current assets	1,991	4,671
Notes payable	(66,387)	(189,109)
Accounts payable	(77,097)	401,308
Income taxes payable	(598,227)	789,921
Accrued expenses	(210,241)	(163,012)
Other payables	(159,767)	312,901
Advance receipts	(585,490)	(6,512)
Other current liabilities	<u>43,470</u>	<u>14,819</u>
Net cash provided by operating activities	<u>10,969,300</u>	<u>13,872,825</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(3,593,749)	(2,719,324)
Increase in deferred charges	(153,787)	(72,309)
Acquisition of subsidiaries	(11,066)	(130,248)
Decrease in other assets	10,034	133
Increase in computer software costs and other intangible assets	(7,167)	(4,556)
Proceeds from investees' capital reduction	5,356	2,688

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# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
Decrease (increase) in refundable deposits	\$ (4,043)	\$ 9,586
Increase in goodwill	(3,742)	(1,222,018)
Decrease in pledged time deposits	358	741
Proceeds from disposal of property and equipment	40	50,026
Proceeds from disposal of available-for-sale financial assets	<u>-</u>	<u>2,089,511</u>
Net cash used in investing activities	<u>(3,757,766)</u>	<u>(1,995,770)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in long-term borrowings	(5,200,000)	-
Transfer of treasury stock to employees	676,909	-
Decrease in guarantee deposits	(25,536)	(7,168)
Capital return to minority interest	(21,401)	-
Decrease in minority interest	(3,474)	(7,274,668)
Cash dividends paid to minority interest	(592)	(1,148)
Proceeds from disposal of treasury stock	-	13,509,828
Capital reduction	-	(9,434,444)
Decrease in short-term borrowings	-	(9,390,000)
Repayment of long-term notes payable	-	(2,450,000)
Increase in long-term borrowings	-	900,000
Decrease in short-term notes and bills payable	<u>-</u>	<u>(597,835)</u>
Net cash used in financing activities	<u>(4,574,094)</u>	<u>(14,745,435)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>(1,664)</u>	<u>(5,661)</u>
ACQUISITION OF CASH AND CASH EQUIVALENTS FROM SUBSIDIARIES	<u>-</u>	<u>103,610</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,635,776	(2,770,431)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>3,868,062</u>	<u>7,028,091</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 6,503,838</u>	<u>\$ 4,257,660</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ 93,370	\$ 493,271
Less interest capitalized	<u>7,791</u>	<u>6,321</u>
Interest paid - excluding interest capitalized	<u>\$ 85,579</u>	<u>\$ 486,950</u>
Income tax paid	<u>\$ 2,740,468</u>	<u>\$ 1,545,265</u>

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# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 7,500,000</u>	<u>\$ 2,500,000</u>
Dividends payable	<u>\$13,968,864</u>	<u>\$ 7,601,851</u>
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	\$ 2,767,350	\$ 2,514,775
Decrease in other payables	760,509	200,300
Decrease in other liabilities - other	64,048	-
Decrease in notes payable	<u>1,842</u>	<u>4,249</u>
Cash paid for acquisition of property and equipment	<u>\$ 3,593,749</u>	<u>\$ 2,719,324</u>

The Corporation acquired 100% of TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.)'s shares on April 24, 2008. The fair values of the assets and liabilities upon acquisition were as follows:

Cash	\$ 103,610
Accounts receivable	46,443
Prepayments	1,590
Other current assets	320
Property and equipment	2,727
Intangible assets	50
Other assets	<u>146</u>
	<u>154,886</u>
Accounts payable	7,841
Accrued expenses	844
Other payables	6,326
Advance receipts	16,595
Other current liabilities	<u>270</u>
	<u>31,876</u>
Net	123,010
Percentage of equity interest	<u>100%</u>
	123,010
Add goodwill	29,193
Less investment payable	<u>(21,955)</u>
Cash paid for acquisition of TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.)	<u>\$ 130,248</u>

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

(With Deloitte & Touche review report dated July 17, 2009)

(Concluded)

# TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2009 AND 2008 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 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 trading 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. 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 June 30, 2009 and 2008, the Corporation and subsidiaries had 4,438 and 4,523 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 these guidelines, and principles, 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.

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

#### Consolidation

##### a. Basis of consolidation

The consolidated financial statements have been prepared in accordance with the Statement of Financial Accounting Standards (SFAS) No. 7, "Consolidated Financial Statements," and included the financial statements of the Corporation, its direct and indirect subsidiaries with at least 50% shareholding and other investees controlled by the Corporation. As obtaining the majority of the shareholder's equity of the subsidiaries during the year, the company starts to consolidate the related revenues and expenses of the subsidiaries since the date of having 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:

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of June 30		Note
			2009	2008	
Corporation	TransAsia Telecommunications Inc. (TAT)	Wireless service provider	-	100.00	Merged into the Corporation on September 2, 2008
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	-
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	-	Established on December 26, 2008
GWMT	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV SO (System Operator)	6.694	6.179	-
FSMT	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV SO (system Operator)	3.34	3.34	-
Corporation	Taiwan Cellular Co., Ltd. (TCC)	Equipment installation and IT service	100.00	100.00	-
TCC	Tai Yi Digital Broadcasting Co., Ltd. (TYDB)	Broadcasts business and cell phone number agency	-	49.90	Liquidated on February 28, 2009
TCC	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed network service	100.00	100.00	As of June 30, 2009, TFN and TFNI owned the Corporation's 811,918 thousand shares, representing 21.36% shareholding.
TCC	Taiwan Digital Communications Co., Ltd. (TDC)	Communication service	100.00	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.)	Mobile application development and design	100.00	100.00	100% acquired by TWM Holding and consolidated into financial statements on April 24, 2008
TCC	Taiwan Teleservices & Technologies Co., Ltd. (the former TT&T)	Call center service	-	100.00	Merged into TT&T on September 1, 2008
The former TT&T	TT&T Casualty & Property Insurance Agency Co., Ltd. (TCPIA)	Insurance agency	-	-	Liquidated on March 15, 2008
The former TT&T	TT&T Life Insurance Agency Co., Ltd. (TLIA)	Insurance agency	-	-	Liquidated on May 15, 2008
TT&T	Taiwan Super Basketball Co., Ltd. (TSB)	Basketball team management and related business	100.00	100.00	(Note 1)
TT&T	TT&T Holdings Co., Ltd. (TT&T Holding)	Investment	100.00	100.00	(Note 1)
TT&T Holding	Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	100.00	100.00	-
TFN	Taiwan United Communication Co., Ltd. (TUC)	Communication service	-	-	Merged into TFN on January 1, 2008
TUC	Taiwan Telecommunication Network Services Co., Ltd. (TTN)	Telecommunications	-	99.53	Merged into TFN on August 1, 2008.

(Continued)

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of June 30		Note
			2009	2008	
TFN	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and international simple resale (ISR)	100.00	100.00	Formerly VoPier Communications (Taiwan) Co., Ltd. (VoPier) merged the former TT&T on September 1, 2008 with VoPier as the remaining company and renamed as Taiwan Teleservices & Technologies Co., Ltd. (Note 2)
TFN	TFN Investment Co., Ltd. (TFNI)	Investment	100.00	100.00	-
TFN	TFN HK Ltd.	Telecommunications	100.00	100.00	-
TFNI	Reach & Range Inc. (R&R)	Telecom equipment sales and maintenance	-	100.00	Merged into TFN on May 1, 2009
TFNI	Win TV Broadcasting Co., Ltd. (WTVB)	TV program producing	98.50	98.50	-
TFNI	TFN Media Co., Ltd. (TFNM)	Cable broadband service	100.00	100.00	-
TFNM	Union Cable TV Co., Ltd. (UCTV)	Cable TV SO (System Operator)	99.99	99.99	-
TFNM	Shin Ho Cable TV Co., Ltd. (SHCTV)	Cable TV SO (System Operator)	100.00	100.00	Some shares held under trustee accounts
TFNM	Yeong Jialeh Cable TV Co., Ltd. (YJCTV)	Cable TV SO (System Operator)	100.00	100.00	-
TFNM	Mangrove Cable TV Corporation (MCTV)	Cable TV SO (System Operator)	100.00	100.00	Some shares held under trustee accounts
TFNM	North Coast Cable TV Co., Ltd. (NCCTV)	Cable TV SO (System Operator)	-	100.00	Liquidated on October 1, 2008
TFNM	PCTV	Cable TV SO (System Operator)	96.66	96.66	-
TFNM	GCTV	Cable TV SO (System Operator)	92.38	92.38	-

Note 1: Became a subsidiary of TT&T, which merged the former TT&T on September 1, 2008.

Note 2: Became a subsidiary of TFN, which merged TTN on August 1, 2008.

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 assets value on the balance sheets 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 to 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.

An impairment loss is recognized if there is 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 experiences 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 are stated at the lower of the cost or market value. Market value is 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 exercise significant influence on an investee are accounted for under equity method.

In accordance with the 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 assets 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 assets value is also no longer amortized and applies the same accounting treatment as goodwill.

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

### **Financial Assets Carried at Cost**

If there is no active market for an equity instrument and a reliable fair value can not 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 for 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 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. This reversal should not result in the carrying amount of the financial asset exceeding the amortized cost that would have been determined had no impairment loss been recognized.

### **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, according to the Accounting Research and Development Foundation (ARDF) issued the Interpretation No. 2008-340 in November 2008.

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 - 2 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 2 to 5 years.

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 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 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 goodwill impairment due to certain circumstances.

### **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, which include interior decoration costs, bond issuance costs, and arrangement fees for syndicated bank loans are amortized by the straight-line method over three to seven years.

## **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**

For the grant date of the employee stock options which falls on or after January 1, 2008 should apply SFAS No. 39 - "Accounting for Share-based Payment". The value of stock option granted, the product of the number of vested stock options multiplies by the fair value of the option on grant date, shall be expensed over the vesting period, and to increase "capital surplus - employee stock options" by the same amount accordingly.

## **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 flow-through 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.

## **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 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 on 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 on 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 on 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 on 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.

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 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 earnings 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/liabilities (hedged position).

The Corporation entered into interest rate swaps (IRS) contracts to hedge against cash flow risk from inverse floating interest rates of liabilities, thus 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 objective evidence that the net loss recognized in shareholders' equity is expected to be not recoverable, the mentioned net loss should be reclassified in earnings as well.

## Reclassification

Certain accounts in the consolidated financial statements as of and for the six months ended June 30, 2008 have been reclassified to conform to the presentation of consolidated financial statements as of and for the six months ended June 30, 2009.

### 3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

In March 2007, the ARDF issued an interpretation that requires companies and their subsidiaries to recognize those bonuses to employees and remunerations to directors and supervisors as compensation expenses starting from January 1, 2008. The mentioned bonuses and remunerations were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in a decrease of \$184,273 thousand in consolidated net income and a decrease in basic earnings per share of \$0.06 for the six months ended June 30, 2008.

### 4. CASH AND CASH EQUIVALENTS

	<u>June 30</u>	
	2009	2008
Government bonds with repurchase rights	\$ 3,222,288	\$ 1,892,062
Short-term notes and bills with repurchase rights	2,279,476	1,206,969
Cash in banks	705,802	849,434
Time deposits	262,920	278,622
Cash on hand	25,034	24,268
Revolving funds	<u>8,318</u>	<u>6,305</u>
	<u>\$ 6,503,838</u>	<u>\$ 4,257,660</u>

### 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>June 30</u>	
	2009	2008
Domestic listed stocks		
Chunghwa Telecom Co., Ltd.	\$ 177,956	\$ 211,008
Overseas listed stocks		
Hurray! Holding Co., Ltd. (NASDAQ listed company)	<u>139,458</u>	<u>103,701</u>
	<u>\$ 317,414</u>	<u>\$ 314,709</u>

### 6. ACCOUNTS RECEIVABLE - THIRD PARTIES

	<u>June 30</u>	
	2009	2008
Accounts receivable	\$ 7,156,961	\$ 7,266,565
Less allowance for doubtful accounts	<u>(439,037)</u>	<u>(478,368)</u>
	<u>\$ 6,717,924</u>	<u>\$ 6,788,197</u>

For the first quarter of 2008, the Group entered into an accounts receivable factoring contract with HC Second Asset Management Co., Ltd. The Group sold \$3,341,578 thousand of the overdue accounts receivable, which had been written off, to HC Second Asset Management Co., Ltd. The aggregate selling price was \$38,866 thousand. Under this contract, the Group would no longer assume the risk on this receivable.

## 7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Taipei New Horizons Co., Ltd. (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.

The Corporation established TNH on December 31, 2008 with initial investment of \$249,500 thousand, representing 49.9% ownership. Investment loss was \$25,176 thousand for the six months ended June 30, 2009. The Corporation's management considered that, had TNH's financial statements been reviewed, any adjustments would have been immaterial and would thus have had no material effects on the consolidated financial statements.

## 8. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
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.	46,074	50,527
Parawin Venture Capital Corp.	20,207	22,202
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	60,064
Domestic unlisted preferred stock		
New Century Information Tech. Co., Ltd.	<u>-</u>	<u>187,042</u>
	<u>\$ 2,498,980</u>	<u>\$ 2,515,168</u>

Because there is no active market quotation and a reliable fair value can not be estimated, the above investments are measured at cost. An impairment loss of \$16,188 thousand and \$11,532 thousand were recognized for the first half of 2009 and 2008, respectively.

## 9. BONDS MEASURED AT AMORTIZED COST - NON-CURRENT

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A	<u>\$ 500,000</u>	<u>\$ 500,000</u>

## 10. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Buildings	\$ 554,294	\$ 498,696
Telecommunication equipment	30,563,877	28,710,064
Office equipment	69,850	120,718
Leased assets	452,879	388,175
Miscellaneous equipment	<u>975,432</u>	<u>1,156,080</u>
	<u>\$ 32,616,332</u>	<u>\$ 30,873,733</u>

Capitalized interest for the six months ended June 30, 2009 and 2008 were \$7,791 thousand and \$6,321 thousand, respectively, with capitalization rates ranging from 2.4% to 2.76% and 2.4 % to 2.64 %, respectively.

The Corporation bought farmland located in Yang-Mei, Taoyuan for the amount of \$12,000 thousand from TFN, based on the need for deploying telecom equipments. Because only an individual could be the owner of farmland according to related regulations, its ownership is under the landholder through a fiduciary contract.

## 11. INTANGIBLE ASSETS

	<u>Six Months Ended June 30, 2009</u>		
	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Operating Rights</u>
<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 to exchange rate changes	150	-	-
Amortization	<u>-</u>	<u>(87,390)</u>	<u>-</u>
Ending balance	<u>\$ 10,486,569</u>	<u>\$ 2,599,151</u>	<u>\$ 1,382,000</u>

	<u>Six Months Ended June 30, 2008</u>		
	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Operating Rights</u>
<u>Cost</u>			
Beginning balance	\$ 9,231,478	\$ 2,861,323	\$ 1,382,000
Add:			
Acquired from merger	1,251,210	-	-
Effect to exchange rate changes	(19)	-	-
Amortization	<u>-</u>	<u>(87,391)</u>	<u>-</u>
Ending balance	<u>\$ 10,482,669</u>	<u>\$ 2,773,932</u>	<u>\$ 1,382,000</u>

a. Customer relationship and operating rights

Under SFAS No. 25 “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.

- 1) 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 TV. Accordingly, customer relationship and operating rights were identified as major intangible assets.
- 2) On September, 2007, TUC, the Corporation’s 100%-owned subsidiary, acquired more than 50% of TTN’s shares at NT\$13.843 per share. The Corporation measured the fair value of the acquired assets, and viewed TTN’s ISP services as one cash-generating unit. Accordingly, customer relationship was identified as major intangible asset.

b. 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:

In 2006, the Group was engaged in mobile service only and identified the Corporation, TAT and Mobitai as separated independent cash-generating units. In 2007, to be in line with the Group’s integration of business resources and customer services for better core competence, the Corporation, TAT and Mobitai were viewed combined as one cash-generating unit. Besides, impairment test on goodwill of newly consolidated cable subsidiaries was needed. The critical assumptions to evaluate the recoverable amounts of operating assets and goodwill by business were as follows:

1) Wireless service

a) 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.

b) Assumptions on operating costs and expenses

The estimates of commissions, customer retention costs, 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 in the 2008 and 2007 financial statements.

c) Assumptions on discount rate

In 2008, the discount rate used to calculate the asset recoverable amounts of the Corporation was 7.48%. In 2007, the discount rate used to calculate the consolidated asset recoverable amounts of the Corporation, TAT and Mobitai was 6.78%.

2) Fixed network service

a) 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, the types of data transmission, bandwidth on demand, minutes of incoming and outgoing calls and average revenue per minute.

b) Assumptions on operating costs and expenses

The costs and expenses were based on the proportion of the actual costs and expenses to operating revenues in the 2008 financial statements.

c) Assumptions on discount rate

In 2008, the discount rate is 7.60% in calculating the asset recoverable amounts of TFN.

3) Cable television business

a) 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.

b) Assumptions on operating costs and expenses

The estimates of copyright cost, network maintenance costs, 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 in the 2008 and 2007 financial statements.

c) Assumptions on discount rate

The discount rate used to calculate the asset recoverable amounts was ranging 3.21% to 5.92% and 3.86% to 4.64% in 2008 and 2007, 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, 2008 and 2007.

## 12. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Assets leased to others		
Cost	\$ 489,378	\$ 574,078
Less accumulated depreciation	(35,358)	(33,712)
Less accumulated impairment	(10,591)	(32,515)
	<u>\$ 443,429</u>	<u>\$ 507,851</u>

(Continued)

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Idle assets		
Cost	\$ 751,265	\$ 660,607
Less allowance for value decline	(187,519)	(187,519)
Less accumulated depreciation	(110,583)	(98,054)
Less accumulated impairment	<u>(140,473)</u>	<u>(106,572)</u>
	<u>\$ 312,690</u>	<u>\$ 268,462</u>
		(Concluded)

### 13. DEFERRED CHARGES

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Interior decoration	\$ 383,942	\$ 276,089
Bonds issuing cost	14,750	4,268
Arrangement fee for syndicated bank loans	12,742	19,492
Other	<u>17,461</u>	<u>6,108</u>
	<u>\$ 428,895</u>	<u>\$ 305,957</u>

### 14. SHORT-TERM BORROWINGS

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Unsecured loans	<u>\$ -</u>	<u>\$ 9,950,000</u>
Interest rate	-	2.40%-2.62%

### 15. SHORT-TERM NOTES AND BILLS PAYABLE

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Commercial paper payable		
The Shanghai Commercial & Savings Bank, Ltd.	\$ -	\$ 1,000,000
Less discount on short-term notes and bills payable	<u>-</u>	<u>(3,082)</u>
Net carrying value	<u>\$ -</u>	<u>\$ 996,918</u>
Interest rate	-	2.5%
Period	-	2008.5.16- 2008.8.14

## 16. ADVANCE RECEIPTS

The Corporation entered into a contract with Mega International Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from prepaid card customers in accordance with NCC's new policy effective on April 1, 2007. The guaranteed advance receipts from prepaid card customers were \$568,954 thousand as of June 30, 2009.

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 in accordance with NCC's new policy effective on April 1, 2007. 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 after August 1, 2008 were \$58,476 thousand as of June 30, 2009.

## 17. BONDS PAYABLE

	June 30			
	2009		2008	
	Current	Non-current	Current	Non-current
Domestic unsecured bonds	<u>\$ 7,500,000</u>	<u>\$ 8,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 7,500,000</u>

### a. 1st domestic unsecured bonds

On December 13, 2002, the Corporation issued \$15,000,000 thousand of domestic unsecured bonds, with each bond having a face value of \$5,000 thousand. The bonds have four different types 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:

	Principal	Rate	Terms
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>\$ 15,000,000</u>		

### b. 2nd domestic unsecured bonds

On November 14, 2008, the Corporation issued \$8,000,000 thousand five-year domestic unsecured bonds, with each bond having a face value of \$10,000 thousand and a coupon rate of 2.88% per annum, 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:

Year	Amount
The second half of 2009	\$ 7,500,000
2012	4,000,000
2013	<u>4,000,000</u>
	<u>\$ 15,500,000</u>

## 18. LONG-TERM BORROWINGS

	<u>June 30</u>	
	2009	2008
Unsecured loans	\$ <u>          -</u>	\$ <u>  900,000</u>
Interest rate	-	2.7305%

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. The tenor is three years starting from May 20, 2008. Based on contract term, interests are payable monthly and the principal is due upon maturity. Upon maturity, the loan is allowed to revolve within its credit limits. The contract requires the Corporation to maintain certain financial ratio 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 27 for further information.

## 19. 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 wages to the employees' individual pension accounts. The contributed amount was \$87,074 thousand and \$88,792 thousand for the six months ended June 30, 2009 and 2008, 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 wages 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, Taipei City Government on April 13, 2007, January 22, 2008 and January 16, 2009, the Corporation suspended contributing from February 2007 to January 2010.

## 20. SHAREHOLDERS' EQUITY

### a. 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 capital surplus and may be made only within prescribed limits each time. Also, the capital surplus from long-term investments may not be used for any purpose.

b. 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:

- 1) Dividends and bonus to preferred shareholders.
- 2) Remuneration to directors and supervisors - up to 0.3%.
- 3) Bonus to employees - 1%-3%.
- 4) 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. Any 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 by the Board of Directors and shareholders based on actual earnings and 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.

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 six months ended June 30, 2009, the bonuses to employees and remuneration to directors and supervisors were accrued based on respective 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 2010'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 2008 and 2007 earnings appropriations resolved by the AGMs on June 19, 2009 and June 13, 2008 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share</u> <u>(NT\$)</u>	
	<u>For Fiscal</u> <u>Year 2008</u>	<u>For Fiscal</u> <u>Year 2007</u>	<u>For Fiscal</u> <u>Year 2008</u>	<u>For Fiscal</u> <u>Year 2007</u>
Appropriation of legal reserve	\$ 1,537,138	\$ 661,300		
Reversal of special reserve	(56,744)	(86,819)		
Remuneration to directors and supervisors	-	18,116		
Cash bonus to employees	-	181,155		
Cash dividends	<u>13,968,864</u>	<u>7,601,851</u>	\$4.68704	\$2.54326
	<u>\$ 15,449,258</u>	<u>\$ 8,375,603</u>		

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.

Information on the appropriation of the 2008 earnings, bonus and remuneration to employees, directors and supervisors proposed by the Board of Directors and approved at 2009 AGM is available on the Market Observation Post System website of the Taiwan Stock Exchange.

c. Capital reduction by cash

To increase ROE (Return of Equity) and maintain stable EPS (Earnings per Share) and dividend, the Corporation's AGM resolved on June 15, 2007, a capital reduction of \$12,000,000 thousand, representing 24% of outstanding shares. The Corporation's Board of Directors resolved the record date of December 1, 2007, and completed the procedure for registration changes, which is already approved by the authority. Trading suspension period started from February 1 to 19, 2008, and new shares resumed trading from February 20, 2008.

d. Treasury stock

(Shares in Thousands)

Purpose of Buyback	Beginning Shares	Increase	Decrease	Ending Shares
<u>Six months ended June 30, 2009</u>				
To be transferred to employees	24,193	-	15,501	8,692
Shares held by subsidiaries	811,918	-	-	811,918
<u>Six months ended June 30, 2008</u>				
Shares held by subsidiaries	1,368,250 (Note)	-	556,332	811,918

Note: Shares held before capital reduction.

1) Transfer of stock to employees

For the six months ended June 30, 2009, the Corporation transferred 15,501 thousand shares bought back from the market to employees at NT\$43.8 per share, resulting in a reduction of \$2,035 thousand in capital surplus.

Under the Securities and Exchange Law, 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.

2) Shares held by subsidiaries

As of June 30, 2009, the carrying and market value of the Corporation's stocks held by TFN and TFN Investment Co., Ltd. (TFNI), the Corporation's subsidiary, both amounted to \$45,467,387 thousand. The Corporation reclassified \$31,889,100 thousand from investments accounted for using equity method to treasury stock based on SFAS No. 30, "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 participation in capital injection by cash. In addition, based on the ROC Company Act, the shareholders of treasury stocks can not exercise the voting right.

In the first quarter of 2008, TFN sold 300,000 thousand shares of the Corporation for \$13,509,828 thousand. Disposal gain from the sales resulted in an increase in capital surplus by \$3,485,732 thousand. In addition, the Corporation's shares held by subsidiaries were reduced by 256,332 thousand shares due to the Corporation's capital reduction.

e. Unrealized gain or loss on financial instruments

Unrealized gain or loss on financial instruments for the six months ended June 30, 2009 and 2008 was summarized as follows:

	<b>Six Months Ended</b>	
	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Available-for-sale financial assets		
Balance, beginning of year	\$ 54,455	\$ 57,560
Fair value changes recognized in equity	<u>9,305</u>	<u>33,896</u>
	<u>63,760</u>	<u>91,456</u>
Changes in unrealized gains (losses) of cash flow hedge		
Balance, beginning of year	61,864	(38,749)
Fair value changes recognized directly in equity	<u>(21,422)</u>	<u>40,613</u>
	<u>40,442</u>	<u>1,864</u>
Changes in unrealized gains (losses) recognized by equity accounted		
Investees		
Balance, beginning of year	(122,216)	(82,854)
Fair value changes recognized directly in equity	<u>71,573</u>	<u>11,198</u>
	<u>(50,643)</u>	<u>(71,656)</u>
Unrealized gains (losses) on financial instruments	<u>\$ 53,559</u>	<u>\$ 21,664</u>

## 21. INCOME TAX EXPENSE

a. The reconciliation of imputed income taxes on pretax income at statutory tax rate to income tax expense was as follows:

	<b>Six Months Ended</b>	
	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Tax on pretax income at statutory tax rate (25%)	\$ 3,364,965	\$ 4,288,457
Add (deduct) tax effects of:		
Permanent differences		
Investment income from domestic investees accounted for using equity method	(1,050,366)	(1,850,802)
Other	4,799	(23,438)
Temporary differences	(66,767)	(270,805)
Deferred income taxes	439,808	114,461
Prior years' adjustment	(360,965)	487,438
Investment tax credits	(26,090)	(249,437)
Prior years' loss carryforward	(14,242)	(17,063)
Tax on short-term bills	197	8,421
Income tax (10%) on unappropriated earnings	-	195,172
Income basic tax	<u>-</u>	<u>74,244</u>
Income tax expense	<u>\$ 2,291,339</u>	<u>\$ 2,756,648</u>

In January, 2009, the Legislative Yuan passed the amendment of Article 39 of the Income Tax Law, which extends the operating losses carryforward period from five years to ten years. The Group recalculated deferred tax assets according to the amended Article and recorded the resulting difference as a deferred income tax benefit.

In May 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law to reduce corporate statutory income tax rate from 25% to 20%, effective from 2010. The Corporation recalculated its deferred tax assets and liabilities in accordance with the amended Article and recorded the resulting difference as an income tax expense.

b. Deferred income tax assets (liabilities) were as follows:

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Unrealized loss on retirement of property and equipment	\$ 1,685,648	\$ 2,304,943
Provision for doubtful accounts	646,764	780,230
Amortization of goodwill	(209,646)	(277,666)
Investment tax credits	149,059	643,045
Prior years' loss carryforward	96,671	108,788
Provision for impairment losses on idle assets	50,113	224,707
Unrealized gain on financial instruments	(13,478)	(622)
Other	<u>56,501</u>	<u>45,882</u>
	2,461,632	3,829,307
Less valuation allowance	<u>(356,670)</u>	<u>(959,641)</u>
	<u>\$ 2,104,962</u>	<u>\$ 2,869,666</u>
Deferred income tax assets		
Current	\$ 438,051	\$ 274,067
Non-current	<u>1,791,851</u>	<u>2,709,751</u>
	<u>\$ 2,229,902</u>	<u>\$ 2,983,818</u>
Deferred income tax liabilities		
Current	\$ -	\$ (5,560)
Non-current	<u>(124,940)</u>	<u>(108,592)</u>
	<u>\$ (124,940)</u>	<u>\$ (114,152)</u>

c. As of June 30, 2009, the Corporation and its subsidiaries' 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	\$ 172,160	\$ 148,160	2013
	Personnel training	<u>2,989</u>	<u>899</u>	2012
		<u>\$ 175,149</u>	<u>\$ 149,059</u>	

d. Following were the net operating loss carryforwards of the Group as of June 30, 2009:

<b>Year</b>	<b>Total Creditable Amount</b>	<b>Remaining Creditable Amount</b>	<b>Expiry Year</b>
2004	\$ 8,733	\$ -	2014
2005	22,558	-	2015
2006	184,627	162,718	2016
2007	129,157	126,539	2017
2008	<u>65,153</u>	<u>64,003</u>	2018
	<u>\$ 410,228</u>	<u>\$ 353,260</u>	

e. Integrated income tax information was as follows:

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Balance of imputation credit account (ICA)		
The Corporation	\$ 6,589,915	\$ 4,288,037
TAT	Not applicable	227,986
TCC	-	905
WMT	-	-
TFMT	2,674	-
FJLMT	-	-
GWMT	1,627	1,624
FSMT	2,370	1,950
GFMT	-	Not applicable
TYDB	Not applicable	97
TDC	-	-
The former TT&T	Not applicable	28,111
TSB	-	10
TFN	394,671	1,609,686
TTN	Not applicable	680
TT&T	-	-
TFNI	-	113,697
R&R	Not applicable	-
WTVB	-	-
TFNM	110,845	180,805
UCTV	17,331	34,792
SHCTV	9,641	9,641
YJCTV	26,806	26,587
MCTV	2,285	2,938
NCCTV	Not applicable	1,221
PCTV	157	171
GCTV	17,296	19,639

As of June 30, 2009, there were no unappropriated earnings generated before January 1, 1998. The actual creditable ratios for the 2008 and 2007 earnings appropriation were as follows:

	<b>2008</b>	<b>2007</b>
The Corporation	35.28%	38.96%
TAT	Not applicable	28.76%
TCC	29.90%	24.59%
WMT	-	-
TFMT	33.33%	-
FJLMT	-	-
GWMT	33.33%	-
FSMT	33.33%	-
GFMT	-	Not applicable
TYDB	-	-
TDC	-	-
The former TT&T	Not applicable	-
TCPIA	Not applicable	-
TLIA	Not applicable	33.33%
TSB	25.98%	1.85%
TFN	33.33%	33.33%
TTN	Not applicable	-
TT&T	0.05%	0.04%
TFNI	30.52%	33.35%
R&R	-	0.02%
WTVB	-	-
TFNM	33.35%	25.51%
UCTV	33.33%	33.33%
SHCTV	-	6.25%
YJCTV	33.33%	21.06%
MCTV	33.37%	28.37%
NCCTV	Not applicable	34.52%
PCTV	32.59%	33.32%
GCTV	33.34%	33.34%

The imputation credits allocated to the shareholders are based on the ICA balance as of the date of dividend distribution.

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

	<b>Year</b>
The Corporation	2005
The former TAT	2006
TAT	2006
Mobitai	2005
TCC	2007
WMT	2007
TFMT	2007
FJLMT	2007
GWMT	2007
FSMT	2007

(Continued)

	<b>Year</b>
GFMT	Not applicable
TYDB	All applicable
TDC	2007
The former TT&T	2007
TCPIA	All applicable
TLIA	All applicable
TSB	2007
TFN	Not applicable
The former TFN	2006, only 2005 not applicable
TUC	2008
TTN	2007
TT&T	2007
TFNI	2006
R&R	2007
WTVB	2007
TFNM	2006
FYM	2006
UCTV	2005
SHCTV	2007
YJCTV	2007
MCTV	2007
NCCTV	2006
PCTV	2007
GCTV	2007

(Concluded)

Income tax returns through 2005 had been examined by the tax authorities. However, the Corporation disagreed with the examination result of the income tax returns from 1999 to 2005, and filed requests for reexamination.

The former TAT's income tax returns as of 2006 had been examined by the tax authorities. However, the former TAT disagreed with the examination result on the income tax returns and was in evaluation of applying a review for the 2002 and 2003 results. Beside, the former TAT already filed a petition for 2004 and 2005 results and applied for a reexamination of 2006's income tax return.

TCC's income tax returns as of 2007 had been examined by the tax authorities. However, TCC disagreed with the examination result on the 2006 income tax return and requested a reexamination of the 2006 income tax return.

TFNM's income tax returns as of 2006 had been examined by the tax authorities. However, TFNM disagreed with the examination result on the 2006 income tax return and requested a reexamination of the 2006 income tax return.



## 22. EARNINGS PER SHARE

	<u>Amounts (Numerator)</u>		<u>Shares (Denominator) (Thousands)</u>	<u>EPS (NTS)</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>
<u>Six months ended June 30, 2009</u>					
Basic EPS					
Income of common shareholders	\$ 8,724,710	\$ 6,860,034	2,972,478	<u>\$ 2.94</u>	<u>\$ 2.31</u>
Add effect of potentially dilutive common stocks bonus to employees	<u>-</u>	<u>-</u>	<u>3,572</u>		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 8,724,710</u>	<u>\$ 6,860,034</u>	<u>2,976,050</u>	<u>\$ 2.93</u>	<u>\$ 2.31</u>
<u>Six months ended June 30, 2008</u>					
Basic EPS					
Income of common shareholders	\$ 10,460,722	\$ 8,160,212	2,952,676	<u>\$ 3.54</u>	<u>\$ 2.76</u>
Add effect of potentially dilutive common stocks bonus to employees	<u>-</u>	<u>-</u>	<u>4,134</u>		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 10,460,722</u>	<u>\$ 8,160,212</u>	<u>2,956,810</u>	<u>\$ 3.54</u>	<u>\$ 2.76</u>

The ARDF issued Interpretation No. 2007-052 that requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses 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 on 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.

## 23. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	<u>Six Months Ended June 30</u>					
	<u>2009</u>			<u>2008</u>		
	<u>Classified as Operating Costs</u>	<u>Classified as Operating Expenses</u>	<u>Total</u>	<u>Classified as Operating Costs</u>	<u>Classified as Operating Expenses</u>	<u>Total</u>
Labor cost						
Salary	\$ 648,532	\$ 1,714,892	\$ 2,363,424	\$ 652,538	\$ 1,656,548	\$ 2,309,086
Labor and health insurance	43,893	91,328	135,221	37,391	87,712	125,103
Pension	29,181	61,707	90,888	27,047	63,233	90,280
Other	<u>28,172</u>	<u>63,064</u>	<u>91,236</u>	<u>31,193</u>	<u>74,519</u>	<u>105,712</u>
	<u>\$ 749,778</u>	<u>\$ 1,930,991</u>	<u>\$ 2,680,769</u>	<u>\$ 748,169</u>	<u>\$ 1,882,012</u>	<u>\$ 2,630,181</u>
Depreciation	\$ 3,532,734	\$ 294,214	\$ 3,826,948	\$ 3,209,107	\$ 272,420	\$ 3,481,527
Amortization	482,527	61,218	543,745	488,290	63,488	551,778

## 24. FINANCIAL INSTRUMENT TRANSACTIONS

### a. Fair value information

	June 30			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Non-derivative financial instruments</u>				
Liabilities				
Bonds payable (including current portion)	\$ 15,500,000	\$ 15,766,444	\$ 10,000,000	\$ 9,975,387

### b. The methods and significant assumptions applied in determining fair values of financial instruments were as follows:

- 1) Financial assets at fair value through profit or loss and available-for-sale financial assets - based on quoted prices in an active market on the balance sheet date.
- 2) Because there is no active market and a reliable fair value could only be verified at a more than reasonable cost, accounted for using equity method, the fair value of investments in unlisted stocks carried at cost or bonds investment with no active market can be measured by the net worth of the investees' or the estimated book value.
- 3) Bonds payable - based on the over-the-counter quotations in June.
- 4) Fair value of long-term loans is estimated using the present value of future cash flows discounted by the interest rates the Corporation may obtain for similar loans (e.g., similar maturities).
- 5) Derivative financial instruments - based on valuation results provided by banks. As of June 30, 2009, the financial instrument held by the Corporation was evaluated by the bid price of counter party.
- 6) The above financial instruments do not include cash and cash equivalents, notes and accounts receivables, pledged time deposits, refundable deposits, short-term borrowing, short-term notes and bills payable, notes and accounts payable and guarantee deposits. Because of the short maturities of these instruments, the carrying values represent a reasonable basis to estimate fair values.

### c. The fair values of financial assets and liabilities were not simultaneously determined by quoted prices in active markets or using valuation technique.

### d. The financial assets exposed to fair value interest rate risk amounted to \$5,681,748 thousand and \$3,350,575 thousand as of June 30, 2009 and 2008, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$10,500,000 thousand and \$16,846,918 thousand as of June 30, 2009 and 2008, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$913,326 thousand and \$907,028 thousand as of June 30, 2009 and 2008, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$5,000,000 thousand and \$5,000,000 thousand as of June 30, 2009 and 2008, respectively.

e. Information on financial risks:

1) Market risk

The interest rate swap (IRS) contracts are used to hedge interest rate fluctuation on inverse floating interest rate liabilities. Since the interest receivable and payable are settled at net amounts on the settlement date, the market risk is immaterial.

2) 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 IRS credit risk exposure as of June 30, 2009 and 2008 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.

3) 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.

f. The purpose of derivative financial instruments held or issued and the strategies to meet the purpose.

The Corporation uses IRS contracts to hedge fluctuation on its liabilities with inverse floating interest rates. The overall purpose of these contracts is to hedge the Corporation's exposure to cash flow risks. The Group uses IRS to hedge interest rate fluctuation risk and periodically evaluates the effectiveness of the hedging instruments.

## 25. RELATED-PARTY TRANSACTIONS

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

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

- b. Significant transactions with related parties were summarized below:

1) Operating revenues

	<u>Six Months Ended June 30</u>			
	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>
TFCB	\$ 75,508	-	\$ 63,973	-
FMT	53,342	-	28,849	-
Fubon Financial Holding Company	13,436	-	4,879	-
TSL	12,749	-	80,403	-
FSC	<u>7,955</u>	-	<u>15,686</u>	-
	<u>\$ 162,990</u>		<u>\$ 193,790</u>	

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

2) Operating costs

	<b>Six Months Ended June 30</b>			
	<b>2009</b>		<b>2008</b>	
	<b>Amount</b>	<b>% of Total Costs</b>	<b>Amount</b>	<b>% of Total Costs</b>
DKL	\$ 84,950	1	\$ 77,600	-
Fubon Ins.	<u>36,002</u>	-	<u>42,548</u>	-
	<u>\$ 120,952</u>		<u>\$ 120,148</u>	

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.

3) Operating lease income

	<b>Leased Sites/Equipment</b>	<b>Six Months Ended June 30</b>	
		<b>2009</b>	<b>2008</b>
FMT	Office appliance, etc.	<u>\$ 16,165</u>	<u>\$ 13,732</u>

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

4) Cash in banks

	<b>June 30</b>			
	<b>2009</b>		<b>2008</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
a) Cash in banks				
TFCB	<u>\$ 266,079</u>	4	<u>\$ 431,490</u>	10
b) Pledged time deposits				
TFCB	<u>\$ 15,000</u>	40	<u>\$ 15,000</u>	32

5) Receivables and payables

	<b>June 30</b>			
	<b>2009</b>		<b>2008</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
a) Accounts receivable				
TFCB	\$ 110,696	2	\$ 78,243	1
TSL (Note)	28,445	-	20,724	-
FSC (Note)	25,450	-	17,664	-
Fubon Ins.	17,041	-	10,561	-
FLA	11,084	-	13,592	-
FMT	4,517	-	14,745	-
Other	<u>19,539</u>	-	<u>15,147</u>	-
	<u>\$ 216,772</u>		<u>\$ 170,676</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>June 30, 2009</u>			
Leasehold receivable	\$ 23,457	\$ 51,313	\$ 74,770
Less unrealized interest income	<u>(3,591)</u>	<u>(4,618)</u>	<u>(8,209)</u>
	<u>\$ 19,866</u>	<u>\$ 46,695</u>	<u>\$ 66,561</u>
<u>June 30, 2008</u>			
Leasehold receivable	\$ 20,012	\$ 72,352	\$ 92,364
Less unrealized interest income	<u>(4,508)</u>	<u>(8,209)</u>	<u>(12,717)</u>
	<u>\$ 15,504</u>	<u>\$ 64,143</u>	<u>\$ 79,647</u>

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>June 30, 2009</u>			
Leasehold receivable	\$ 6,466	\$ 10,885	\$ 17,351
Less unrealized interest income	<u>(773)</u>	<u>(1,062)</u>	<u>(1,835)</u>
	<u>\$ 5,693</u>	<u>\$ 9,823</u>	<u>\$ 15,516</u>
<b>June 30</b>			
	<b>2009</b>		<b>2008</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>
			<b>%</b>
b) Other receivables			
FMT	<u>\$ 5,736</u>	1	<u>\$ 13,732</u>
c) Prepayments			
Fubon Ins.	<u>\$ 28,762</u>	4	<u>\$ 31,036</u>
d) Accounts payable			
DKL	<u>\$ 60,977</u>	2	<u>\$ 38,800</u>

	<b>Six Months Ended June 30</b>	
	<b>2009</b>	<b>2008</b>
6) Repairs and maintenance		
FPM	\$ 11,588	\$ 5,603
7) Other expense		
FPM	\$ 13,646	\$ 13,247
8) Endorsement/guarantee provided		

The Group provides guarantee contracts for related party. Please see Note 27.

## 26. 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:

	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
Current assets - time deposits	\$ 37,157	\$ 46,965
Other assets - time deposits	<u>500</u>	<u>-</u>
	<u>\$ 37,657</u>	<u>\$ 46,965</u>

## 27. 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 for \$4,800,000 thousand in September 2006 and \$3,242,661 thousand in May 2009, respectively. As of June 30, 2009, the purchase amount was \$3,857,852 thousand and \$138,232 thousand, respectively.
- b. The Corporation provided \$18,000,000 thousand guarantee for TFN's bank loans. The Corporation also provided \$6,853,005 thousand in promissory notes outstanding for TFN's borrowings with banks. TFN has drawn down \$58,476 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. The Corporation provided a guarantee for TFN's bank loan. As of June 30, 2009, the Corporation and TFN had not made any drawdown on this loan.
- d. As of June 30, 2009, 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 on April 1, 2007.
- e. As of June 30, 2009, TT&T provided an \$146 thousand guarantee for TFN's obligation of construction and equipment sales.

- f. Future minimum rental payments as of June 30, 2009 for significant operating lease agreements were summarized as follows:

	<b>Amount</b>
The second half of 2009	\$ 21,010
2010	37,587
2011	20,457
2012	7,636

## 28. 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: None.
- 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 4 (attached).
- h. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 5 (attached).
- i. Names, locations, and related information of investees on which the Corporation exercised significant influence: Table 6 (attached).
- j. Derivative transactions

The Corporation entered into IRS contracts in December 2002 to hedge fluctuation on inverse floating interest rates of bonds, which are settled semiannually. Please refer to Note 24 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 six months ended June 30, 2009 and 2008, the Corporation recognized gains of \$33,641 thousand and losses of \$34,986 thousand, respectively, recorded as deduction and addition to interest expense, respectively.



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 7 (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 8 and Table 9 (attached).

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED  
SIX MONTHS ENDED JUNE 30, 2009  
(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 (Note)	Lending Company's Lending Amount Limits (Note)
											Item	Value		
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Tai Fu Media Technology Co., Ltd.	Other receivables	\$ 2,032,000	\$ 2,032,000	0.867%-2.417%	Short-term financing	\$ -	To meet its financing needs in acquiring minorities	\$ -	-	-	\$ 17,843,175 (Note 1)	\$ 17,843,175 (Note 1)
1	Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Other receivables	250,000	250,000	2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	21,662,303 (Note 1)	21,662,303 (Note 1)
2	Taiwan Fixed Network Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,320,000	1,320,000	0.862%-2.581%	Short-term financing	-	Operation requirements	-	-	-	21,321,502 (Note 1)	21,321,502 (Note 1)
		The Corporation	Other receivables	1,600,000	1,000,000	1.068%-2.417%	Short-term financing	-	Operation requirements	-	-	-	21,321,502 (Note 1)	21,321,502 (Note 1)
3	TFN Investment Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,000,000	780,000	2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	11,022,345 (Note 1)	11,022,345 (Note 1)
		TFN Media Co., Ltd.	Other receivables	2,900,000	2,900,000	0.929%-2.602%	Short-term financing	-	Operation requirements	-	-	-	11,022,345 (Note 1)	11,022,345 (Note 1)
4	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	560,000	560,000	0.862%-2.604%	Transactions	133,849	Business requirements	-	-	-	13,500,000 (Note 2)	13,500,000 (Note 2)
5	Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Other receivables - related parties	138,000	138,000	0.893%-2.594%	Transactions	14,006	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
6	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	450,000	425,000	0.862%-2.604%	Transactions	109,526	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
7	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	600,000	530,000	0.862%-2.594%	Transactions	278,994	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
8	Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	207,700	200,000	0.905%-2.604%	Transactions	823	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
9	Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	350,000	180,000	0.893%-2.594%	Transactions	234,525	Business requirements	-	-	-	24,000,000 (Note 2)	24,000,000 (Note 2)
10	TFN Media Co., Ltd.	WinTV Broadcasting Co., Ltd.	Other receivables - related parties	180,000	180,000	0.862%	Transactions	110	Business requirements	-	-	-	15,000,000 (Note 2)	15,000,000 (Note 2)
11	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Other receivables - related parties	9,000	9,000	0.867%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	81,375 (Note 1)	81,375 (Note 1)

Note 1: 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 2: 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  
SIX MONTHS ENDED JUNE 30, 2009  
(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)	\$ 80,000,000 (Note 3)	\$ 24,763,000	\$ 20,403,005	\$ -	45.74%	\$ 44,607,937
1	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Fixed Network Co., Ltd.	(Note 4)	20,000 (Note 5)	146	146	-	0.23%	64,517 (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 over 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 double of the investment amount in TT&T.

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

JUNE 30, 2009

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

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	June 30, 2009				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	\$ 177,956	0.028	\$ 177,956 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	50,324	10.00	50,956 (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	27,200	205,019	100.00	205,019	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	149,958	11,002,308 (Note 4)	100.00	54,155,758	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Long-term investments - equity method	24,950	224,324	49.90	224,324	
Wealth Media Technology Co., Ltd.	<u>Stock</u> Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	203,437	100.00	203,437	
Tai Fu Media Technology Co., Ltd.	<u>Stock</u> Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	85,676	100.00	85,676	
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	117,100	2,001,081	100.00	2,001,081	
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	138,029	100.00	138,029	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	816	100.00	816	
Global Wealth Media Technology Co., Ltd.	<u>Stock</u> Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,749	87,829	6.694	40,760	
Fu Sin Media Technology Co., Ltd.	<u>Stock</u> Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	129,138	3.34	28,858	
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	3.00	- (Note 3)	
	Transportation High Tech Inc.	-	Financial assets carried at cost - non-current	1,200	-	12.00	- (Note 3)	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773 (Note 2)	3.17	- (Note 3)	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US\$ 8,479	100.00	US\$ 8,479	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	June 30, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
TWM Holding Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	4,000,000	\$ 53,303,755	100.00	\$ 53,303,755	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	10,995	100.00	10,995	
	<u>ADS</u> Hurray! Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,080	US\$ 4,233	4.94	US\$ 4,233 (Note 5)	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> TWM Communications (Beijing) Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 4,015	100.00	US\$ 3,125	
	<u>Stock</u> Taiwan Mobile Co., Ltd. (the "Corporation")	Parent company	Available-for-sale financial assets - non-current	456,295	\$ 25,552,507	12.00	\$ 25,552,507 (Note 5)	
	TFN Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,061,939	24,988,448	100.00	27,555,862	
	TFN HK LIMITED	Subsidiary	Long-term investments - equity method	1,300	2,948	100.00	2,948	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	64,517	100.00	64,517	
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.82	- (Note 3)	
	New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	33,684	187,042	0.84	- (Note 3)	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US\$ 1,376	100.00	US\$ 1,376	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	21,570	100.00	21,570	
TT&T Holdings Co., Ltd.	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 1,375	100.00	US\$ 1,375	
TFN Investment Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd. (the "Corporation")	Parent company	Available-for-sale financial assets - non-current	355,623	19,914,880	9.36	19,914,880 (Note 5)	
	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	17,905	220,932	98.50	218,114	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	3,546,953	100.00	3,237,991	
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	46,074	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)	
TFN Media Co., Ltd.	<u>Stock</u> Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,031,854	100.00	507,374	
	Shin Ho Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	20,000	696,741	100.00	209,852 (Note 6)	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	June 30, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	Mangrove Cable TV Corporation	Subsidiary	Long-term investments - equity method	21,160	\$ 520,067	100.00	\$ 256,892 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	65,818	3,060,561	96.66	836,056	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	1,987,486	99.99	1,782,738	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,185,019	92.38	562,499	

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 July 17, 2009, the independent auditors' report date, the investee's net worth was not available.

Note 4: Taiwan Mobile shares held indirectly by TFN and TFNI (both are subsidiaries of TCC) are classified as treasury shares. Therefore, TWM's carrying cost of \$54,155,758 thousand on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$11,268,847 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$4,497 thousand.

Note 5: Based on the closing price on June 30, 2009

Note 6 Some shares are held under trustee accounts.

(Concluded)

## 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  
SIX MONTHS ENDED JUNE 30, 2009  
(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	\$ (1,158,723)	(4)	Based on contract terms	-	-	\$ 258,411	4	(Note 1)
			Purchase	629,638	5	Based on contract terms	-	-	(4,101)	-	(Note 2)
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	436,602	(Note 3)	Based on contract terms	-	-	(72,524)	(Note 4)	
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Sale	(436,709)	(85)	Based on contract terms	-	-	72,539	85	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(665,211)	(13)	Based on contract terms	-	-	197,289	19	(Note 2)
			Purchase	1,154,627	31	Based on contract terms	-	-	(10,660)	(1)	(Note 1)
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(229,696)	(19)	Based on contract terms	(Note 5)	(Note 5)	229,696	32	
	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(105,927)	(9)	Based on contract terms	(Note 5)	(Note 5)	105,927	15	
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(193,395)	(16)	Based on contract terms	(Note 5)	(Note 5)	193,395	27	
Mangrove Cable TV Corporation	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	71,832	60	Based on contract terms	(Note 5)	(Note 5)	(47,859)	(90)	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	105,927	59	Based on contract terms	(Note 5)	(Note 5)	(105,927)	(97)	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	193,395	61	Based on contract terms	(Note 5)	(Note 5)	(193,395)	(86)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	229,696	63	Based on contract terms	(Note 5)	(Note 5)	(229,696)	(97)	

Note 1: The receivable amount has netted payable.

Note 2: Difference between transaction amount and that of payable is booked under accrued expenses.

Note 3: Recognized as operating expenses.

Note 4: Recognized as accrued expenses.

Note 5: 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

JUNE 30, 2009

(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 \$ 258,411	9.81	\$ -	-	\$ -	\$ -
			Other receivables 47,275					
	Tai Fu Media Technology Co., Ltd.	Subsidiary	Other receivables 2,040,252		-	-	-	-
Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 251,026		-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 72,539	11.47	-	-	15	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 197,289	6.27	-	-	91,833	-
			Other receivables 1,202,611					
	TFN Media Co., Ltd.	Subsidiary	Accounts receivable 6,412	7.40	-	-	-	-
			Other receivables 1,320,576					
TFN Investment Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 3,691,764		-	-	-	-
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Accounts receivable 243,254	3.69	-	-	80,394	-
	Union Cable TV Co., Ltd.	Subsidiary	Accounts receivable 118,061	4.38	-	-	37,075	-
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Accounts receivable 206,594	3.77	-	-	67,688	-
	WinTV Broadcasting Co., Ltd.	Related party in substance	Accounts receivable 110	4.00	-	-	-	-
			Other receivables 180,000		-	-	-	-
Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 834	2.69	-	-	-	-
			Other receivables 200,000					
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 22,178	3.94	-	-	-	-
			Other receivables 530,119					
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 11,170	4.03	-	-	-	-
			Other receivables 560,055					
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 8,113	3.86	-	-	-	-
			Other receivables 425,024					
Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Parent	Accounts receivable 6,056	4.00	-	-	-	-
			Other receivables 138,071					
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 16,433	4.21	-	-	-	-
			Other receivables 180,000					



## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

SIX MONTHS ENDED JUNE 30, 2009

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2009			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Cellular Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	\$ 41,058,330	\$ 41,058,330	149,958	100.00	\$ 11,002,308 (Note 1)	\$ 1,312,096	\$ 1,314,397	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real Estate Rental and Sale	249,500	249,500	24,950	49.90	224,324	(50,453)	(25,176)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	272,000	272,000	27,200	100.00	205,019	(20,716)	(20,716)	
Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	270,000	27,000	100.00	203,437	(20,611)	NA	
Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Taipei County, Taiwan	Investment	84,000	84,000	8,400	100.00	85,676	1,159	NA	
	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	2,001,700	2,001,700	117,100	100.00	2,001,081	(119)	NA	
	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	135,000	13,500	100.00	138,029	2,557	NA	
	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,000	1,000	100	100.00	816	(109)	NA	
Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	90,099	82,882	3,749	6.694	87,829	21,931	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	129,138	82,988	NA	
Taiwan Cellular Co., Ltd.	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US\$ 10,800	US\$ 10,800	1 share	100.00	US\$ 8,479	US\$ 207	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	40,000,000	40,000,000	4,000,000	100.00	53,303,755	1,305,800	NA	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	12,000	12,000	1,200	100.00	10,995	(87)	NA	
TWM Holding Co. Ltd.	TWM Communications (Beijing) Ltd.	Beijing, China	Telecom product innovation and design	US\$ 4,936	US\$ 5,005	-	100.00	US\$ 4,015	US\$ 168	NA	
Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd.	Taipei, Taiwan	Investment	19,669,138	19,669,138	2,061,939	100.00	24,988,448	705,721	NA	
	TFN HK LIMITED	Hong Kong	Telecommunications service provider	5,816	5,816	1,300	100.00	2,948	(21)	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and ISR (international simple resales)	10,000	10,000	1,000	100.00	64,517	30,324	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samoa	Investment	US\$ 1,300	US\$ 1,300	1,300	100.00	US\$ 1,376	US\$ 13	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100.00	21,570	1,562	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Ltd.	Xiamen, China	Call center service	US\$ 1,300	US\$ 1,300	-	100.00	US\$ 1,375	US\$ 12	NA	
TFN Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	179,047	252,141	17,905	98.50	220,932	39,662	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	2,035,714	230,526	100.00	3,546,953	646,116	NA	
TFN Media Co., Ltd.	Yeong Jialeh Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	1,616,824	1,616,824	33,940	100.00	2,031,854	80,374	NA	
	Shin Ho Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	661,781	661,781	20,000	100.00	696,741	1,292	NA	
	Mangrove Cable TV Corporation	Taipei County, Taiwan	Cable TV service provider	397,703	397,703	21,160	100.00	520,067	21,045	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	2,294,967	2,294,967	65,818	96.66	3,060,561	82,988	NA	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,904,440	1,904,440	170,441	99.99	1,987,486	57,402	NA	
	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	841,413	841,413	51,733	92.38	1,185,019	21,931	NA	

Note 1: Taiwan Mobile shares held indirectly by TFN and TFNI (both are subsidiaries of TCC) are classified as treasury shares. Therefore, TWM's carrying cost of \$54,155,758 thousand on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$11,268,847 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$4,497 thousand.

Note 2: Some shares are held under trustee accounts.

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
SIX MONTHS ENDED JUNE 30, 2009

(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, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of June 30, 2009	Accumulated Inward Remittance of Earnings as of June 30, 2009
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US\$ 1,300 (NT\$ 42,826)	Indirect investment in the Companies in Mainland China through a third place by the Corporation's subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 42,826)	\$ -	\$ -	US\$ 1,300 (NT\$ 42,826)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ 12 (NT\$ 395)	US\$ 1,375 (NT\$ 45,297)	\$ -
TWM Communications (Beijing) Ltd.	Telecom product innovation and design	US\$ 3,000 (NT\$ 98,829)	Indirect investment in the Companies in Mainland China through a third place by the Corporation's subsidiary, Taiwan Cellular Co., Ltd.	US\$ 4,617 (NT\$ 152,098)	US\$ 255 (NT\$ 8,400)	-	US\$ 4,872 (NT\$ 160,498)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ 168 (NT\$ 5,534)	US\$ 4,015 (NT\$ 132,266)	-

Accumulated Investment in Mainland China as of June 30, 2009	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2)
US\$1,300 (NT\$42,826)	US\$1,300 (NT\$42,826)	\$80,000
US\$4,872 (NT\$160,498)	US\$5,300 (NT\$174,598)	\$54,155,758

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$32.943, RMB1 = NT\$4.8219 as of June 30, 2009.

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 unaudited financial statements.

TABLE 8

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
SIX MONTHS ENDED JUNE 30, 2009  
(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	\$ 258,411	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	285	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,040,252	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	47,275	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other receivables	2	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,028	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	63	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other receivables	24	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other receivables	6	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	179	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	157	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	1,000,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	4,101	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	15	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	10,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	207,783	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	72,524	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Accrued expenses	(56)	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	(1)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	109,830	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	537	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	27	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	1,324	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	424	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	1,633	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	481	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	57	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	326,194	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Other current liabilities	5	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	304	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	430	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other current liabilities	34	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	1,743	Based on regular terms	-
Mangrove Cable TV Corporation	1	Other current liabilities	426	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	Other current liabilities	\$ 1,003	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	565	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	1,158,723	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	470	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	295	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	93	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	350	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	205	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	499	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	213	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	638,745	Based on regular terms	2%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	483	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	86	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	20,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	41,777	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	437,230	Based on regular terms	1%
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	(592)	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(51)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(4)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(10)	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	(1)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(12)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(4)	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	24,012	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	59,741	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	-
		TFN Media Co., Ltd.	1	Rental income	5,392	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	15	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	15,744	Based on regular terms	-
1	Wealth Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	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
2	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	1	Other receivables	\$ 9,000	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	8,252	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Other payables	2,032,000	Payment terms varied depend on the agreements.	2%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	24,012	Payment terms varied depend on the agreements.	-
3	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements.	-
4	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements.	-
5	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Prepayments	17	Payment terms varied depend on the agreements.	-
		Tai Fu Media Technology Co., Ltd.	2	Other payables	9,000	Payment terms varied depend on the agreements.	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	17	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.	-
7	Taiwan Cellular Co., Ltd.	TT&T Holdings Co., Ltd.	1	Other receivables	674	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Other receivables	2,834	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other receivables	642	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	251,026	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	2,996	Based on regular terms	-
8	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
9	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	10,000	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	20,000	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	-
10	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	964	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,751	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	679	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	7,046	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
11	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	\$ 11,611	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	2,858	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	34,424	Based on regular terms	-
12	TWM Communications (Beijing) Ltd.	Taiwan Cellular Co., Ltd.	2	Accrued expenses	109	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Other payables	549	Based on regular terms	-
13	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	197,289	Based on regular terms	-
		TFN HK	1	Accounts receivable	2	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Accounts receivable	9	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	6,412	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	62	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	84	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	189	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	482	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	113	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	1,202,611	Based on regular terms	1%
		TFN Media Co., Ltd.	1	Other receivables	1,320,576	Based on regular terms	1%
		Union Cable TV Co., Ltd.	1	Other receivables	8	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	3	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Prepayments	112	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Prepayments	315	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	10,660	Based on regular terms	-
		TFN HK	1	Accounts payable	3,762	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts payable	12,345	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	47,129	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	12,977	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Advance receipts	155	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	665,211	Based on regular terms	2%
		WinTV Broadcasting Co., Ltd.	1	Operating revenues	253	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	30,595	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	763	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	333	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	889	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	2,565	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	367	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	1,154,627	Based on regular terms	3%
		TFN HK	1	Operating costs	11,542	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	426	Based on regular terms	-
TFN Media Co., Ltd.	1	Operating costs	12,345	Based on regular terms	-		
Union Cable TV Co., Ltd.	1	Operating costs	675	Based on regular terms	-		
Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	93	Based on regular terms	-		
Mangrove Cable TV Corporation	1	Operating costs	17	Based on regular terms	-		
Phoenix Cable TV Co., Ltd.	1	Operating costs	978	Based on regular terms	-		
Globalview Cable TV Co., Ltd.	1	Operating costs	176	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
		Taiwan Mobile Co., Ltd.	2	Operating expenses	\$ 59,217	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	79,892	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	20	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	15,744	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	9,459	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	10,653	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Rental income	46	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Rental income	16	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	1,268	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous expense	15	Based on regular terms	-
		Reach & Range Inc.	1	Miscellaneous expense	170	Based on regular terms	-
14	TFN HK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	3,635	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	11,131	Based on regular terms	-
15	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	72,539	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	12,977	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Accrued expenses	(2,744)	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Accrued expenses	11,550	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	436,709	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	79,824	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	7,035	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	1,004	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	3,691,764	Based on regular terms	4%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	36	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	33,883	Based on regular terms	-
17	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	-
18	WinTV Broadcasting Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	60	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	7	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	9	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other payables	180,110	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Advance receipts	175	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Advance receipts	175	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Advance receipts	175	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
		Phoenix Cable TV Co., Ltd.	3	Advance receipts	\$ 175	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	175	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	164	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	160	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	125	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	174	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	700	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	58	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	110	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Interest expenses	34	Payment terms varied depend on the agreements	-
19	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	12,345	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Accounts receivable	110	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	118,061	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	206,594	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts receivable	4,148	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	243,254	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	96,042	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	5,300	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Other receivables	180,000	Payment terms varied depend on the agreements.	-
		Union Cable TV Co., Ltd.	1	Other receivables	15	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other receivables	1	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.	1	Other receivables	\$ 16	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other receivables	11	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Prepayments	2	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current assets	131	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts payable	7,389	Payment terms varied depend on the agreements.	-
		Shin Ho Cable TV Co., Ltd.	1	Accounts payable	823	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts payable	11,777	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	1	Accounts payable	4,378	Payment terms varied depend on the agreements.	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	16,011	Payment terms varied depend on the agreements.	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	6,347	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	1,008	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	1,026	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	11,694	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Investment Co., Ltd.	2	Accrued expenses	11,764	Payment terms varied depend on the agreements.	-
		WinTV Broadcasting Co., Ltd.	3	Accrued expenses	50	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	3,822	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	11	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	4,663	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	1,749	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	6,286	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	1,802	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
		Taiwan Cellular Co., Ltd.	2	Other payables	\$ 250,000	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	1,320,000	Payment terms varied depend on the agreements.	1%
		TFN Investment Co., Ltd.	2	Other payables	3,680,000	Payment terms varied depend on the agreements.	4%
		Union Cable TV Co., Ltd.	1	Other payables	560,000	Payment terms varied depend on the agreements.	1%
		Shin Ho Cable TV Co., Ltd.	1	Other payables	200,000	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	180,000	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	1	Other payables	138,000	Payment terms varied depend on the agreements.	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	530,000	Payment terms varied depend on the agreements.	1%
		Globalview Cable TV Co., Ltd.	1	Other payables	425,000	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	1	Other liabilities	471	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	12,345	Payment terms varied depend on the agreements.	-
		WinTV Broadcasting Co., Ltd.	3	Operating revenues	110	Payment terms varied depend on the agreements.	-
		Union Cable TV Co., Ltd.	1	Operating revenues	115,733	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	212,543	Payment terms varied depend on the agreements.	1%
		Mangrove Cable TV Corporation	1	Operating revenues	9,468	Payment terms varied depend on the agreements.	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	250,954	Payment terms varied depend on the agreements.	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	101,081	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	148	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	30,416	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	17,289	Payment terms varied depend on the agreements.	-
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	823	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	21,298	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
		Mangrove Cable TV Corporation	1	Operating costs	\$ 7,194	Payment terms varied depend on the agreements.	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	27,187	Payment terms varied depend on the agreements.	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	9,690	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	5,520	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,389	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	1,262	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	59	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	1,099	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	655	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	1,596	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	396	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Interest income	34	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	20	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	2,996	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	9,459	Payment terms varied depend on the agreements.	-
		TFN Investment Co., Ltd.	2	Interest expenses	33,883	Payment terms varied depend on the agreements.	-
		Union Cable TV Co., Ltd.	1	Interest expenses	6,080	Payment terms varied depend on the agreements.	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	2,235	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	2,120	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	1	Interest expenses	1,444	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
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	\$ 6,041	Payment terms varied depend on the agreements.	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	3,222	Payment terms varied depend on the agreements.	-
20	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	947	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	11,170	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	271	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	560,055	Payment terms varied depend on the agreements and based on regular terms	1%
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts payable	105,927	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	3	Accounts payable	36	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	85	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	29	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accrued expenses	15	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	12,133	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	675	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating revenues	18,116	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	258	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	152	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	165	Payment terms varied depend on the agreements.	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating costs	105,927	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	152	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	708	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	9,806	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Interest income	6,080	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	435	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
21	Shin Ho Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	\$ 110	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	834	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	200,000	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accrued expenses	31	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating revenues	823	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	53	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	40	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	2,235	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	60	Based on regular terms	-
22	Yeong Jialeh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	2,867	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	16,433	Payment terms varied depend on the agreements.	-
		Mangrove Cable TV Corporation	3	Accounts receivable	229	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	180,000	Payment terms varied depend on the agreements.	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Other current assets	24	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	22	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts payable	193,395	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	25	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	49	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	147	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accrued expenses	271	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accrued expenses	337	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	13,200	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	93	Payment terms varied depend on the agreements.	-
				TFN Media Co., Ltd.	2	Operating revenues	21,982
		Mangrove Cable TV Corporation	3	Operating revenues	229	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	172	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
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	\$ 128	Payment terms varied depend on the agreements.	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating costs	193,395	Payment terms varied depend on the agreements.	1%
		Union Cable TV Co., Ltd.	3	Operating costs	258	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	321	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	187	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	244	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating expenses	35	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	19,149	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Interest income	2,120	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	416	Based on regular terms	-
23	Mangrove Cable TV Corporation	Taiwan Mobile Co., Ltd.	2	Accounts receivable	806	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,056	Payment terms varied depend on the agreements.	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	36	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	138,071	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Other intangible assets	471	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	120	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts payable	229	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	6	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	54	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	11	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	4,148	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	17	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating revenues	7,366	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	115	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	684	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
24	Phoenix Cable TV Co., Ltd.	WinTV Broadcasting Co., Ltd.	3	Operating costs	\$ 150	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	229	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	90	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	244	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	9,468	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Interest income	1,444	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	484	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts receivable	2,582	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	22,178	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	337	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	530,119	Payment terms varied depend on the agreements and based on regular terms	1%
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts payable	229,696	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	181	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	469	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	13,557	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Advance receipts	315	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	978	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating revenues	28,041	Payment terms varied depend on the agreements.	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	321	Based on regular terms	-
Taiwan Mobile Co., Ltd.	2	Operating costs	226	Based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	2	Operating costs	1,794	Payment terms varied depend on the agreements.	-		
WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements.	-		
TFN Media Co., Ltd.	2	Operating costs	229,696	Payment terms varied depend on the agreements.	1%		

(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 expenses	\$ 285	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	814	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	21,257	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Interest income	6,041	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Rental income	86	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	742	Based on regular terms	-
25	Globalview Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,025	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts receivable	8,113	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Other receivables	425,024	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Other current assets	11	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	30	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Accounts payable	91,188	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	1	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	64	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	4,854	Payment terms varied depend on the agreements.	-
		Global Wealth Media Technology Co., Ltd.	2	Advance receipts	17	Payment terms varied depend on the agreements.	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	176	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating revenues	9,904	Payment terms varied depend on the agreements.	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	128	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	298	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Operating costs	91,188	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 expenses	\$ 90	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	130	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	9,893	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Interest income	3,222	Payment terms varied depend on the agreements.	-
		Global Wealth Media Technology Co., Ltd.	2	Rental income	17	Payment terms varied depend on the agreements.	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	182	Based on regular terms	-

Note: 1. Parent to subsidiary.

2. Subsidiary to parent.

3. Between subsidiaries.

(Concluded)

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
SIX MONTHS ENDED JUNE 30, 2008  
(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.	TransAsia Telecommunications Inc.	1	Accounts receivable	\$ 101,393	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts receivable	(20)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	219,494	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	4	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other receivables	179,603	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,009,634	Based on regular terms	2%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	109	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	102,207	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,758	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Other receivables	1,022	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	210	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current assets	79	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Short-term borrowing	1,295,609	Based on regular terms	1%
		TransAsia Telecommunications Inc.	1	Accounts payable	19,663	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	5	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	22,747	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accrued expenses	1,567	Based on regular terms	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Accrued expenses	35	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	151,622	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	214,266	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accrued expenses	1	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	70	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accrued interest expenses	5,360	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other payables	202,316	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	96,010	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	132	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	32	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	442	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	55	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	481	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	251	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	1	Prepayments	148	Based on regular terms	-		
TransAsia Telecommunications Inc.	1	Other current liabilities	133,132	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
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	\$ 358,944	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Other current liabilities	5	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	8	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	35	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other current liabilities	7	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	141	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other current liabilities	20	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	75	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	48	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	351,481	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	987,995	Based on regular terms	3%
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	168	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	544	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	228	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	124	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	164	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	34	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	576	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	236	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Operating revenues	14	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating costs	197,211	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	272	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	465,612	Based on regular terms	1%
		Phoenix Cable TV Co., Ltd.	1	Operating costs	114	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	451,001	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	43,230	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating expenses	1	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	9	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(575)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(1)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(1)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(1)	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	25,534	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	10,793	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Rental income	20	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	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	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	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
		TT&T Life Insurance Agency Co., Ltd.	1	Rental income	\$ 34	Based on regular terms	-
		TT&T Casualty & Property Insurance Agency 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	27,508	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Rental income	31	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Rental income	31	Based on regular terms	-
		Reach & Range Inc.	1	Rental income	31	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	5,320	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	23	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	23	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Rental income	1,053	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	1,523	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Interest expenses	8,508	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Miscellaneous expense	868	Based on regular terms	-
1	TransAsia Telecommunications Inc.	The Corporation	2	Accounts receivable	19,663	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	3,269	Based on regular terms	-
		Reach & Range Inc.	3	Accounts receivable	106	Based on regular terms	-
		The Corporation	2	Other receivables	1,638,006	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	3	Other receivables	7,629	Based on regular terms	-
		The Corporation	2	Accounts payable	104,474	Based on regular terms	-
		The Corporation	2	Accrued expenses	112,043	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	3,277	Based on regular terms	-
		The Corporation	2	Other payables	64,451	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	934	Based on regular terms	-
		The Corporation	2	Other current liabilities	66	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	5,677	Based on regular terms	-
		The Corporation	2	Operating revenues	197,067	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	6	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	23,294	Based on regular terms	-
		The Corporation	2	Operating costs	351,481	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	18,556	Based on regular terms	-
		The Corporation	2	Operating expenses	20	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	292	Based on regular terms	-
		The Corporation	2	Interest income	8,507	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	3	Interest income	2,199	Based on regular terms	-
		The Corporation	2	Rental income	144	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Rental income	201	Based on regular terms	-
		The Corporation	2	Miscellaneous revenue	868	Based on regular terms	-
2	Wealth Media Technology Co., Ltd.	The Corporation	2	Operating expenses	34	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
3	Tai Fu Media Technology Co., Ltd.	The Corporation	2	Accrued interest expenses	\$ 4,634	Based on regular terms	-
		The Corporation	2	Other payables	2,005,000	Based on regular terms	2%
		The Corporation	2	Operating expenses	34	Based on regular terms	-
		The Corporation	2	Interest expenses	25,534	Based on regular terms	-
4	Fu Jia Leh Media Technology Co., Ltd.	The Corporation	2	Operating expenses	23	Based on regular terms	-
5	Fu Sin Media Technology Co., Ltd.	The Corporation	2	Operating expenses	23	Based on regular terms	-
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Prepayments	17	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	17	Based on regular terms	-
7	Taiwan Cellular Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	150	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Other receivables	2,890	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,252,608	Based on regular terms	1%
		The Corporation	2	Operating expenses	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest income	7,947	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	15,819	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Interest expenses	2,198	Based on regular terms	-
8	Tai Yi Digital Broadcasting Co., Ltd.	The Corporation	2	Operating expenses	34	Based on regular terms	-
9	Taiwan Digital Communications Co., Ltd.	The Corporation	2	Operating expenses	34	Based on regular terms	-
10	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Accounts receivable	151,178	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	5,137	Based on regular terms	-
		The Corporation	2	Other receivables	449	Based on regular terms	-
		The Corporation	2	Accrued expenses	109	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	150	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Accrued expenses	(1,683)	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Accrued expenses	7,453	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	69	Based on regular terms	-
		The Corporation	2	Operating revenues	450,894	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	15,292	Based on regular terms	-
		The Corporation	2	Operating expenses	656	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	5,975	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	25,713	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	3	Operating expenses	202	Based on regular terms	-		
The Corporation	2	Rental income	1,004	Based on regular terms	-		
11	TT&T Life Insurance Agency Co., Ltd.	The Corporation	2	Operating expenses	34	Based on regular terms	-
12	TT&T Casualty & Property Insurance Agency Co., Ltd.	The Corporation	2	Operating expenses	34	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
13	Taiwan Super Basketball Co., Ltd.	The Corporation	2	Operating revenues	\$ 7	Based on regular terms	-
		The Corporation	2	Operating expenses	34	Based on regular terms	-
14	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	2,022	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,460	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	6,053	Based on regular terms	-
15	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	7,479	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	25,831	Based on regular terms	-
16	Taiwan Fixed Network Co., Ltd.	The Corporation	2	Accounts receivable	213,566	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts receivable	307	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	69	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	9,505	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	3,839	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Accounts receivable	7,291	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	7,358	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	46	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	92	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	194	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	500	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	92	Based on regular terms	-
		The Corporation	2	Other receivables	203,467	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Other receivables	1,390	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Other receivables	22,943	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other receivables	136	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	900,754	Based on regular terms	1%
		Yeong Jialeh Cable TV Co., Ltd.	1	Other receivables	8	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	12	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Other receivables	2,248	Based on regular terms	-
		The Corporation	2	Prepayments	196	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Prepayments	175	Based on regular terms	-
		The Corporation	2	Refundable deposits	830	Based on regular terms	-
VoPier Communications (Taiwan) Co., Ltd.	1	Guarantee deposits	(320)	Based on regular terms	-		
The Corporation	2	Accounts payable	6,282	Based on regular terms	-		
TransAsia Telecommunications Inc.	3	Accounts payable	2,721	Based on regular terms	-		
Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts payable	347	Based on regular terms	-		
Reach & Range Inc.	1	Accounts payable	9,293	Based on regular terms	-		
TFN Media Co., Ltd.	1	Accounts payable	27,490	Based on regular terms	-		
Union Cable TV Co., Ltd.	1	Accounts payable	18	Based on regular terms	-		
Yeong Jialeh Cable TV Co., Ltd.	1	Accounts payable	1,500	Based on regular terms	-		
Phoenix Cable TV Co., Ltd.	1	Accounts payable	1,598	Based on regular terms	-		
Globalview Cable TV Co., Ltd.	1	Accounts payable	31	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
		TFNHK	1	Accounts payable	\$ 464	Based on regular terms	-
		The Corporation	2	Accrued expenses	37,646	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accrued expenses	5,137	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accrued expenses	187	Based on regular terms	-
		Reach & Range Inc.	1	Accrued expenses	36	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Accrued expenses	31,326	Based on regular terms	-
		The Corporation	2	Other payables	2,786	Based on regular terms	-
		The Corporation	2	Advance receipts	210	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other liabilities	5,072	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Guarantee deposits	(320)	Based on regular terms	-
		The Corporation	2	Operating revenues	497,330	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	18,849	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	202	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	20,925	Based on regular terms	-
		Reach & Range Inc.	1	Operating revenues	300	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating revenues	245	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	24,639	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	661	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	372	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	1,732	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	21	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	2,609	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	526	Based on regular terms	-
		The Corporation	2	Operating costs	985,107	Based on regular terms	3%
		TransAsia Telecommunications Inc.	3	Operating costs	23,510	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating costs	16	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	8,192	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating costs	25,552	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	104	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	3,550	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	4,289	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	481	Based on regular terms	-
		TFNHK	1	Operating costs	1,401	Based on regular terms	-
		The Corporation	2	Operating expenses	27,657	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	15,299	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating expenses	645	Based on regular terms	-
		Reach & Range Inc.	1	Operating expenses	134	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(13)	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Operating expenses	79,772	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Interest income	8,732	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	646	Based on regular terms	-
		The Corporation	2	Rental income	8,481	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
		WinTV Broadcasting Co., Ltd.	1	Rental income	\$ 130	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Rental income	15	Based on regular terms	-
		VoPier Communications (Taiwan) Co., Ltd.	1	Rental income	2,240	Based on regular terms	-
		The Corporation	2	Miscellaneous revenue	15	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Miscellaneous revenue	3	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	3,835	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	7,948	Based on regular terms	-
		The Corporation	2	Miscellaneous expense	1,524	Based on regular terms	-
17	TFN HK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	445	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	1,364	Based on regular terms	-
18	Taiwan Telecommunication Network Services Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	32	Based on regular terms	-
		Reach & Range Inc.	3	Accounts receivable	171	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Accounts receivable	3	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	186	Based on regular terms	-
		The Corporation	2	Other current assets	24	Based on regular terms	-
		The Corporation	2	Notes payable	4	Based on regular terms	-
		The Corporation	2	Accounts payable	14	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	32,437	Based on regular terms	-
		The Corporation	2	Accrued expenses	297	Based on regular terms	-
		Reach & Range Inc.	3	Accrued expenses	59	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	23	Based on regular terms	-
		Reach & Range Inc.	3	Operating revenues	1,036	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	19	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	19	Based on regular terms	-
		The Corporation	2	Operating costs	64	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	21,815	Based on regular terms	-
		The Corporation	2	Operating expenses	131	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	(591)	Based on regular terms	-
19	VoPier Communications (Taiwan) Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	31,326	Based on regular terms	-
		The Corporation	2	Accrued expenses	1,022	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	2,248	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	79,780	Based on regular terms	-
		The Corporation	2	Operating expenses	1,061	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	2,248	Based on regular terms	-
20	TFN Investment Co., Ltd.	TFN Media Co., Ltd.	1	Other receivables	3,920,899	Based on regular terms	4%
		The Corporation	2	Operating expenses	33	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	32,074	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	8,732	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
21	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	\$ 9,281	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Accounts receivable	244	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	3,540	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Accounts payable	171	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	300	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	8,240	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating revenues	356	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating costs	1,036	Based on regular terms	-
		The Corporation	2	Operating expenses	31	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	300	Based on regular terms	-
22	WinTV Broadcasting Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other payables	5,759	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Advance receipts	150	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Advance receipts	150	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Advance receipts	150	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Advance receipts	150	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	150	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Long-term accounts payables	1,307	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	150	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	150	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	150	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	150	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	150	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	314	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	148	Based on regular terms	-
		23	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	32,424
Union Cable TV Co., Ltd.	1			Accounts receivable	61,038	Payment terms varied depend on the agreements	-
Yeong Jialeh Cable TV Co., Ltd.	1			Accounts receivable	89,059	Payment terms varied depend on the agreements	-
Mangrove Cable TV Corporation	1			Accounts receivable	2,125	Payment terms varied depend on the agreements	-
Phoenix Cable TV Co., Ltd.	1			Accounts receivable	119,090	Payment terms varied depend on the agreements	-
Globalview Cable TV Co., Ltd.	1			Accounts receivable	43,580	Payment terms varied depend on the agreements	-
The Corporation	2			Other receivables	70	Based on regular terms	-
Taiwan Fixed Network Co., Ltd.	1	Other current assets	10	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
		Taiwan Fixed Network Co., Ltd.	1	Other intangible assets	\$ 5,072	Payment terms varied depend on the agreements	-
		The Corporation	2	Accrued expenses	1,750	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	11,147	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,135	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	29	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	1,964	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	319	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,853	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	443	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued interest expenses	2,608	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued interest expenses	646	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Accrued interest expenses	20,899	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accrued interest expenses	5,832	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued interest expenses	2,635	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued interest expenses	77	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accrued interest expenses	613	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Accrued interest expenses	1,942	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accrued interest expenses	844	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accrued interest expenses	3,609	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Other payables	1,250,000	Payment terms varied depend on the agreements	1%

(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 Fixed Network Co., Ltd.	2	Other payables	\$ 900,790	Payment terms varied depend on the agreements	1%
		TFN Investment Co., Ltd.	2	Other payables	3,900,000	Payment terms varied depend on the agreements	4%
		Union Cable TV Co., Ltd.	1	Other payables	460,000	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	207,700	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	30,000	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Other payables	68,000	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Other payables	205,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	330,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Other payables	320,000	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other liabilities	2,426	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Other liabilities	6,127	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Other liabilities	3,647	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	25,552	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	108,668	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	2,381	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	181,763	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Corporation	1	Operating revenues	7,218	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	7,631	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	238,414	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	94,841	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	260	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	27,074	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	22,886	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
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	\$ 2,086	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	20,777	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	5,401	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating costs	551	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	32,038	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	10,090	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	6,421	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,569	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	1,603	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	188	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	957	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	275	Payment terms varied depend on the agreements and based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	68	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	1,477	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	268	Payment terms varied depend on the agreements and based on regular terms	-
		The Corporation	2	Miscellaneous revenue	144	Based on regular terms	-
		The Corporation	2	Interest expenses	10,775	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	15,732	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	646	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	32,004	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	5,996	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	2,663	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
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	\$ 322	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	634	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Interest expenses	1,942	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	1,122	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	3,740	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Miscellaneous expense	25	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Miscellaneous expense	5	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Miscellaneous expense	9	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Miscellaneous expense	8	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Miscellaneous expense	4	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Miscellaneous expense	24	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Miscellaneous expense	13	Based on regular terms	-
24	Union Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	167	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	18	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	5,108	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	465,859	Payment terms varied depend on the agreements and based on regular terms	1%
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	49,410	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts payable	1	Based on regular terms	-
		The Corporation	2	Accrued expenses	3	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	11,627	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	103	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	24,268	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	6	Based on regular terms	-
		The Corporation	2	Operating costs	130	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	98,820	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
		The Corporation	2	Operating expenses	\$ 114	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	874	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	9,848	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	5,996	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	245	Based on regular terms	-
25	Shin Ho Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	56	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	29	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	210,335	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	2,086	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	25	Based on regular terms	-
		The Corporation	2	Operating expenses	43	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	2,381	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	2,663	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	193	Based on regular terms	-
26	Yeong Jialeh Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	580	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	1,500	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,946	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	30,077	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current assets	19	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	2,426	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	30	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
		TFN Media Co., Ltd.	2	Accounts payable	\$ 81,331	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	59	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	7,729	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	3,550	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	21,584	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	157	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	127	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	162,662	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	38	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	333	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	19,101	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	322	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	159	Based on regular terms	-
27	Mangrove Cable TV Corporation	The Corporation	2	Accounts receivable	75	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	286	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	12	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	68,646	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other intangible assets	6,127	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	120	Payment terms varied depend on the agreements	-
		The Corporation	2	Accrued expenses	1	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	61	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Accrued expenses	3	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
		TFN Media Co., Ltd.	2	Accrued expenses	\$ 933	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	1,192	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	5,504	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	11	Based on regular terms	-
		The Corporation	2	Operating costs	62	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	1,482	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	55	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	327	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	19	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	7,218	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	634	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	181	Based on regular terms	-
28	North Coast Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Other receivables	206,942	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	551	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	20	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating costs	5,775	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	13	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	63	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	1,856	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,942	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	71	Based on regular terms	-
29	Phoenix Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	557	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	1,598	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,767	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
		TFN Media Co., Ltd.	2	Other receivables	\$ 330,929	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	108,422	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	486	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	10,668	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Advance receipts	175	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	4,289	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	33,177	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	151	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	1,794	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	216,843	Payment terms varied depend on the agreements	1%
		The Corporation	2	Operating expenses	242	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	937	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	21,571	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,122	Payment terms varied depend on the agreements	-
		The Corporation	2	Rental income	86	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	362	Based on regular terms	-
30	Globalview Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	299	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	31	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	427	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	2	Accounts receivable	2	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	323,625	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
		WinTV Broadcasting Co., Ltd.	3	Prepayments	\$ 150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current assets	3	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	3,647	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	27	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	42,136	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	2	Accounts payable	12	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	66	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	1,444	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Advance receipts	17	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	481	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	10,222	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	2	Operating revenues	5	Based on regular terms	-
		The Corporation	2	Operating costs	87	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	243	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	150	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	84,273	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	82	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	434	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	19	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	10,569	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	3,740	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Rental income	17	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	150	Based on regular terms	-

Note: 1. Parent to subsidiary.

2. Subsidiary to parent.

3. Between subsidiaries.

(Concluded)