Chap. 8 Financial Report

Financial status

1. Balance sheet

The Company's condensed balance sheets for the past five years and explanation of significant changes are as follows:

1. Current assets

In 2007, the Company liquidated its bond funds to meet funding requirements for acquiring Taiwan Fixed Network Co., Ltd. (TFN) shares, resulting in a decrease in current assets. In 2009, the Company upstreamed cash from Taiwan Cellular Co., Ltd's (TCC) capital reduction, resulting in an increase in current assets.

2. Funds and long-term investments

In 2007, the Company increased its investment in TCC to acquire TFN shares. The long-term investments were, however, lower than the previous year as the Company shares held by its subsidiaries were reclassified as treasury stock. Furthermore, TransAsia Telecommunications, Inc. (TAT) and TCC had capital reductions in 2007 and 2009, respectively, resulting in decreased long-term investments.

3. Fixed assets

The disposal of obsolete 2G equipment resulted in a decline in fixed assets.

4. Intangible assets

In 2008, intangible assets increased as the Company merged with TAT International (which was acquired at a premium) and inherited the goodwill.

5. Other assets

In 2007, other assets increased due to reclassification from fixed assets of one of the Company's office buildings being leased out and an increase in deferred tax assets related to timing difference between financial accounting and tax accounting in the recognition of asset write-off losses.

The 2009 amendment of Article 5 of the Income Tax Act provides for the corporate statutory tax rate to be reduced from 25% to 20% effective 2010; as such, deferred income tax assets were revised downward accordingly.

6. Current liabilities

The Company's raising of bank loans to meet its funding needs in acquiring TFN shares, together with payables arising from capital reduction, resulted in increased current liabilities in 2007. Current liabilities decreased due to bank loan repayment and settlement of capital reduction in 2008.

7. Long-term liabilities

Starting in 2004, repayment of long-term bank loans as well as settlement and conversion of convertible bonds contributed to a steady decline in long-term liabilities. In 2008, however, issuance of the second unsecured corporate bonds and increase in syndicated loans resulted in increased long-term liabilities. In 2009, long-term liabilities decreased anew as the Company repaid its syndicated loans.

8. Other liabilities

In 2007, the Company injected capital into TCC, which further invested in Taihsing International Telecommunications Co., Ltd. (TIT), using cash and TFN shares. The spread between the original cost and the disposal price of the TFN shares on these transactions had been deferred and classified under other liabilities in accordance to SFAS No. 5.

9. Stockholders' equity

The conversion of convertible bonds increased capital and capital surplus, while a 24% capital reduction approved

during the shareholders' meeting in 2007 decreased capital. The Company's shares held by subsidiaries were classified as treasury stock, decreasing shareholders' equity. In 2008, the sale of 300,000 Company's shares by its subsidiary decreased treasury shares, while the disposal gain increased capital surplus and shareholders' equity accordingly.

Balance sheet for the past five years

Unit: NT$'000

		2005	2006	2007	2008	2009
Current assets		25,779,977	26,112,730	11,831,063	11,055,600	13,530,729
Funds and long-term investments		21,091,320	21,620,736	15,276,374	15,660,750	9,808,833
Fixed assets		57,638,728	57,224,824	42,568,638	43,018,691	39,033,012
Intangible assets		9,720,218	9,036,696	8,249,458	14,317,314	13,567,671
Other assets		3,139,195	2,976,458	6,076,924	5,608,974	4,823,691
Total assets		117,369,438	116,971,444	84,002,457	89,661,329	80,763,936
Current liabilities	Before appropriation	15,477,853	16,564,043	42,763,948	23,717,197	18,833,732
	After appropriation	28,766,184	29,919,728	50,565,070	37,686,061	(Note1)
Long-term liabilities		14,584,125	10,291,046	7,551,665	13,200,000	8,000,000
Other liabilities		318,704	248,561	1,833,915	1,841,534	1,856,978
Total liabilities	Before appropriation	30,380,682	27,103,650	52,149,528	38,758,731	28,690,710
	After appropriation	43,669,013	40,459,335	59,950,650	52,727,595	(Note1)
Capital stock		49,492,065	49,993,251	38,009,254	38,009,254	38,009,254
Capital surplus		7,905,337	8,748,571	8,785,159	12,297,839	12,431,704
Retained earnings	Before appropriation	29,881,787	32,706,825	25,959,268	33,529,532	33,449,530
	After appropriation	16,593,456	19,351,140	18,158,146	19,560,668	(Note1)
Unrealized valuation loss on long-term investments		-	(147,423)	(64,043)	(5,897)	63,624
Translation adjustments		3,240	3,860	5,764	17,840	12,011
Net loss not recognized as pension cost		-	-	1,534	2,862	(3,797)
Total shareholders' equity	Before appropriation	86,988,756	89,867,794	31,852,929	50,902,598	52,073,226
	After appropriation	73,700,425	76,512,109	24,051,807	36,933,734	(Note1)

Note 1: 2009 earnings appropriation proposals are pending approval in the shareholders' meeting.
Note 2: 2005-2009 financial data have been duly audited by independent auditors.

2. Income statement

The Company's condensed income statements for the past five years and explanation of significant changes are as follows:

1. Non-operating income

In 2006, non-operating income rose on gains of NT$2.1bn from the disposal of CHT shares. In 2009, non-operating income decreased due to less investment income from subsidiaries.

2. Non-operating expense

Significant losses from asset write-off of obsolete telecom equipment following its technology upgrade and network integration were recognized in 2007.

Unit: NT$'000

	2005	2006	2007	2008	2009
Revenue	47,408,572	47,891,289	51,284,856	54,311,605	57,015,452
Gross profit	28,056,234	27,464,393	28,908,257	30,204,806	29,849,527
Operating income	17,170,785	14,981,243	16,025,677	16,861,395	16,632,797
Non-operating income	3,839,134	6,355,984	4,538,500	4,791,141	3,730,713
Non-operating expense	2,698,462	3,858,726	12,508,313	1,875,439	2,231,019
Pre-tax income	18,311,457	17,478,501	8,055,864	19,777,097	18,132,491
Net income	16,236,698	16,170,741	6,612,997	15,371,386	13,888,862
EPS (NT$)	3.31	3.28	1.68	5.18	4.66

Note: 2005-2009 financial data have been duly audited by independent auditors.

3. Financial analysis for the past five years

			2005	2006	2007	2008	2009
Financial structure	Debt to asset ratio (%)		25.88	23.17	62.08	43.23	35.52
	Long-term capital to fixed asset ratio (%)		176.22	175.03	92.57	149.01	153.90
Solvency	Current ratio (%)		166.56	157.65	27.67	46.61	71.84
	Quick ratio (%)		163.49	154.05	26.17	42.66	67.00
	Interest coverage ratio (x)		31.82	42.94	21.58	29.91	33.17
Operations	Accounts receivable turnover (x)		7.77	7.37	7.75	8.02	8.56
	Average collection days		46.98	49.53	47.10	45.51	42.64
	Inventory turnover (x)		-	2.53	2.02	5.44	7.85
	Accounts payable turnover (x)		13.57	14.03	14.76	12.62	13.18
	Average days sales		-	144.27	180.69	67.10	46.50
	Fixed asset turnover (x)		0.82	0.84	1.20	1.26	1.46
	Total asset turnover (x)		0.40	0.41	0.61	0.61	0.71
Profitability	Return on assets (%)		13.98	14.07	6.87	18.29	16.80
	Return on equity (%)		19.33	18.29	10.87	37.15	26.97
	% of paid-in capital	Operating income	34.67	29.97	42.16	44.36	43.76
		Pre-tax income	36.98	34.96	21.19	52.03	47.71
	Net income margin (%)		34.25	33.77	12.89	28.30	24.36
	EPS (NT$)		3.31	3.28	1.68	5.18	4.66
Cash flow	Cash flow ratio (%)		174.16	69.93	79.87	106.27	139.10
	Cash flow adequacy ratio (%)		162.30	126.44	148.13	147.08	143.32
	Cash reinvestment rate (%)		13.02	-	24.93	18.69	14.54
Leverage	Operating leverage		1.43	1.64	1.70	1.69	1.77
	Financial leverage		1.04	1.03	1.03	1.04	1.04
Others	EBITDA (NT$'000)		22,576,687	21,385,641	23,205,291	23,886,242	24,519,524
	EBITDA margin (%)		47.62	44.65	45.25	43.98	43.01
	ARPU (NT$)		842	827	821	785	721
	MOU (in thousand minutes)		12,213,446	12,903,920	13,554,863	14,674,970	15,797,024

Explanation for items in 2009 with major changes > 20% from the previous year:

(1) The decrease in current liabilities, long-term liabilities and total liabilities were due to repayment of the first unsecured corporate bonds and syndicated loan. Accordingly, current ratio, quick ratio and cash flow ratio increased while debt to asset radio decreased.

(2) The decrease in net income from the previous year was due to less investment gain from subsidiaries and higher asset write-off losses. Return on assets, return on equity, pre-tax income as a % of paid-in capital, net income margin and EPS declined accordingly.

(3) Increase in promotional handset sell-through resulted in higher cost of handset sold. As the inventory didn't rise proportionally, the inventory turnover was up with shorter average days sales.

(4) The cash reinvestment rate dropped due to increased cash dividends paid out.

Note: 2005-2009 financial data have been duly audited by independent auditors.

Formulas for the above table:

1. Financial structure
   (1) Debt to asset ratio = Total liabilities / Total assets
   (2) Long-term capital to fixed asset ratio = (Shareholders' equity + Long-term liabilities) / Net fixed assets

2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets – Inventory – Prepaid expenses) / Current liabilities
   (3) Interest cover = Income before interest and tax / Interest expense

3. Operations
   (1) Accounts receivable turnover = Net revenue / Average accounts receivable
   (2) Average collection days = 365 / AR turnover ratio
   (3) Inventory turnover = COGS / Average inventory
   (4) Accounts payable turnover = COGS / Average accounts payable
   (5) Average days sales = 365 / Inventory turnover ratio
   (6) Fixed asset turnover = Net revenue / Net fixed assets
   (7) Total asset turnover = Net revenue / Total assets

4. Profitability
   (1) Return on assets = [Net income + Interest expense * (1 – Tax rate)] / Average assets
   (2) Return on equity = Net income / Average equity
   (3) Net income margin = Net income / Net sales
   (4) EPS = (Net income – Preferred stock dividend) / Weighted average outstanding shares

5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities / Current liabilities
   (2) Cash flow adequacy ratio = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increases in inventory + Cash dividend) for the past 5 years
   (3) Cash reinvestment rate = (Cash flow from operating activities – Cash dividends) / (Gross fixed assets + Long-term investments + Other assets + Working capital) (Note: Use 0 if working capital value is negative)

6. Leverage
   (1) Operating leverage = (Net revenue – Variable operating costs and expenses) / Operating income
   (2) Financial leverage = Operating income / (Operating income – Interest expense)

7. Others
   (1) EBITDA = Operating income + Depreciation + Amortization
   (2) EBITDA margin = EBITDA/Net revenue
   (3) ARPU = Net telecom service revenue / Average number of subscribers
   (4) MOU = Outgoing & incoming minutes

Financial and operating results analysis

1. Financial results

1. Taiwan Mobile Co., Ltd. – standalone balance sheet

Explanation of significant changes – i.e., at least a 10% change amounting to more than NT$10 million – in the past two years' assets, liabilities and shareholders' equity:

1. Increase in current assets was due to receiving capital return of NT$3.5bn from the subsidiary, Taiwan Cellular Co., Ltd.

2. Amendment of Article 5 of the Income Tax Act provides for the corporate statutory tax rate to be reduced from 25% to 20% effective 2010. Deferred income tax assets have been revised downward accordingly.

3. Current liabilities and long-term liabilities decreased due to repayment of the first unsecured corporate bonds and syndicated loan.

2008 - 2009 Standalone Balance Sheet

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Current assets	13,530,729	11,055,600	2,475,129	22.39
Fixed assets	39,033,012	43,018,691	(3,985,679)	(9.26)
Other assets	4,823,691	5,608,974	(785,283)	(14.00)
Total assets	80,763,936	89,661,329	(8,897,393)	(9.92)
Current liabilities	18,833,732	23,717,197	(4,883,465)	(20.59)
Long-term liabilities	8,000,000	13,200,000	(5,200,000)	(39.39)
Total liabilities	28,690,710	38,758,731	(10,068,021)	(25.98)
Paid-in capital	38,009,254	38,009,254	-	-
Capital surplus	12,431,704	12,297,839	133,865	1.09
Retained earnings	33,449,530	33,529,532	(80,002)	(0.24)
Total shareholders' equity	52,073,226	50,902,598	1,170,628	2.30

2. Taiwan Mobile Co., Ltd. – consolidated balance sheet

Explanation of significant changes – i.e., at least a 10% change amounting to more than NT$10 million – in the past two years' assets, liabilities and shareholders' equity:

1. Amendment of Article 5 of the Income Tax Act provides for the corporate statutory tax rate to be reduced from 25% to 20% effective 2010. Deferred income tax assets have been downward revised accordingly.

2. Current liabilities and long-term liabilities decreased due to repayment of the first unsecured corporate bonds and syndicated loan.

2008 - 2009 Consolidated Balance Sheet

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Current assets	11,600,054	12,712,754	(1,112,700)	(8.75%)
Fixed assets	46,543,617	49,720,231	(3,176,614)	(6.39%)
Other assets	3,331,469	4,119,087	(787,618)	(19.12%)
Total assets	85,899,832	91,939,109	(6,039,277)	(6.57%)
Current liabilities	24,761,119	26,735,149	(1,974,030)	(7.38%)
Long-term liabilities	8,000,000	13,200,000	(5,200,000)	(39.39%)
Total liabilities	33,816,723	41,002,576	(7,185,853)	(17.53%)
Paid-in capital	38,009,254	38,009,254	-	-
Capital surplus	12,431,704	12,297,839	133,865	1.09%
Retained earnings	33,449,530	33,529,532	(80,002)	(0.24%)
Total shareholders' equity	52,083,109	50,936,533	1,146,576	2.25%

3. Impact of changes on financial results: No significant impact

4. Preventive measures: Not applicable

2. Operating results

1. Taiwan Mobile Co., Ltd. – standalone income statement

1. Increase in operating costs: Telecom operating cost increased upon consolidation with TransAsia Telecommunications, Inc. (TAT), and cost of handset sold increased due to higher promotional handset sell-through.

2. Decrease in non-operating gain: Investment income from subsidiaries decreased due to TAT was merged with the Company in September 2008 and its income was reclassified to operating revenue in 2009.

3. Increase in non-operating loss: Asset write-off losses increased due to increased network system integration in 2009.

2008 – 2009 Standalone Income Statemen

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Revenue	57,015,452	54,311,605	2,703,847	4.98
Operating costs	(27,165,925)	(24,106,799)	3,059,126	12.69
Gross profit	29,849,527	30,204,806	(355,279)	(1.18)
Operating expense	(13,216,730)	(13,343,411)	(126,681)	(0.95)
Operating income	16,632,797	16,861,395	(228,598)	(1.36)
Non-operating income	3,730,713	4,791,141	(1,060,428)	(22.13)
Non-operating expense	(2,231,019)	(1,875,439)	355,580	18.96
Income before tax	18,132,491	19,777,097	(1,644,606)	(8.32)
Net income	13,888,862	15,371,386	(1,482,524)	(9.64)

2. Taiwan Mobile Co., Ltd. – consolidated income statement

Decrease in non-operating gain: Non-operating income in 2009 was lower since there was a significant gain reported in 2008 from the disposal of Fubon Financial Holding Co., Ltd.

2008 – 2009 Consolidated Income Statement

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Revenue	68,470,232	69,296,096	(825,864)	(1.19%)
Operating costs	(33,195,238)	(31,720,111)	1,475,127	4.65%
Gross profit	35,274,994	37,575,985	(2,300,991)	(6.12%)
Operating expense	(14,826,860)	(15,814,145)	(987,285)	(6.24%)
Operating income	20,448,134	21,761,840	(1,313,706)	(6.04%)
Non-operating income	596,131	1,032,166	(436,035)	(42.24%)
Non-operating expense	(2,397,934)	(2,257,296)	140,638	6.23%
Income before tax	18,646,331	20,536,710	(1,890,379)	(9.20%)
Net income	13,890,516	15,382,249	(1,491,733)	(9.70%)

3. Consolidated financial analysis (2009 versus 2008)

			2009	2008
Financial structure (%)	Debt to asset ratio		39.37	44.60
	Long-term capital to fixed asset ratio		129.09	128.99
Solvency (%)	Current ratio		46.85	47.55
	Quick ratio		42.13	43.13
	Interest coverage ratio (x)		34.21	30.80
Operations	Accounts receivable turnover (x)		8.81	8.69
	Average collection days		41.43	42.00
	Inventory turnover (x)		7.48	5.13
	Accounts payable turnover (x)		11.64	10.44
	Average days sales		48.80	71.15
	Fixed asset turnover (x)		1.47	1.39
	Total asset turnover (x)		0.80	0.75
Profitability (%)	Return on assets		16.09	16.74
	Return on equity		26.97	36.91
	% of paid-in capita	Operating income	53.80	57.25
		Pre-tax income	49.06	54.03
	Net profit margin		20.29	22.20
	EPS (NT$)		4.66	5.18
Cash flow (%)	Cash flow ratio		96.73	103.00
	Cash flow adequacy ratio		157.94	173.61
	Cash reinvestment rate		11.64	22.31
Leverage	Operating leverage		1.83	1.75
	Financial leverage		1.03	1.03

Explanation for items in 2009 with major changes > 20% from the previous year:

(1) Total liabilities and debt to asset ratio were lower due to repayment of the first unsecured corporate bonds and syndicated loan.

(2) Increase in promotional handset sell-through resulted in higher cost of handset sold. As the inventory didn't rise proportionally, the inventory turnover was up with shorter average days sales.

(3) Selling of the Company's shares by its subsidiaries in 2008 resulted in increased capital surplus due to the disposal gain while decreasing treasury shares. Average shareholders' equity increased accordingly, leading to a decrease in return on equity.

(4) The cash reinvestment rate dropped due to increased cash dividends paid out.

4. Revenue outlook, key assumptions, potential impact on the Company's business and corresponding proposal

In 2010, the Company will continue to leverage mobile internet products to expand its wireless market share. Telecom operators are expected to become more aggressive in devising new acquisition strategies and investing more in the VAS market as the demand for smart devices continues to grow. To realize the full potential of this growth, the Company will focus on developing attractive value-added products and services in order to increase average revenue per user (ARPU). The Company will also pursue a bigger market share of the mid to high usage customers. In order to meet these targets, the Company will utilize the full potential of its growing number of direct stores as well as use its edge in handset procurement to help boost cost and marketing efficiency.

3. Cash flow analysis

1. Taiwan Mobile Co., Ltd. – standalone cash flow analysis

1. Cash flow from operating activities: Cash inflow increased in 2009 as more cash dividends were distributed from TCC, this in spite of higher income tax related cash outflow during the same year.

2. Cash flow from investment activities: Cash outflow was lower in 2008 due to a capital return from TCC.

3. Cash flow from financing activities: Cash outflow was lower in 2009 even after payment of cash dividends and repayment of bank loans since there was a significant capital reduction in 2008.

2008 – 2009 Standalone Cash Flow Statement

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	26,196,820	25,203,147	993,673	3.94
Cash inflow (outflow) from investment activities	(5,082,512)	(3,403,331)	(1,679,181)	(49.34)
Cash inflow (outflow) from financing activities	(21,601,641)	(22,718,880)	1,117,239	4.92
Net cash	(487,333)	(919,064)	431,731	46.98

2. Taiwan Mobile Co., Ltd. – consolidated cash flow analysis

1. Cash flow from operating activities: Cash inflow decreased in 2009 due to increase in income tax related cash outflow.

2. Cash flow from investment activities: Cash outflow was lower in 2008 due to consideration received from the disposal of Fubon Financial Holding Co., Ltd.

3. Cash flow from financing activities: Cash outflow was higher in 2008 on account of the payment of capital reduction.

2008 – 2009 Consolidated Cash Flow Statement

Unit: NT$'000, %

	2009	2008	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	23,950,872	27,537,370	(3,586,498)	(13.02%)
Cash inflow (outflow) from investment activities	(6,747,699)	(5,993,202)	(754,497)	(12.59%)
Cash inflow (outflow) from financing activities	(18,067,736)	(24,816,247)	6,748,511	27.19%
Net cash	(4,463)	8,440	(12,903)	(152.88%)

3. Plans to improve negative liquidity: Not applicable

4. Projected cash flow for 2010

1. Projected cash inflow from operating activities: Projected operating cash inflow in 2010 will decrease from 2009 on account of lower cash dividends to be distributed by subsidiaries under the equity method of accounting. Other than this, the projected cash inflow from operating activities in 2010 is expected to remain stable.

2. Projected cash outflow from investment activities: For capital expenditures

3. Projected cash outflow from financing activities: For distribution of cash dividends and repayment of long-term debts

5. Source of funding for negative cash flow in 2010: Not applicable

2010 Cash Flow Analysis

Unit: NT$'000

Cash balance, beginning of the year (1)	Forecast net cash inflow from operations (2)	Forecast cash outflow from investment and financing activities (3)	Cash balance, end of the year (1) +(2) -(3)	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
1,057,042	21,881,495	21,798,735	1,139,802	-	-

4. Major capital expenditures and sources of capital analysis

Due to stable operations and cash flows, the Company was able to fund all major capital expenditures using internal capital; therefore, the Company's financials are not affected.

5. Investments

Investment policies, profitability analyses, and improvement plans: See chart below

Unit: NT$'000

Item \ Explanation	Carrying Value	Rationale	Source for income/ loss	Improvement plans	Future investment plans
Taiwan Cellular Co., Ltd. (TCC)	9,353,920	Investing in fixed network and other telecommunication related business	Investment income from Taiwan Fixed Network Co., Ltd.	-	-
Taipei New Horizons Co., Ltd. (TNH)	211,974	Investing in a property development project located at the old Songshan Tobacco Factory site for headquarter use	In preparatory stage as of 2009 year end	-	Dependent on future construction plan and fund requirement
Wealth Media Technology Co., Ltd.(WMT)	192,615	Investing in CATV related business	Investment loss from Tai Fu Media Technology Co., Ltd.(TFM)	TFM has turned profitable since Nov. 2009 after reducing its debt	The Company's BOD decided to provide additional funding to WMT up to NT$6.5bn in July, 2009
Bridge Mobile Pte Ltd.	50,324	Cooperation with other Asia operators so as to enhance the Company's competitiveness	- (Note)	- (Note)	-

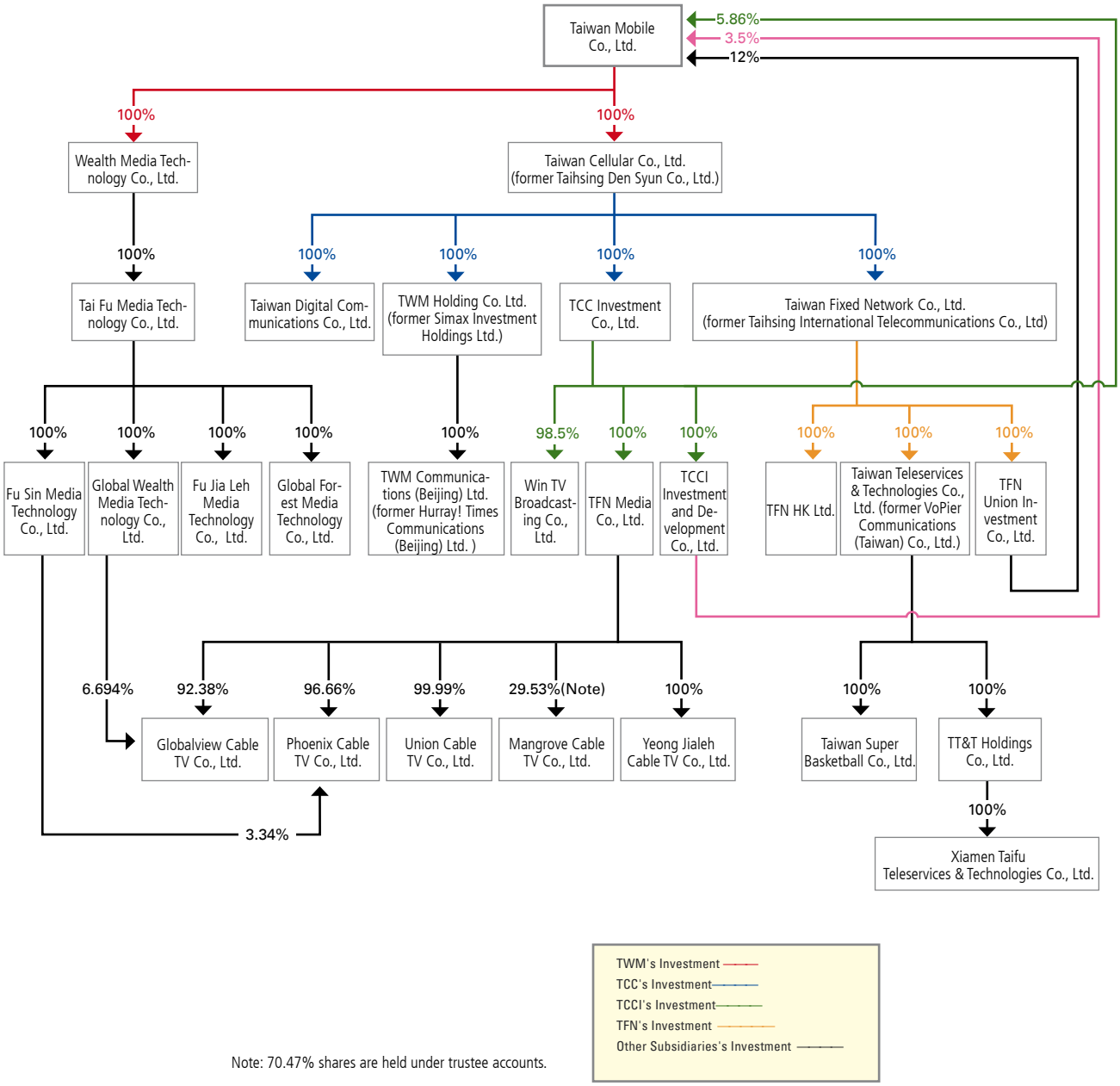
Note: Investment was booked as "Financial assets carried at cost". The Company does not have significant influence on it

6. Financial difficulties for the Company and its affiliates: None

Affiliates

1. Investment Holding Structure

As of December 31, 2009



Note: 70.47% shares are held under trustee accounts.

2. Affiliates' Profile

Unit: NT$'000 (unless otherwise stated)

Name	Date of incorporation	Address	Paid-in capital	Main business
Wealth Media Technology Co., Ltd.	2007.08.07	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	272,000	Investment
Tai Fu Media Technology Co., Ltd.	2007.10.18	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	270,000	Investment
Global Wealth Media Technology Co., Ltd.	2007.10.26	1F, No. 206, Datong Rd., Sec. 2, Sijhih City, Taipei County	84,000	Investment
Fu Jia Leh Media Technology Co., Ltd.	2007.11.23	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	1,000	Investment
Fu Sin Media Technology Co., Ltd.	2007.11.23	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	135,000	Investment
Global Forest Media Technology Co., Ltd.	2008.12.26	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	1,000	Investment
Taiwan Cellular Co., Ltd.	2005.09.20	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	300,000	Telecom engineering and IT services
Taiwan Fixed Network Co., Ltd.	2007.01.30	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	21,000,000	Fixed line service provider
Taiwan Digital Communications Co., Ltd.	2007.06.06	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	12,000	Telecom engineering and IT service
TCC Investment Co., Ltd.	2009.08.10	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	21,000	Investment
TCCI Investment and Development Co., Ltd.	2009.09.22	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	4,000	Investment
Win TV Broadcasting Co., Ltd.	2005.10.17	9F, No. 206, Dunhua S. Rd., Sec. 2, Daan District, Taipei	181,774	TV program provider
TFN Media Co., Ltd.	2005.01.25	6F, No. 206, Dunhua S. Rd., Sec. 2, Daan District, Taipei	2,305,263	Cable broadband and value-added service provider
Union Cable TV Co., Ltd.	2005.02.04	Nos. 28-23, Xiaoshe Lane, Donggang Rd., Yilan City, Yilan County	1,704,633	Cable TV service provider
Yeong Jialeh Cable TV Co., Ltd.	1994.09.26	10F, No. 651-5, Jhongjheng Rd., Sinjhuang City, Taipei County	339,400	Cable TV service provider
Mangrove Cable TV Co., Ltd.	1996.01.23	5F, No. 33, Lane 3, Jhongjheng E. Rd., Sec. 1, Danshuei Township, Taipei County	211,600	Cable TV service provider
Phoenix Cable TV Co., Ltd.	1996.08.22	No. 312, Fongping 1st Rd., Daliao Township, Kaohsiung County	680,902	Cable TV service provider
Globalview Cable TV Co., Ltd.	1995.11.25	No. 206, Datong Rd., Sec. 2, Sijhih City, Taipei County	560,000	Cable TV service provider
TWM Holding Co., Ltd.	2006.06.09	c/o Arias, Fabrega & Fabrega Trust Co., BVI Ltd., 325 Waterfront Drive, Road Town, Tortola, British Virgin Islands	US$1 (Note)	Investment
TWM Communications (Beijing) Ltd.	2002.09.17	Room B05B, B Floor, Tong Heng Building, No. 4 Garden Road, Haidian District, Beijing, China	US$3,000,000 (Note)	Mobile application development and design
Taiwan Teleservices & Technologies Co., Ltd.	2001.06.08	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	10,000	Call center service
Taiwan Super Basketball Co., Ltd.	2007.09.21	15F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	20,000	Basketball team management
TT&T Holdings Co., Ltd.	2004.10.08	TrustNet Chambers, P.O. Box 1225, Apia, Samoa	US$1,300,000 (Note)	Investment
Xiamen Taifu Teleservices & Technologies Co., Ltd.	2005.04.05	3F-B, No.2, Xiamen Software Park, Xiamen City, PRC	US$1,300,000 (Note)	Call center service
TFN HK LIMITED	2003.05.14	Unit 507, 5/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	HK$1,300,000 (Note)	Telecommunications service provider
TFN Union Investment Co., Ltd.	2009.09.22	13F-1, No. 172-1, Jilong Rd., Sec. 2, Taipei	4,000	Investment

Note : Exchange rate of US$1=NT$32.238 and HK$=NT$4.153 as of December 31, 2009.

3. Affiliates' Operating Highlights

Unit: NT$'000

Company Name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Net income	EPS (NT$)
Wealth Media Technology Co., Ltd.	272,000	237,801	45,186	192,615	-	(286)	(33,120)	(1.22)
Tai Fu Media Technology Co., Ltd.	270,000	236,389	45,211	191,178	-	(229)	(32,871)	(1.22)
Global Wealth Media Technology Co., Ltd.	84,000	91,105	4,123	86,982	-	(245)	2,465	0.29
Fu Jia Leh Media Technology Co., Ltd.	1,000	1,094	125	969	-	(248)	(231)	(0.001)
Fu Sin Media Technology Co., Ltd.	135,000	140,977	119	140,858	-	(213)	5,386	0.40
Global Forest Media Technology Co., Ltd.	1,000	840	60	780	-	(176)	(145)	(1.45)
Taiwan Cellular Co., Ltd.	300,000	63,759,087	11,564,028	52,195,059	-	(2,282)	2,648,823	7.08
Taiwan Fixed Network Co., Ltd.	21,000,000	44,776,387	9,564,607	35,211,780	9,941,579	1,770,217	2,195,548	0.62
Taiwan Digital Communications Co., Ltd.	12,000	11,010	60	10,950	-	(156)	(131)	(0.11)
TCC Investment Co., Ltd.	21,000	24,596,613	3,630,978	20,965,635	507,372	502,374	502,577	386.60
TCCI Investment and Development Co., Ltd.	4,000	8,289,757	166,116	8,123,641	-	(56)	(56)	(0.14)
Win TV Broadcasting Co., Ltd.	181,774	710,316	455,581	254,735	877,852	74,002	72,961	4.01
TFN Media Co., Ltd.	2,305,263	12,860,238	9,256,853	3,603,385	2,451,888	1,176,109	1,012,976	4.39
Union Cable TV Co., Ltd.	1,704,633	2,143,698	289,903	1,853,795	613,516	154,517	131,110	0.77
Yeong Jialeh Cable TV Co., Ltd.	339,400	1,062,604	475,263	587,341	1,035,706	217,809	160,341	4.72
Mangrove Cable TV Co., Ltd.	211,600	468,194	184,854	283,340	379,541	64,210	47,872	2.26
Phoenix Cable TV Co., Ltd.	680,902	1,285,734	336,938	948,796	1,117,616	221,487	166,870	2.45
Globalview Cable TV Co., Ltd.	560,000	839,250	209,890	629,360	466,717	80,158	42,399	0.76
TWM Holding Co., Ltd.	0.032	271,492	200	271,292	-	(403)	(46,139)	(46,139,054)
TWM Communications (Beijing) Ltd.	96,714	107,201	11,088	96,113	75,542	1,946	738	NA
Taiwan Teleservices & Technologies Co., Ltd.	10,000	433,064	340,001	93,063	1,015,569	77,837	57,320	57.32
Taiwan Super Basketball Co., Ltd.	20,000	27,118	7,095	20,023	35,532	80	14	0.01
TT&T Holdings Co., Ltd.	41,909	55,620	10,191	45,429	52,767	2,667	1,499	1.15
Xiamen Taifu Teleservices & Technologies Co., Ltd.	41,909	53,291	8,049	45,242	67,863	3,068	1,318	NA
TFN HK LIMITED	5,399	13,239	9,893	3,346	28,414	449	457	0.35
TFN Union Investment Co., Ltd.	4,000	28,472,793	570,424	27,902,369	-	(56)	(56)	(0.14)

Audit Committee Report

Date: January 28, 2010

The Board of Directors of Taiwan Mobile Co., Ltd. (TWM) has submitted the Company's 2009 business report and financial statements. The CPA firm, Deloitte & Touche, was retained to audit TWM's financial statements and has issued an audit report relating to the financial statements. The business report and financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of TWM. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report on behalf of all members of the committee.

Taiwan Mobile Co., Ltd.

Tsung-Ming Chung
Chairman of the Audit Committee

Taiwan Mobile Co., Ltd.

Financial Statements for the Years Ended December 31, 2009 and 2008 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Taiwan Mobile Co., Ltd. (the "Corporation") as of December 31, 2009 and 2008, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taiwan Mobile Co., Ltd. as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As stated in Note 3 to the 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.

We have also audited the accompanying schedules of significant accounts, provided for supplementary analysis, by applying the same procedures described above. In our opinion, such schedules are consistent, in all material respects, with the financial statements referred to above.

We have also audited the consolidated balance sheets of the Corporation and its subsidiaries as of December 31, 2009 and 2008 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, on which we have issued an audit report dated January 20, 2010, with an unqualified opinion and emphasis of a matter explanatory paragraph, respectively.

January 20, 2010

Notice to Readers

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

For the convenience of readers, the auditors' report and the accompanying 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 auditors' report and financial statements shall prevail.

TAIWAN MOBILE CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2009 Amount	%	2008 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 2, 4 and 24)	$ 1,057,042	1	$ 1,544,375	2
Available-for-sale financial assets - current (Notes 2 and 5)	177,821	-	174,008	-
Hedging derivative financial assets - current (Notes 2, 23 and 27)	-	-	82,484	-
Notes receivable	16,772	-	14,139	-
Accounts receivable - third parties (Notes 2 and 6)	5,538,852	7	5,817,239	7
Accounts receivable - related parties (Notes 2 and 24)	22,668	-	5,469	-
Other receivables - third parties	157,737	-	251,410	-
Other receivables - related parties (Note 24)	5,608,315	7	2,067,754	2
Inventories (Note 2)	429,129	1	309,898	-
Prepayments (Notes 7 and 24)	482,598	1	628,337	1
Deferred income tax assets - current (Notes 2 and 20)	27,261	-	142,605	-
Pledged time deposits (Notes 24 and 25)	10,000	-	10,000	-
Other current assets	2,534	-	7,882	-
Total current assets	13,530,729	17	11,055,600	12
INVESTMENTS				
Investments accounted for using the equity method (Notes 2 and 8)	9,758,509	12	15,351,186	17
Prepayments for long-term investments (Note 8)	-	-	249,500	1
Financial assets carried at cost - non-current (Notes 2 and 9)	50,324	-	60,064	-
Total investments	9,808,833	12	15,660,750	18
PROPERTY AND EQUIPMENT (Notes 2, 10 and 24)				
Cost				
Land	3,866,289	5	3,866,289	4
Buildings	2,385,587	3	2,385,587	3
Telecommunication equipment	58,134,357	72	60,783,882	68
Office equipment	32,600	-	100,333	-
Leased assets	1,285,920	1	1,285,920	1
Miscellaneous equipment	2,142,596	3	2,065,396	2
Total cost	67,847,349	84	70,487,407	78
Less accumulated depreciation	(30,434,884)	(38)	(29,907,813)	(33)
	37,412,465	46	40,579,594	45
Construction in progress and advance payments	1,620,547	2	2,439,097	3
Net property and equipment	39,033,012	48	43,018,691	48
INTANGIBLE ASSETS (Note 2)				
3G concession	6,729,382	8	7,477,091	8
Computer software cost	2,919	-	4,853	-
Goodwill (Note 11)	6,835,370	9	6,835,370	8
	13,567,671	17	14,317,314	16
OTHER ASSETS				
Assets leased to others (Notes 2, 12 and 24)	2,198,291	3	2,304,349	3
Idle assets (Notes 2 and 12)	222,137	-	138,679	-
Refundable deposits	312,915	-	317,568	-
Deferred charges (Note 2)	406,765	1	313,034	-
Deferred income tax assets - non-current (Notes 2 and 20)	1,626,446	2	2,467,568	3
Other (Notes 2, 18 and 24)	57,137	-	67,776	-
Total other assets	4,823,691	6	5,608,974	6
TOTAL	$ 80,763,936	100	$ 89,661,329	100

LIABILITIES AND SHAREHOLDERS' EQUITY	2009 Amount	%	2008 Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	$ 5,000,000	6	$ 1,300,000	1
Short-term notes and bills payable (Note 14)	299,872	-	-	-
Accounts payable (Note 24)	1,903,223	2	2,218,193	3
Income taxes payable (Notes 2 and 20)	1,478,353	2	2,139,263	2
Accrued expenses (Note 24)	4,701,741	6	4,686,201	5
Other payables (Notes 2 and 24)	3,739,454	5	4,071,747	5
Advance receipts (Note 15)	1,195,832	2	1,361,411	2
Current portion of long-term liabilities (Notes 16 and 23)	-	-	7,500,000	8
Guarantee deposits - current	60,624	-	68,096	-
Other current liabilities (Note 24)	454,633	1	372,286	-
Total current liabilities	18,833,732	24	23,717,197	26
LONG-TERM LIABILITIES				
Bonds payable (Notes 16 and 23)	8,000,000	10	8,000,000	9
Long-term borrowings (Note 17)	-	-	5,200,000	6
Total long-term liabilities	8,000,000	10	13,200,000	15
OTHER LIABILITIES				
Guarantee deposits	265,205	-	246,885	-
Deferred credits - gains on intercompany accounts (Notes 2 and 8)	1,238,378	2	1,238,378	1
Other (Note 2)	353,395	-	356,271	1
Total other liabilities	1,856,978	2	1,841,534	2
Total liabilities	28,690,710	36	38,758,731	43
SHAREHOLDERS' EQUITY (Notes 2 and 19)				
Capital stock - NT$10 par value				
Authorized: 6,000,000 thousand shares				
Issued: 3,800,925 thousand shares	38,009,254	47	38,009,254	42
Capital surplus				
From convertible bonds	8,775,819	11	8,775,819	10
From treasury stock transactions	3,639,302	4	3,493,759	4
From long-term investments	3,743	-	1,166	-
From employee stock options	-	-	27,095	-
Other	12,840	-	-	-
Retained earnings				
Legal reserve	13,943,913	17	12,406,775	14
Special reserve	3,350,000	4	3,406,744	4
Unappropriated earnings	16,155,617	20	17,716,013	20
Other equity				
Cumulative translation adjustments	12,011	-	17,840	-
Net loss not recognized as pension cost	(3,797)	-	2,862	-
Treasury stock	(31,889,100)	(39)	(32,948,832)	(37)
Unrealized gains (losses) on financial instruments	63,624	-	(5,897)	-
Total shareholders' equity	52,073,226	64	50,902,598	57
TOTAL	$ 80,763,936	100	$ 89,661,329	100

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

(With Deloitte & Touche audit report dated January 20, 2010)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 24)				
Telecommunication service revenue	$ 55,159,348	97	$ 53,609,372	99
Other revenue	1,856,104	3	702,233	1
Total operating revenues	57,015,452	100	54,311,605	100
OPERATING COSTS (Notes 2, 22 and 24)	27,165,925	48	24,106,799	44
GROSS PROFIT	29,849,527	52	30,204,806	56
OPERATING EXPENSES (Notes 2, 22 and 24)				
Marketing	9,200,370	16	9,592,332	18
Administrative	4,016,360	7	3,751,079	7
Total operating expenses	13,216,730	23	13,343,411	25
OPERATING INCOME	16,632,797	29	16,861,395	31
NON-OPERATING INCOME AND GAINS				
Investment income recognized under the equity method, net (Notes 2 and 8)	3,044,360	6	4,092,481	8
Penalty income	257,612	1	197,507	-
Rental income (Notes 2 and 24)	193,415	-	146,128	-
Interest income (Notes 2 and 24)	49,057	-	94,213	-
Dividend income (Note 2)	10,405	-	11,451	-
Gain on disposal of property and equipment (Note 2)	-	-	2,096	-
Other (Notes 2 and 6)	175,864	-	247,265	1
Total non-operating income and gains	3,730,713	7	4,791,141	9
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Note 2)	1,529,902	3	1,118,386	2
Interest expenses (Notes 2, 10, 24 and 27)	563,715	1	684,012	2
Financial expenses	22,892	-	18,391	-
Impairment loss (Notes 2 and 9)	9,740	-	11,532	-
Other (Note 2)	104,770	-	43,118	-
Total non-operating expenses and losses	2,231,019	4	1,875,439	4
INCOME BEFORE INCOME TAX	18,132,491	32	19,777,097	36
INCOME TAX EXPENSE (Notes 2 and 20)	4,243,629	8	4,405,711	8
NET INCOME	$ 13,888,862	24	$ 15,371,386	28

(Continued)

	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 21)				
Basic	$ 6.09	$ 4.66	$ 6.67	$ 5.18
Diluted	$ 6.07	$ 4.65	$ 6.65	$ 5.17

Pro forma information should the Corporation's stocks held by its subsidiaries be treated as an investment instead of treasury stock (after income tax):

	2009	2008
NET INCOME	$ 13,412,955	$ 18,857,118
EARNINGS PER SHARE		
Basic	$ 3.54	$ 4.97
Diluted	$ 3.53	$ 4.96

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

(With Deloitte & Touche audit report dated January 20, 2010) (Concluded)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	Authorized and Issued Capital Stock	Capital Surplus	Retained Earnings				Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Unrealized Gains (Losses) on Financial Instruments	Total Shareholders' Equity
			Legal Reserve	Special Reserve	Unappropriated	Total					
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	$(40,844,007)	$ (64,043)	$ 31,852,929
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	(40,844,007)	(64,043)	24,051,807
Buyback of issued shares	-	-	-	-	-	-	-	-	(1,059,732)	-	(1,059,732)
Adjustments on change of equity in equity-method investments	-	(147)	-	-	-	-	12,076	1,328	-	(39,362)	(26,105)
Disposal of the Corporations shares held by subsidiaries	-	3,485,732	-	-	-	-	-	-	8,954,907	-	12,440,639
Unrealized gain on financial instruments, net	-	-	-	-	-	-	-	-	-	97,508	97,508
Compensation cost recognized from employee stock options	-	27,095	-	-	-	-	-	-	-	-	27,095
Net income in 2008	-	-	-	-	15,371,386	15,371,386	-	-	-	-	15,371,386
BALANCE, DECEMBER 31, 2008	38,009,254	12,297,839	12,406,775	3,406,744	17,716,013	33,529,532	17,840	2,862	(32,948,832)	(5,897)	50,902,598
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	(32,948,832)	(5,897)	36,933,734
Adjustment on change of equity in equity-method investments	-	2,578	-	-	-	-	(5,829)	(6,659)	-	122,216	112,306
Transfer of treasury stock to employees	-	(3,254)	-	-	-	-	-	-	1,059,732	-	1,056,478
Unrealized loss on financial instruments, net	-	-	-	-	-	-	-	-	-	(52,695)	(52,695)
Compensation cost recognized from employee stock options	-	134,541	-	-	-	-	-	-	-	-	134,541
Net income in 2009	-	-	-	-	13,888,862	13,888,862	-	-	-	-	13,888,862
BALANCE, DECEMBER 31, 2009	$ 38,009,254	$ 12,431,704	$ 13,943,913	$ 3,350,000	$ 16,155,617	$ 33,449,530	$ 12,011	$ (3,797)	$(31,889,100)	$ 63,624	$ 52,073,226

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 financial statements.

(With Deloitte & Touche audit report dated January 20, 2010)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 13,888,862	$ 15,371,386
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,020,517	6,163,877
Cash dividends received from equity-method investees	5,525,230	3,245,715
Investment income recognized under the equity method, net	(3,044,360)	(4,092,481)
Loss on disposal and retirement of property and equipment, net	1,529,902	1,116,290
Deferred income taxes	977,088	331,247
Amortization	866,210	860,970
Bad debts	601,127	627,260
Compensation cost recognized from employee stock options	108,153	21,701
Provision for (recovery of) loss on inventories	(12,213)	15,732
Impairment loss	9,740	11,532
Pension cost	2,531	(2,229)
Property and equipment transferred to other expenses	-	1,680
Net changes in operating assets and liabilities		
Notes receivable	(2,633)	470
Accounts receivable - third parties	(358,101)	(451,171)
Accounts receivable - related parties	(17,199)	71,901
Other receivables - third parties	137,027	(459,877)
Other receivables - related parties	(40,561)	469,193
Inventories	(107,018)	(243,408)
Prepayments	145,739	(33,617)
Other current assets	5,348	10,346
Accounts payable	(314,970)	393,574
Income taxes payable	(660,910)	1,238,504
Accrued expenses	15,540	67,594
Other payables	4,571	524,341
Advance receipts	(165,579)	248,301
Other current liabilities	82,779	(305,684)
Net cash provided by operating activities	26,196,820	25,203,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,851,627)	(5,336,454)
Increase in deferred charges	(213,995)	(148,091)
Decrease (increase) in financing provided to investees, net	(45,000)	255,000
Decrease (increase) in other assets	10,176	(9,617)
Proceeds from disposal of property and equipment	9,611	5,447
Proceeds from investees' capital reduction	5,356	2,152,688
Decrease (increase) in refundable deposits	4,653	(9,842)
Increase in computer software costs	(1,686)	(2,716)

(Continued)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
Increase in long-term investments accounted for using the equity method	$ -	$ (434,500)
Cash received from merger with subsidiaries	-	124,754
Net cash used in investing activities	(5,082,512)	(3,403,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(13,968,840)	(7,601,804)
Decrease in bonds payable	(7,500,000)	(2,500,000)
Decrease in long-term borrowings	(5,200,000)	(900,000)
Increase (decrease) in short-term borrowings	3,700,000	(10,954,391)
Transfer of treasury stock to employees	1,056,478	-
Increase (decrease) in short-term notes and bills payable	299,872	(1,594,753)
Increase (decrease) in guarantee deposits	10,849	(11,142)
Capital reduction	-	(11,997,787)
Buyback of treasury stock	-	(1,059,732)
Issuance of bonds payable	-	8,000,000
Increase in long-term borrowings	-	6,100,000
Bonus to employees	-	(181,155)
Remuneration to directors and supervisors	-	(18,116)
Net cash used in financing activities	(21,601,641)	(22,718,880)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(487,333)	(919,064)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,544,375	2,463,439
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,057,042	$ 1,544,375
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 482,409	$ 652,276
Less interest capitalized	16,685	11,296
Interest paid - excluding interest capitalized	$ 465,724	$ 640,980
Income tax paid	$ 3,994,139	$ 2,353,728
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Receivables from subsidiary's capital reduction	$ 3,500,000	$ -
Current portion of long-term liabilities	$ -	$ 7,500,000
Reclassification of the Corporation's shares held by its subsidiaries to treasury stock	$ 31,889,100	$ 31,889,100
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	$ 4,546,368	$ 5,907,774
Decrease (increase) in other payables	302,383	(215,049)
Decrease (increase) in other liabilities - other	2,876	(356,271)
Cash paid for acquisition of property and equipment	$ 4,851,627	$ 5,336,454

(Continued)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

The Corporation merged with TransAsia Telecommunications Inc. on September 2, 2008. The book values of the assets and liabilities upon the merger were as follows:

Cash	$ 124,754
Accounts receivable	758,874
Other accounts receivable	2,102,930
Prepayments	38,355
Other current assets	570
Property and equipment	1,644,531
Intangible assets	6,843,089
Other assets	35,415
	11,548,518
Accounts payable	300,846
Income taxes payable	54,224
Accrued expenses	142,097
Other payables	161,391
Advance receipts	5,107
Other current liabilities	77,023
Other liabilities	322
	741,010
Net	$ 10,807,508

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

(With Deloitte & Touche audit report dated January 20, 2010) (Concluded)

TAIWAN MOBILE CO., LTD.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Taiwan Mobile Co., Ltd. was incorporated in the Republic of China (ROC) on February 25, 1997. The Corporation's shares began 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 December 31, 2009 and 2008, the Corporation had 2,496 and 2,543 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the Business Accounting Law, Guidelines Governing Business Accounting, and accounting principles generally accepted in the ROC. In conformity with these guidelines, the Law, and principles, the Corporation is 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 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 financial statements shall prevail.

The Corporation'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.

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 Corporation owns 20% or more of an investee's outstanding voting shares or exercises significant influence on an investee are accounted for under the equity method.

In accordance with 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 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.

Gains or losses from downstream transactions to its subsidiaries are deferred and included in deferred income (loss) and recorded as other liabilities (assets). Gains or losses on the upstream transactions to the Corporation by equity-method investees that are not majority owned are deferred in proportion to the Corporation's ownership percentages in the investees until these sales are realized through transactions with third parties.

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 cannot be estimated, the equity instrument, including non-publicly traded and emerging stocks, etc, is measured at cost. The accounting for the dividends from financial asset carried at cost is the same as that for an available-for-sale financial asset. 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.

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 Interpretation No. 2008-340 issued by the Accounting Research and Development Foundation (ARDF) in November 2008.

Depreciation is calculated using the straight-line method over the estimated service lives, which range as follows: buildings - 50 to 55 years; telecommunication equipment - 2 to 15 years; office equipment - 3 to 5 years; leased assets - 20 years; and miscellaneous equipment - 3 to 5 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 non-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 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 the straight-line method over 13 years and 9 months starting from the launch of 3G services.

b. Computer software

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

c. Goodwill

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.

Idle Assets

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

Deferred Charges

Deferred charges, mainly interior decoration cost are amortized by the straight-line method over 3 to 7 years.

Asset Impairment

If the carrying value of assets (including property and equipment, intangible assets, idle assets, assets leased to others, investments accounted for using equity method and deferred charge) 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 method is used for income taxes. Deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused tax credits and net operating loss carryforwards. Valuation allowance is provided for deferred income tax assets to the extent that more likely than not such assets will not be realized. Deferred tax assets or liabilities are classified as current or non-current according to the classification of related assets or liabilities for financial reporting. However, if deferred tax assets or liabilities do not relate to assets or liabilities in the financial statements, they are classified as current or non-current on the basis of the expected length of time before realized.

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

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

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

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 year 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 and value-added services, net of any applicable discount, are billed at predetermined rates. 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 financial statements as of and for the year ended December 31, 2008 have been reclassified to conform to the presentation of financial statements as of and for the year ended December 31, 2009.

3. REASONS AND EFFECT 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 $342,125 thousand in net income and a decrease in basic earnings per share of $0.12 for the year ended December 31, 2008.

4. CASH AND CASH EQUIVALENTS

	December 31	
	2009	2008
Cash in banks	$ 517,071	$ 521,224
Government bonds with repurchase rights	265,000	485,439
Short-term notes and bills with repurchase rights	202,000	391,879
Time deposits	45,139	115,107
Cash on hand	21,999	25,923
Revolving funds	5,833	4,803
	$ 1,057,042	$ 1,544,375

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2009	2008
Domestic listed stocks		
Chunghwa Telecom Co., Ltd.	$ 177,821	$ 174,008

6. ACCOUNTS RECEIVABLE - THIRD PARTIES

	December 31	
	2009	2008
Accounts receivable	$ 5,949,853	$ 6,269,541
Less allowance for doubtful accounts	(411,001)	(452,302)
	$ 5,538,852	$ 5,817,239

For the year ended December 31, 2008, the Corporation entered into an accounts receivable factoring contract with HC Second Asset Management Co., Ltd. The Corporation sold $2,966,244 thousand of the overdue accounts receivable, which had been written off, to HC Second Asset Management Co., Ltd. The aggregate selling price was $36,967 thousand. Under this contract, the Corporation would no longer assume the risk on this receivable.

7. PREPAYMENTS

	December 31	
	2009	2008
Prepaid commissions	$ 269,244	$ 335,388
Prepaid rents	89,155	121,152
Prepaid insurance	3,476	38,177
Other	120,723	133,620
	$ 482,598	$ 628,337

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2009		2008	
	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Taiwan Cellular Co., Ltd. (TCC)	$ 9,353,920	100.0	$ 15,125,451	100.0
Taipei New Horizons Co., Ltd. (TNH)	211,974	49.9	-	-
Wealth Media Technology Co., Ltd. (WMT)	192,615	100.0	225,735	100.0
	9,758,509		15,351,186	
Prepayment for long-term investments				
TNH	-		249,500	
	$ 9,758,509		$ 15,600,686	

a. Taiwan Cellular Co., Ltd.

On April 18, 2008, TCC's Board of Directors decided to reduce its capital by $1,000,000 thousand, resulting in the cancellation of 100,000 thousand shares and the cash return to investors. On the record date (May 1, 2008), the Corporation was entitled to receive $1,000,000 thousand based on its 100% equity in TCC.

On July 29, 2008, TCC's Board of Directors decided to reduce its capital by $1,150,000 thousand, resulting in the cancellation of 115,000 thousand shares and the cash return to investors. On the record date (August 1, 2008), the Corporation was entitled to receive $1,150,000 thousand based on its 100% equity in TCC.

On December 24, 2009, TCC's Board of Directors resolved to:

1) Transfer $2,300,417 thousand from capital surplus into capital, which increased its issued shares by 230,042 thousand on the record date of December 25, 2009;

2) Reduce $3,500,000 thousand of capital to shareholders through the cancellation of 350,000 thousand shares. On the record date of capital reduction (December 26, 2009), the Corporation, based on its 100% ownership in TCC, was entitled to receive $3,500,000 thousand.

The Corporation invested in Taiwan Fixed Network Co., Ltd. (TFN) indirectly through Taiwan Cellular Co. Ltd. (TCC) with shares of the former TFN as investment. Based on the revised SFAS No. 5, "Long-term Investments in Equity Securities," unrealized gains and losses on downstream transactions should be deferred. Thus, the difference between the original carrying cost and the investment price of the former TFN shares of this transaction should be treated as deferred gains. As of December 31, 2009, the amount of deferred credits recognized by the Corporation was $1,238,378 thousand.

As of December 31, 2009, TCC Investment Co., Ltd. (TCCI, 100%-owned by Taiwan Cellular Co., Ltd), TCCI Investment & Development Co., Ltd. (TID, 100%-owned by TCCI) and TFN Union Investment Co., Ltd. (TUI, 100%-owned by TFN), collectively held 811,918 thousand shares of the Corporation. Based on SFAS No. 30, "Accounting for Treasury Stock", the Corporations' shares held by subsidiaries are treated as treasury stock. This accounting treatment reduced the Corporation's long-term investment value by the same amount as treasury stock account value of $31,889,100 thousand. Please refer to Note 19 for details.

b. 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.

c. Wealth Media Technology Co., Ltd.

WMT's Board of Directors resolved the issuance of 18,500 thousand shares at $10 par value on March 28, 2008. On the record dates (April 1, 2008), the Corporation subscribed for all the shares and WMT is still a wholly-owned subsidiary of the Corporation.

To expand its CATV business, the Corporation's 100%-owned subsidiary, WMT, plans to buy a 100% stake in Cheng Ting Co., Ltd. to acquire all the cable TV and content distribution business of Kbro Co., Ltd. The purchase will be settled using the Corporation's treasury shares (up to 15.5% of total outstanding shares), and the remainder in cash. The Corporation expects to close the deal after obtaining the authorities' approval.

d. TransAsia Telecommunications Inc.

On July 31, 2008, the Board of Directors of the Corporation resolved to merge TAT, with the Corporation as the surviving company. The record date of the merger was September 2, 2008. The Corporation assumed all the rights and obligations of TAT.

e. Equity in investees' net gains or losses

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

The Corporation's investment income or losses were as follows:

	December 31	
	2009	**2008**
TCC	$ 3,115,006	$ 3,003,228
TNH	(37,526)	-
WMT	(33,120)	(41,980)
TAT	-	1,131,233
	$ 3,044,360	$ 4,092,481

All the financial statements of subsidiaries have been consolidated into the consolidated financial statements of the Corporation.

9. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	December 31	
	2009	**2008**
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	$ 50,324	$ 60,064

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 $9,740 thousand and $11,532 thousand were recognized for the years of 2009 and 2008, respectively.

10. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

	December 31	
	2009	2008
Buildings	$ 392,953	$ 343,780
Telecommunication equipment	28,637,272	28,153,739
Office equipment	21,298	69,825
Leased assets	485,455	420,303
Miscellaneous equipment	897,906	920,166
	$ 30,434,884	$ 29,907,813

Capitalized interest for the years ended December 31, 2009 and 2008 amounted to $16,685 thousand and $11,296 thousand, respectively, with capitalization rates ranging from 2.4% to 2.76%.

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 equipment. 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. GOODWILL

On September 2, 2008, the Corporation merged with TAT, resulting in the recognition of goodwill at the book value of $6,835,370 thousand.

In conformity with SFAS No. 35, "Accounting for Asset Impairment," the Corporation engaged in mobile service, which was viewed as one cash-generating unit in 2009 and 2008. The critical assumptions to evaluate the recoverable amounts of operating assets and goodwill were as follows:

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 2009 financial statements.

c. Assumptions on discount rate

For the years ended December 31, 2009 and 2008, the Corporation used the discount rate of 8.50% and 7.48%, respectively, in calculating the asset recoverable amounts.

Based on the key assumptions of the cash-generating unit, the Corporation'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, 2009 and 2008.

12. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	December 31	
	2009	2008
Assets leased to others		
Cost	$ 2,338,225	$ 2,495,563
Less accumulated depreciation	(129,343)	(136,721)
Less accumulated impairment	(10,591)	(54,493)
	$ 2,198,291	$ 2,304,349
Idle assets		
Cost	$ 427,548	$ 505,217
Less allowance for value decline	(35,929)	(187,519)
Less accumulated depreciation	(43,053)	(94,572)
Less accumulated impairment	(126,429)	(84,447)
	$ 222,137	$ 138,679

13. SHORT-TERM BORROWINGS

	December 31	
	2009	2008
Unsecured loans - related parties	$ -	$ 1,300,000
Unsecured loans from financial institutions	5,000,000	-
	$ 5,000,000	$ 1,300,000
Interest rate	0.57%-0.60%	2.124%-2.417%

14. SHORT-TERM NOTES AND BILLS PAYABLE

	December 31	
	2009	2008
Commercial paper payable		
Grand Bills Finance Corporation	$ 300,000	$ -
Less discount on short-term notes and bills payable	(128)	-
Net carrying value	$ 299,872	$ -
Interest rate	0.27%	-
Period	2009.12.10-2010.1.29	-

15. 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 $832,908 thousand as of December 31, 2009.

16. BONDS PAYABLE

	December 31			
	2009		2008	
	Current	Non-current	Current	Non-current
Domestic unsecured bonds	$ -	$ 8,000,000	$ 7,500,000	$ 8,000,000

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
	$ 15,000,000		

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

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. Repayments will be made in the fourth and fifth years with equal installments, i.e. $4,000,000 thousand, respectively.

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

Year	Amount
2012	$ 4,000,000
2013	4,000,000
	$ 8,000,000

17. LONG-TERM BORROWINGS

	December 31	
	2009	2008
Unsecured loans	$ -	$ 5,200,000
Interest rate	-	2.5916%

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 24 for further information.

18. PENSION PLAN

The Labor Pension Act (LPA) provides for a defined contribution pension plan. Starting from July 1, 2005, the Corporation should contribute monthly an amount equal to 6% of the employees' monthly wages to the employees' individual pension accounts. The contributed amount was $108,662 thousand and $107,848 thousand for the years ended December 31, 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 Corporation 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 in the Central Trust of China, which was merged into the Bank of Taiwan in July 2007.) Approved by Department of Labor of Taipei City Government, the Corporation suspended contributing from February 2007 to January 2010.

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

a. Pension cost

	Years Ended December 31	
	2009	2008
Service cost	$ 3,127	$ 2,891
Interest cost	10,656	8,613
Projected return of pension assets	(11,789)	(11,387)
Amortization	537	(2,346)
Pension cost	$ 2,531	$ (2,229)

b. Changes in the prepaid pension cost

	December 31	
	2009	2008
Benefit obligation		
Vested	$ -	$ -
Non-vested	(252,211)	(208,618)
Accumulated	(252,211)	(208,618)
Additional benefits based on future salaries	(158,534)	(178,880)
Projected benefit obligation	(410,745)	(387,498)
Fair value of plan assets	431,535	428,703
Funded status	20,790	41,205
Unrecognized net transition obligation	6,726	7,241
Unrecognized prior service cost	399	421
Unrecognized net gain or loss	(18,222)	(36,643)
Prepaid pension cost	$ 9,693	$ 12,224

c. Vested benefit

	$ -	$ -

d. Actuarial assumptions

	Years Ended December 31	
	2009	2008
Discount rate used in determining present values	2.00%	2.75%
Future salary increase rate	2.50%	3.00%
Expected rate of return on plan assets	2.00%	2.75%

19. 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 to 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 years ended December 31, 2009, the bonuses to employees and remuneration to directors and supervisors were accrued based on a 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 reserves. The significant difference between annual accruals and the amount approved by the Board shall be adjusted in the current year. If the Board of Directors' approval differs from the amount ratified at the annual general shareholders' meeting (AGM), the difference will be treated as changes in accounting estimation and will be adjusted in 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:

	Appropriation of Earnings		Dividend Per Share (NT$)	
	For Fiscal Year 2008	For Fiscal Year 2007	For Fiscal Year 2008	For Fiscal Year 2007
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	13,968,864	7,601,851	$4.68704	$2.54326
	$ 15,449,258	$ 8,375,603		

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 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
Year ended December 31, 2009				
To be transferred to employees	24,193	-	24,193	-
Shares held by subsidiaries	811,918	-	-	811,918
Year ended December 31, 2008				
To be transferred to employees	-	24,193	-	24,193
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 year ended December 31, 2009, the Corporation transferred 24,193 thousand shares bought back from the market to employees at $43.8 per share, resulting in a reduction of $3,254 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 December 31, 2009, the carrying and market value of the Corporation's stocks held by TCCI, TID and TUI (all are the subsidiaries 100%-owned by the Corporation) were $50,663,659 thousand. The Corporation reclassified $31,889,100 thousand from investments accounted for using equity method to treasury stock based on SFAS No. 30, "Accounting for Treasury Stock". Although these shares are treated as treasury stock in the consolidated financial statements, the shareholders are entitled to excise 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 gains or losses on financial instruments

Unrealized gains or losses on financial instruments for the years ended December 31, 2009 and 2008 were summarized as follows:

	Years Ended December 31	
	2009	2008
Available-for-sale financial assets		
Balance, beginning of year	$ 54,455	$ 57,560
Fair value changes recognized directly in equity	9,169	(3,105)
	63,624	54,455
Changes in unrealized gains (losses) of cash flow hedge		
Balance, beginning of year	61,864	(38,749)
Fair value changes recognized directly in equity	(61,864)	100,613
	-	61,864
Changes in unrealized gains (losses) recognized by the equity method		
Balance, beginning of year	(122,216)	(82,854)
Fair value changes recognized directly in equity	122,216	(39,362)
	-	(122,216)
Unrealized gains (losses) on financial instruments	$ 63,624	$ (5,897)

20. INCOME TAX EXPENSE

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

	Years Ended December 31	
	2009	2008
Tax on pretax income at statutory tax rate (25%)	$ 4,533,113	$ 4,944,264
Add (deduct) tax effects of		
Permanent differences		
Investment income from domestic investees accounted for using equity method	(761,090)	(1,023,120)
Other	(17,718)	(9,912)
Temporary differences	(483,947)	(376,262)
Deferred income taxes	977,088	331,247
Investment tax credits	(10,002)	(112,901)
Prior years' adjustment	5,932	647,174
Tax on short-term bills	253	5,221
Income tax expense	$ 4,243,629	$ 4,405,711

In May 2009, the Article 5 of the Income Tax Law was amended 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:

	December 31	
	2009	2008
Unrealized loss on retirement of property and equipment	$ 1,412,488	$ 2,154,822
Provision for doubtful accounts	480,098	683,659
Amortization of goodwill	(121,518)	(37,974)
Provision for impairment losses on idle assets	30,375	60,522
Accrued pension cost	(1,939)	(3,056)
Investment tax credits	-	31,413
Unrealized gain on financial liabilities	-	(20,622)
Other	89,783	28,510
	1,889,287	2,897,274
Less valuation allowance	(235,580)	(287,101)
	$ 1,653,707	$ 2,610,173
Deferred income tax assets		
Current	$ 27,261	$ 142,605
Non-current	1,626,446	2,467,568
	$ 1,653,707	$ 2,610,173

c. Integrated income tax information was as follows:

	December 31	
	2009	2008
Balance of imputation credit account (ICA)	$ 2,990,179	$ 2,797,888

As of December 31, 2009, there were no unappropriated earnings generated before January 1, 1998. The estimated creditable ratio for the 2009 earnings appropriation and the actual creditable ratio for the 2008 earning appropriation were 32.17% and 35.28%, respectively.

The imputation credits allocated to the shareholders are based on the ICA balance as of the date of dividend distribution. The estimated creditable ratio for the 2009 earnings appropriation may be adjusted when the imputation credits are distributed.

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

	Year
The Corporation	2005
TAT	2007
The former TAT	Applicable
Mobitai	2006

The Corporation's income tax returns as of 2005 had been examined by the tax authorities. The Corporation filed for corrections of its 1999 through 2001 income tax returns. The Corporation also disagreed with the results on the income tax returns of 2002 through 2005 and had filed requests for reexamination.

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

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

Mobitai's income tax returns as of 2006 had been ratified by the tax authorities. Mobitai disagreed with the result on the income tax returns and plans to apply for a reexamination of the 2006 income tax return.

21. EARNINGS PER SHARE

	Amounts (Numerator)		Shares	EPS (NT$)	
	Before Income Tax	After Income Tax	(Denominator) Thousands)	Before Income Tax	After Income Tax
For the year ended December 31, 2009					
Basic EPS					
Income of common shareholders	$ 18,132,491	$ 13,888,862	2,979,311	$ 6.09	$ 4.66
Add effect of dilutive potentially					
Bonus to employees	-	-	9,846		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	$ 18,132,491	$ 13,888,862	2,989,157	$ 6.07	$ 4.65
For the year ended December 31, 2008					
Basic EPS					
Income of common shareholders	$ 19,777,097	$ 15,371,386	2,966,368	$ 6.67	$ 5.18
Add effect of potentially dilutive common stocks					
Bonus to employees	-	-	8,515		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	$ 19,777,097	$ 15,371,386	2,974,883	$ 6.65	$ 5.17

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

22. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	Years Ended December 31					
	2009			2008		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 923,145	$ 1,943,443	$ 2,866,588	$ 852,052	$ 1,758,648	$ 2,610,700
Labor and health insurance	50,942	92,099	143,041	43,169	83,716	126,885
Pension	36,711	62,491	99,202	31,578	57,451	89,029
Other	43,184	80,745	123,929	42,831	81,531	124,362
	$ 1,053,982	$ 2,178,778	$ 3,232,760	$ 969,630	$ 1,981,346	$ 2,950,976
Depreciation	$ 6,448,639	$ 553,142	$ 7,001,781	$ 5,626,974	$ 519,816	$ 6,146,790
Amortization	761,758	103,117	864,875	761,315	98,321	859,636

23. FINANCIAL INSTRUMENT TRANSACTIONS

a. Fair value information

	December 31			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-derivative financial instruments				
Liabilities				
Bonds payable (including current portion)	$ 8,000,000	$ 8,373,376	$ 15,500,000	$ 15,621,815

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

1) 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, the fair values of investments in unlisted stocks carried at cost, accounted for using equity method or prepayments for long-term investments can be measured by net worth of investee or estimate of the book value.

3) Bonds payable - based on the over-the-counter quotations in December.

4) Fair value of long-term loans - based on 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 December 31, 2008, 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 borrowings, 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 and by estimations using valuation technique.

d. The financial assets exposed to fair value interest rate risk amounted to $522,139 thousand and $1,002,425 thousand as of December 31, 2009 and 2008, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to $13,299,872 thousand and $17,000,000 thousand as of December 31, 2009 and 2008, respectively. The financial assets exposed to cash flow interest rate risk amounted to $509,232 thousand and $595,637 thousand as of December 31, 2009 and 2008, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to $0 thousand and $5,000,000 thousand as of December 31, 2009 and 2008, respectively.

e. Information on financial risks:

1) Market risk

The Corporation didn't enter into any financial derivatives transactions, which will have big exposure to exchange rate and interest rate risks.

2) Credit risk

Credit risk represents the potential impacts to financial assets that the Corporation 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 Corporation's evaluation of credit risk exposure as of December 31, 2009 and 2008 were both zero because all of counter-parties are reputable financial institutions with good credit ratings.

The Corporation'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 Corporation does not rely significantly on single transaction and transact with single client or in the same region.

3) Liquidity risk

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

24. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation
Taiwan Cellular Co., Ltd. (TCC)	Subsidiary
Wealth Media Technology Co., Ltd. (WMT)	Subsidiary
Tai Fu Media Technology Co., Ltd. (TFMT)	Subsidiary
Global Wealth Media Technology Co., Ltd.	Subsidiary
Fu Sin Media Technology Co., Ltd.	Subsidiary
Fu Jia Leh Media Technology Co., Ltd.	Subsidiary
Global Forest Media Technology Co., Ltd.	Subsidiary
TWM Holding Co. Ltd.	Subsidiary
Taiwan Super Basketball Co., Ltd. (TSBC)	Subsidiary
TT&T Holdings Co., Ltd.	Subsidiary
Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary
Taiwan Fixed Network Co., Ltd. (TFN)	Subsidiary
Taiwan Digital Communications Co., Ltd.	Subsidiary
Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Subsidiary (the former VoPier Communications (Taiwan) Co., Ltd., merged the former TT&T and renamed as TT&T on September 1, 2008.)
TCC Investment Co., Ltd. (TCCI)	Subsidiary
TFN Union Investment Co., Ltd. (TUI)	Subsidiary
TCCI Investment and Development Co., Ltd. (TID)	Subsidiary
Win TV Broadcasting Co., Ltd.	Subsidiary
TFN Media Co., Ltd. (TFNM)	Subsidiary
Yeong Jialeh Cable TV Co., Ltd.	Subsidiary
Mangrove Cable TV Corporation	Related party in substance
Phoenix Cable TV Co., Ltd.	Subsidiary
Globalview Cable TV Co., Ltd.	Subsidiary
Union Cable TV Co., Ltd.	Subsidiary
TFN HK LIMITED	Subsidiary
TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.)	Subsidiary (relationship changed on April 24, 2008)
Taiwan Mobile Foundation (TWM Foundation)	Over one third of the Foundation's issued fund came from the Corporation
Taipei New Horizons Co., Ltd.	Equity-method investee
Fubon Life Assurance Co., Ltd.	Same chairman
Fubon Securities Investment Trust Co., Ltd.	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 Venture Capital Co., Ltd.	Related party in substance
Fubon Multimedia Technology Co., Ltd. (FMT)	Related party in substance
Fubon Asset Management Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
Fubon Financial Holding Company	Related party in substance
Taipei Fubon Commercial Bank Co., Ltd. (TFCB)	Related party in substance
Fubon Securities Co., Ltd.	Related party in substance
Fubon Future Co., Ltd.	Related party in substance
Fubon Investment Services Co., Ltd.	Related party in substance
Fubon Insurance Co., Ltd. (Fubon Ins.)	Related party in substance
Fubon Property Management Co., Ltd. (FPM)	Related party in substance
Taiwan Sport Lottery Corporation (TSL)	Related party in substance
Taiwan United Communication Co., Ltd.	Subsidiary (merged into TFN on January 1, 2008)
TT&T Casualty & Property Insurance Agency Co., Ltd.	Subsidiary (liquidated on March 15, 2008)
TT&T Life Insurance Agency Co., Ltd.	Subsidiary (liquidated on May 15, 2008)
Taiwan Telecommunication Network Services Co., Ltd. (TTN)	Subsidiary (merged into TFN on August 1, 2008)
Taiwan Teleservices & Technologies Co., Ltd. (the former TT&T)	Subsidiary (merged into TT&T on September 1, 2008)
TransAsia Telecommunications Inc. (TAT)	Subsidiary (merged into the Corporation on September 2, 2008)
North Coast Cable TV Co., Ltd.	Subsidiary (liquidated on October 1, 2008)
Tai Yi Digital Broadcasting Co., Ltd.	Equity-method investee of TCC (liquidated on February 28, 2009)
Reach & Range Inc.	Subsidiary (merged into TFN on May 1, 2009)
TFN Investment Co., Ltd.	Subsidiary (merged into TCCI on September 19, 2009)
Shin Ho Cable TV Co., Ltd.	Related party in substance (liquidated on December 1, 2009)

(Continued)

(Concluded)

b. Significant transactions with related parties were summarized below:

1) Operating revenues

	Years Ended December 31			
	2009		2008	
	Amount	% of Total Revenues	Amount	% of Total Revenues
TFN	$ 2,276,319	4	$ 2,087,756	4
TFCB	9,796	-	13,848	-
TAT	-	-	459,338	1
	$ 2,286,115		$ 2,560,942	

The Corporation mainly rendered telecommunication service to the above companies. The average collection period for notes and accounts receivable was approximately two months.

2) Operating costs

	Years Ended December 31			
	2009		2008	
	Amount	% of Total Costs	Amount	% of Total Costs
TFN	$ 1,390,303	5	$ 965,962	4
Fubon Ins.	51,412	-	58,406	-
TAT	-	-	257,796	1
	$ 1,441,715		$ 1,282,164	

These companies mainly rendered telecommunication, maintenance and insurance services to the Corporation. The average payment term for notes and accounts payable was approximately two months.

3) Property transactions

Acquisition of property and equipment

	Year Ended December 31, 2009	
	Description	Amount
TWN Communications (Bejing) Ltd.	Telecommunication equipment	$ 11,582

4) Rental income

		Years Ended December 31	
	Leased Sites/Equipment	2009	2008
TFN	Offices and BTS, etc.	$ 119,447	$ 70,390
FMT	Office appliance, etc.	33,423	29,972
TFNM	Offices	10,784	10,640
		$ 163,654	$ 111,002

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

5) Cash in banks

	December 31			
	2009		2008	
	Amount	%	Amount	%
a) Cash in banks				
TFCB	$ 99,376	9	$ 275,104	18
b) Pledged time deposits				
TFCB	$ 10,000	100	$ 10,000	100

6) Receivables and payables

	December 31			
	2009		2008	
	Amount	%	Amount	%
a) Accounts receivable				
TFN	$ 19,347	-	$ -	-
Other (Note)	3,321	-	5,469	-
	$ 22,668		$ 5,469	

Note: Leasehold receivables from TSL were as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
December 31, 2008			
Leasehold receivables	$ 2,995	$ 10,732	$ 13,727
Less unrealized interest income	(520)	(840)	(1,360)
	$ 2,475	$ 9,892	$ 12,367

b) Other receivables

	December 31			
	2009		2008	
	Amount	%	Amount	%
TCC (Note 1)	$ 3,500,000	61	$ -	-
TFNM (Note 2)	2,003,836	35	-	-
TFN	53,418	1	46,733	2
WMT (Note 2)	45,065	1	-	-
TFMT (Note 2)	-	-	2,008,079	87
Other	5,996	-	12,942	1
	$ 5,608,315		$ 2,067,754	

Note 1: Receivables from capital reduction.

Note 2: Financing to related parties was as follows:

	Year Ended December 31, 2009			
Related Party	Ending Balance	Maximum Balance	Interest Rate (%)	Interest Income
TFNM	$ 2,000,000	$ 2,000,000	0.838	$ 2,893
WMT	45,000	60,000	0.838	69
TFMT	-	2,045,000	0.838-2.417	40,132
TCC	-	8,000,000	0.847	371
	$ 2,045,000	$ 12,105,000		$ 43,465

	Year Ended December 31, 2008			
Related Party	Ending Balance	Maximum Balance	Interest Rate (%)	Interest Income
TFMT	$ 2,000,000	$ 2,005,000	2.417-2.568	$ 50,869
TFNM	-	1,250,000	2.538-2.548	10,793
	$ 2,000,000	$ 3,255,000		$ 61,662

	December 31			
	2009		2008	
	Amount	%	Amount	%
c) Prepayments				
Fubon Ins.	$ 8,712	2	$ 43,604	7
d) Accounts payable				
TFN	$ -	-	$ 55,609	2
e) Accrued expenses				
TFN	$ 265,004	6	$ 197,416	4
TT&T	65,790	1	79,715	2
Fubon Ins.	10,607	-	20	-
TSBC	4,300	-	20,000	-
	$ 345,701		$ 297,151	
f) Other payables				
TFN	$ 176,836	5	$ 99,249	2
g) Other current liabilities - collections and temporary credits for the following				
TFN	$ 83,059	18	$ 92,455	25

	Years Ended December 31	
	2009	2008
7) Telecommunication service expenses		
TFN	$ 78,101	$ 79,002
8) Professional service fees		
TT&T (include the former TT&T)	$ 859,159	$ 911,679
9) Insurance expenses		
Fubon Ins.	$ 10,029	$ 13,594
10) Other expenses		
FPM	$ 25,611	$ 21,537
11) Donation		
TWM Foundation	$ 30,400	$ 22,000
12) Rental expenses		
TFN	$ 13,304	$ 9,029

	Years Ended December 31	
	2009	2008
13) Repairs and Maintenance		
FPM	$ 23,485	$ 22,883
14) Advertisement expenses		
TSBC	$ 34,300	$ 32,000

15) Financing from related parties was as follows:

	Year Ended December 31, 2009			
Related Party	Ending Balance	Maximum Balance	Interest Rate (%)	Interest Expense
TFN	$ -	$ 1,600,000	1.068-2.417	$ 16,869

	Year Ended December 31, 2008			
Related Party	Ending Balance	Maximum Balance	Interest Rate (%)	Interest Expense
TAT	$ -	$ 1,745,609	2.572-2.604	$ 15,205
TFN	1,300,000	1,300,000	2.124-2.417	3,813
	$ 1,300,000	$ 3,045,609		$ 19,018

16) Endorsement/guarantee provided

a) The Corporation provided $21,500,000 thousand guarantee for TFN's bank loan. The Corporation also provided $21,328,330 thousand in promissory notes outstanding for TFN's borrowing with banks. TFN has drawn down $1,848,322 thousand from banks within the guarantee amount.

b) 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 December 31, 2009, the Corporation and TFN had not made any drawdown on this loan.

c) As of December 31, 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.

17) Compensation to directors, supervisors and managers:

	Years Ended December 31	
	2009	2008
Salaries, incentives and special compensation	$ 204,702	$ 192,440
Earnings paid as remunerations to directors	37,483	41,470
Earnings paid as bonus to employees	62,668	77,293
Professional fee	2,330	3,210
	$ 307,183	$ 314,413

The compensation to directors, supervisors and managers for the year ended December 31, 2008 included the bonus appropriation from 2008 earnings approved in 2009 AGM. While that for the year ended December 31, 2009 included the bonus appropriation from 2009 earnings subject to approval in 2010 AGM. More detailed information may be referred in the Corporation's annual reports.

18) Other

For the years ended December 31, 2009 and 2008, the Corporation provided services to companies below and fees received by the Corporation, which were recorded as deductions from related costs and expenses. The Corporation's service charges were as follows:

	Years Ended December 31	
	2009	2008
TFN	$ 458,519	$ 377,035
TAT	-	488,422
	$ 458,519	$ 865,457

25. ASSETS PLEDGED

The assets pledged as collaterals for credit line of deposit overdraft were as follows:

	December 31	
	2009	2008
Time deposits	$ 10,000	$ 10,000

26. COMMITMENTS AND CONTINGENT EVENTS

a. To enhance 3G mobile communications, expand network coverage and increase the service functions, the Corporation entered into a 3G expansion contract with Nokia Siemens Networks Taiwan Co., Ltd. for $4,800,000 thousand in September 2006 and $3,242,661 thousand in May 2009, respectively. As of December 31, 2009, the purchase amount was $4,693,485 thousand and $975,556 thousand, respectively.

b. Future minimum rental payments as of December 31, 2009 for significant operating lease agreements are summarized as follows:

	Amount
2010	$ 42,352
2011	26,268
2012	17,893
2013	8,976
2014	8,976

27. ADDITIONAL DISCLOSURES

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

a. Financing provided: Table 1 (attached).

b. Endorsement/guarantee provided: Table 2 (attached).

c. Marketable securities held: Table 3 (attached).

d. Marketable securities acquired and disposed of at costs or prices of at least $100 million or 20% of the paid-in capital: Table 4 (attached).

e. Acquisition of individual real estate at costs of at least $100 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate at prices of at least $100 million or 20% of the paid-in capital: None.

g. Total purchase from or sale to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5 (attached).

h. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 6 (attached).

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

j. Derivative transactions

The Corporation entered into interest rate swap (IRS) contracts in December 2002 to hedge fluctuation on inverse floating interest rates of bonds, which are settled semiannually. Please refer to Note 23 for the related information.

Financial Instrument	Term	Contract Amount	Due Date
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 years ended December 31, 2009 and 2008, the Corporation recognized gains of $84,485 thousand and losses of $30,531 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 8 (attached).

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

28. SEGMENT INFORMATION

a. Industry

The Corporation is primarily a wireless communication services provider.

b. Foreign operations

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

c. Foreign revenues

The Corporation has no foreign revenues.

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

	Years Ended December 31			
	2009		2008	
Company	Amount	Percentage of Operating Revenue	Amount	Percentage of Operating Revenue
Chunghwa Telecom Co., Ltd.	$ 8,730,057	15	$ 8,956,659	16

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 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	Lending Company's Lending Amount Limits
											Item	Value		
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Tai Fu Media Technology Co., Ltd.	Other receivables	$ 2,045,000	$ -	0.838%-2.417%	Short-term financing	$ -	To meet its financing needs in acquiring minorities	$ -	-	-	$ 20,829,291 (Note 1)	$ 20,829,291 (Note 1)
		Wealth Media Technology Co., Ltd.	Other receivables	60,000	45,000	0.838%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
		TFN Media Co., Ltd.	Other receivables	2,000,000	2,000,000	0.838%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
		Taiwan Cellular Co., Ltd.	Other receivables	8,000,000	-	0.847%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
1	Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Other receivables	5,040,000	4,670,000	0.838%-2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities and operation requirements	-	-	-	20,878,023 (Note 1)	20,878,023 (Note 1)
		TCC Investment Co., Ltd.	Other receivables	2,270,000	2,270,000	0.845%	Short-term financing	-	Operation requirements	-	-	-	20,878,023 (Note 1)	20,878,023 (Note 1)
2	TCC Investment Co., Ltd. (Note 3)	TFN Media Co., Ltd.	Other receivables	1,000,000	-	2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	8,386,254 (Note 1)	8,386,254 (Note 1)
		TFN Media Co., Ltd.	Other receivables	2,900,000	-	0.929%-2.602%	Short-term financing	-	Operation requirements	-	-	-	8,386,254 (Note 1)	8,386,254 (Note 1)
3	Taiwan Fixed Network Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,320,000	-	0.862%-2.581%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
		The Corporation	Other receivables	1,600,000	-	1.068%-2.417%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
		Taiwan Cellular Co., Ltd.	Other receivables	8,410,000	8,040,000	0.838%-0.847%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
4	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	700,000	700,000	0.838%-2.604%	Transactions	270,213	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	188,000	-	0.844%-2.594%	Transactions	32,440	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	200,000	0.862%-2.604%	Transactions	221,977	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	680,000	680,000	0.838%-2.594%	Transactions	563,225	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
8	Shin Ho Cable TV Co., Ltd. (Note 4)	TFN Media Co., Ltd.	Other receivables - related parties	207,700	-	0.839%-2.604%	Transactions	1,350	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	360,000	360,000	0.838%-2.594%	Transactions	478,941	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	470,000	307,000	0.839%-0.862%	Transactions	57,336	Business requirements	-	-	-	15,000,000 (Note 2)	15,000,000 (Note 2)

(Continued)

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits
											Item	Value		
11	Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Other receivables - related parties	$ 60,000	$ 45,000	0.838%	Short-term financing	$ -	Repayment of financing	$ -	-	-	$ 77,046 (Note 1)	$ 77,046 (Note 1)
12	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Other receivables - related parties	9,000	4,000	0.867%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	76,471 (Note 1)	76,471 (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.

Note 3: TCC Investment Co., Ltd. assumed all TFN Investment Co., Ltd.'s financing provided to others due to merger.

Note 4: Shin Ho Cable TV Co., Ltd. was liquidated on December 1, 2009.

(Concluded)

TABLE 2

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 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)	$ 42,000,000 (Note 3)	$ 34,878,330	$ 34,878,330	$ -	66.98%	$ 52,073,226
1	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Fixed Network Co., Ltd.	(Note 4)	20,000 (Note 5)	146	146	-	0.16%	93,063 (Note 5)

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

Note 2: Direct/indirect subsidiary

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

Note 4: Parent company

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

TABLE 3

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Taiwan Mobile Co., Ltd. (the "Corporation")	Stock							
	Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	2,989	$ 177,821	0.028	$ 177,821 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	50,324	10.00	- (Note 3)	
	Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	- (Note 2)	0.19	- (Note 3)	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,200	192,615	100.00	192,615	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	30,000	9,353,920 (Note 4)	100.00	52,195,059	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Long-term investments - equity method	24,950	211,974	49.90	211,974	
Wealth Media Technology Co., Ltd.	Stock							
	Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	191,178	100.00	191,178	
Tai Fu Media Technology Co., Ltd.	Stock							
	Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	86,982	100.00	86,982	
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	968	100.00	968	
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	140,858	100.00	140,858	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	780	100.00	780	
Global Wealth Media Technology Co., Ltd.	Stock							
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,749	89,199	6.694	42,130	
Fu Sin Media Technology Co., Ltd.	Stock							
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	131,937	3.34	31,657	
Taiwan Cellular Co., Ltd.	Stock							
	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	- (Note 2)	12.00	- (Note 3)	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773	3.17	- (Note 3)	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US$ 8,415	100.00	US$ 8,415	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	2,100,000	$ 35,211,780	100.00	$ 35,211,780	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	10,950	100.00	10,950	
	TCC Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,100	21,092,818	100.00	20,965,635	
TWM Holding Co., Ltd.	Stock							
	TWM Communications (Beijing) Ltd.	Subsidiary	Long-term investments - equity method	-	US$ 3,872	100.00	US$ 2,982	
TCC Investment Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	222,774	$ 13,901,109	5.86	$ 13,901,109 (Note 5)	
	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	17,905	253,732	98.50	250,914	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	1,763,621	100.00	3,603,385	
	TCCI Investment & Development Co., Ltd.	Subsidiary	Long-term investments - equity method	400	8,123,641	100.00	8,123,641	
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	46,074	6.67	- (Note 3)	
	Preferred stock							
	Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock - Series A	-	Bonds measured at amortized cost - non-current	50,000	500,000	1.24	- (Note 3)	
TCCI Investment & Development Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	132,849	8,289,757	3.50	8,289,757 (Note 5)	
TFN Media Co., Ltd.	Stock							
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,111,821	100.00	587,341	
	Mangrove Cable TV Corporation	Related party in substance	Long-term investments - equity method	6,248	546,514	29.53	283,339 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	65,818	3,141,644	96.66	917,139	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	2,058,304	99.99	1,853,557	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,203,928	92.38	581,407	
Taiwan Fixed Network Co., Ltd.	Stock							
	TFN Union Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	400	27,902,369	100.00	27,902,369	
	TFN HK LIMITED	Subsidiary	Long-term investments - equity method	1,300	3,346	100.00	3,346	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	93,063	100.00	93,063	
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.47	- (Note 3)	
	New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	21,890	187,042	0.84	- (Note 3)	
TFN Union Investment Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	456,295	28,472,793	12.00	28,472,793 (Note 5)	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Taiwan Teleservices & Technologies Co., Ltd.	Stock							
	TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US$ 1,409	100.00	US$ 1,409	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	20,023	100.00	20,023	
TT&T Holdings Co., Ltd.	Stock							
	Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US$ 1,403	100.00	US$ 1,403	

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

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

Note 3: As of January 20, 2010, the independent auditors' report date, the investee's net worth was not available.

Note 4: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of $52,195,059 thousand on TCC shall be reduced by 1) downward adjusting $31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding $11,420,417 thousand unrealized gain from financial assets investment, 3) adding back $475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of $7,529 thousand.

Note 5: Based on the closing price on December 31, 2009

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

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
Taiwan Fixed Network Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TFN Union Investment Co., Ltd.	Subsidiary	456,295	$ 22,221,555	-	$ -	456,295	$ 22,769,109	$ 18,616,561	(Note 2)	-	$ -
TFN Investment Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TCCI Investment & Development Co., Ltd.	Subsidiary	355,623	17,318,833	-	-	132,849	6,629,149	5,552,137	(Note 3)	(Note 4)	(Note 4)
TFN Union Investment Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	Taiwan Fixed Network Co., Ltd.	Parent	-	-	456,295	22,769,109	-	-	-	-	456,295	28,472,793
TCCI Investment & Development Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TFN Investment Co., Ltd.	Parent	-	-	132,849	6,629,149	-	-	-	-	132,849	8,289,757
TWM Holding Co., Ltd.	ADS Hurray!Holding Co., Ltd.	Available-for-sale financial assets - current	-	-	1,080	US$ 2,052	-	-	1,080	US$ 4,320	US$ 5,771	US$ (1,451)	-	-

Note 1: The amount of beginning and ending fund balance that belongs to marketable securities included the unrealized revaluation gain or loss on financial assets.

Note 2: TFN resolved to inject capital into TUI with its Taiwan Mobile shares. The difference between the original cost and the disposal price of shares, $4,152,548 thousand, was recognized as deferred credits. There was no gain or loss on this transaction.

Note 3: TFNI resolved to inject capital into TID with its Taiwan Mobile shares. The difference between the original cost and the disposal price of shares, $1,077,012 thousand, was recognized as deferred credits. There was no gain or loss on this transaction.

Note 4: TCCI assumed the 222,774 thousand Taiwan Mobile shares and $13,901,109 thousand (including unrealized gain of financial instruments) from TFNI due to merger.

TABLE 5

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
YEAR ENDED DECEMBER 31, 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	$ (2,276,319)	(4)	Based on contract terms	-	-	$ 368,183	6	(Note 1)
			Purchase	1,390,303	(Note 2)	Based on contract terms	-	-	(301,974)	(Note 3)	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	859,159	(Note 4)	Based on contract terms	-	-	(65,790)	(Note 5)	
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Sale	(859,350)	(85)	Based on contract terms	-	-	65,804	85	
	Taiwan Fixed Network Co., Ltd.	Parent	Sale	(156,205)	(15)	Based on contract terms	-	-	11,240	15	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(1,464,178)	(15)	Based on contract terms	-	-	294,399	15	
			Purchase	2,273,452	32	Based on contract terms	-	-	(367,857)	(21)	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	156,205	(Note 4)	Based on contract terms	-	-	(11,240)	(Note 5)	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(459,667)	(19)	Based on contract terms	(Note 6)	(Note 6)	115,122	27	
	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(212,096)	(9)	Based on contract terms	(Note 6)	(Note 6)	53,205	13	
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(388,009)	(16)	Based on contract terms	(Note 6)	(Note 6)	97,917	23	
	Globalview Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(182,643)	(7)	Based on contract terms	(Note 6)	(Note 6)	45,862	11	
Mangrove Cable TV Corporation	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	143,665	59	Based on contract terms	(Note 6)	(Note 6)	(35,916)	(82)	
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	182,643	58	Based on contract terms	(Note 6)	(Note 6)	(45,862)	(82)	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	212,096	60	Based on contract terms	(Note 6)	(Note 6)	(53,205)	(84)	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	388,009	59	Based on contract terms	(Note 6)	(Note 6)	(97,917)	(79)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	459,667	63	Based on contract terms	(Note 6)	(Note 6)	(115,122)	(89)	

Note 1: The $368,183 thousand accounts receivable amount was expressed on a gross basis in accord with sales amount. The net accounts receivable should be $19,347 thousand after deducting accounts payable and accrued custodial receipts/payments totaled $348,836 thousand.

Note 2: Included operating costs and operating expenses.

Note 3: Included accounts payable and accrued expenses.

Note 4: Recognized as operating expenses.

Note 5: Recognized as accrued expenses.

Note 6: No comparables on such kind of transactions.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 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	$ 368,183	5.92	$ -	-	$ 167	$ -
			Other receivables	53,418		-	-	41	-
	TFN Media Co., Ltd.	Subsidiary	Other receivables	2,003,836		-	-	-	-
	Taiwan Cellular Co., Ltd.	Subsidiary	Other receivables	3,500,000		-	-	-	-
Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables	4,679,014		-	-	240,632	-
	TCC Investment Co., Ltd.	Subsidiary	Other receivables	2,274,467		-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	65,804	11.81	-	-	14	-
	Taiwan Fixed Network Co., Ltd.	Parent	Accounts receivable	11,240	11.07	-	-	-	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	294,399	6.06	-	-	8,989	-
			Other receivables	268,588		-	-	148,488	-
	Taiwan Cellular Co., Ltd.	Parent	Other receivables	8,055,329		-	-	240,584	-
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Accounts receivable	134,306	5.37	-	-	-	-
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Accounts receivable	115,567	5.57	-	-	-	-
	WinTV Broadcasting Co., Ltd.	Related party in substance	Accounts receivable	116	13.33	-	-	-	-
			Other receivables	307,000		-	-	-	-
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	2,859	13.37	-	-	-	-
			Other receivables	680,139		-	-	-	-
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	5,767	6.11	-	-	-	-
			Other receivables	700,055		-	-	-	-
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	1,933	11.00	-	-	-	-
			Other receivables	200,036		-	-	-	-
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	3,020	14.13	-	-	-	-
			Other receivables	360,127		-	-	-	-

TABLE 7

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 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	$ 37,558,330	$ 41,058,330	30,000	100.00	$ 9,353,920 (Note 1)	$ 2,648,823	$ 3,115,006	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real Estate Rental and Sale	249,500	249,500	24,950	49.90	211,974	(75,203)	(37,526)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	272,000	272,000	27,200	100.00	192,615	(33,120)	(33,120)	
Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	270,000	27,000	100.00	191,178	(32,871)	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	86,982	2,465	NA	
	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,700	2,001,700	100	100.00	968	(231)	NA	
	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	135,000	13,500	100.00	140,858	5,386	NA	
	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,000	1,000	100	100.00	780	(145)	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	89,199	42,400	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	131,937	166,870	NA	
Taiwan Cellular Co., Ltd.	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US$ 10,800	US$ 10,800	1 share	100.00	US$ 8,415	US$ (1,396)	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	21,000,000	40,000,000	2,100,000	100.00	35,211,780	2,195,548	NA	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	12,000	12,000	1,200	100.00	10,950	(131)	NA	
	TCC Investment Co., Ltd.	Taipei, Taiwan	Investment	20,451,000	-	2,100	100.00	21,092,818	502,577	NA	
TWM Holding Co. Ltd.	TWM Communications (Beijing) Ltd.	Beijing, China	Mobile application development and design	US$ 4,936	US$ 5,005	-	100.00	US$ 3,872	US$ 22	NA	
TCC Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	179,047	252,141	17,905	98.50	253,732	72,961	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	2,035,714	230,526	100.00	1,763,621	1,012,976	NA	
	TCCI Investment & Development Co., Ltd.	Taipei, Taiwan	Investment	6,629,149	-	400	100.00	8,123,641	(56)	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	2,111,821	160,341	NA	
	Mangrove Cable TV Corporation	Taipei County, Taiwan	Cable TV service provider	397,703	397,703	6,248 (Note 2)	29.53	546,514	47,872	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	2,294,967	2,294,967	65,818	96.66	3,141,644	166,870	NA	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,904,440	1,904,440	170,441	99.99	2,058,304	131,110	NA	
	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	841,413	841,413	51,733	92.38	1,203,928	42,400	NA	
Taiwan Fixed Network Co., Ltd.	TFN Union Investment Co., Ltd.	Taipei, Taiwan	Investment	22,769,109	-	400	100.00	27,902,369	(56)	NA	
	TFN HK LIMITED	Hong Kong	Telecommunications service provider	5,816	5,816	1,300	100.00	3,346	457	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and ISR (international simple resales)	10,000	10,000	1,000	100.00	93,063	57,320	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samoa	Investment	US$ 1,300	US$ 1,300	1,300	100.00	US$ 1,409	US$ 45	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100.00	20,023	14	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$ 1,403	US$ 40	NA	

Note 1: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of $52,195,059 thousand on TCC shall be reduced by 1) downward adjusting $31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding $11,420,417 thousand unrealized gain from financial assets investment, 3) adding back $475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of $7,529 thousand.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 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 December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of December 31, 2009	Accumulated Inward Remittance of Earnings as of December 31, 2009
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US$ 1,300 (NT$ 41,909)	Indirect investment in Mainland China through a third place by the Corporation's subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US$ 1,300 (NT$ 41,909)	$ -	$ -	US$ 1,300 (NT$ 41,909)	100% ownership of indirect investment by the Corporation's subsidiary	US$ 40 (NT$ 1,290)	US$ 1,403 (NT$ 45,230)	$ -
TWM Communications (Beijing) Ltd.	Mobile application development and design	US$ 3,000 (NT$ 96,714)	Indirect investment in Mainland China through a third place by the Corporation's subsidiary, Taiwan Cellular Co., Ltd.	US$ 4,617 (NT$ 148,843)	US$ 255 (NT$ 8,221)	-	US$ 4,872 (NT$ 157,064)	100% ownership of indirect investment by the Corporation's subsidiary	US$ 22 (NT$ 709)	US$ 3,872 (NT$ 124,826)	-

Accumulated Investment in Mainland China as of December 31, 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$41,909)	US$1,300 (NT$41,909)	$ 93,063
US$4,872 (NT$157,064)	US$5,300 (NT$170,861)	52,195,059

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$32.238, RMB1=NT$4.7213 as of December 31, 2009.

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

Note 3: Calculation was based on audited financial statements.

SCHEDULE 1

TAIWAN MOBILE CO., LTD.

CASH AND CASH EQUIVALENTS
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Due Date	Amount
Cash in banks		
Foreign-currency deposits		
EUR1,570.25 (exchange rate at EUR1=NT$46.294)		$ 73
US$1,211,527.94 (exchange rate at US$1=NT$32.238)		39,057
Checking deposits		7,838
Demand deposits		470,103
		517,071
Government bonds with repurchase rights	January 5, 2010	265,000
Short-term bills with repurchase rights	January 4, 2010	202,000
Time deposits		
Foreign-currency deposit		
US$1,400,193.62 (exchange rate at US$1=NT$32.238)		45,139
Cash on hand		21,999
Revolving funds		5,833
		$ 1,057,042

SCHEDULE 2

TAIWAN MOBILE CO., LTD.

ACCOUNTS RECEIVABLE
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Client	Amount
Related parties	
Taiwan Fixed Network Co., Ltd.	$ 19,347
Other (Note)	3,321
	22,668
Third parties	
Chunghwa Telecom Co., Ltd.	704,095
Other (Note)	5,245,758
	5,949,853
Less allowance for doubtful accounts	(411,001)
	5,538,852
	$ 5,561,520

Note: Each of the account was less than 5% of the total account balance.

SCHEDULE 4

TAIWAN MOBILE CO., LTD.

CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

		Beginning Balance		Increase		Decrease		Adjustments on Equity	Ending Balance			Market Price or Net Equity
	Par Value	Thousand Shares	Amount	Thousand Shares	Amount (Note 1)	Thousand Shares	Amount (Note 2)	Method (Note 3)	Thousand Shares	% of Ownership	Amount	(Notes 5 and 5)
Taiwan Cellular Co., Ltd.	NT$10	149,958	$ 15,125,451	230,042	$ -	350,000	$ 9,025,230	$ 3,253,699	30,000	100.00	$ 9,353,920	$ 52,195,059
Taipei New Horizons Co., Ltd.	NT$10	-	-	24,950	249,500	-	-	(37,526)	24,950	49.90	211,974	211,974
Wealth Media Technology Co., Ltd.	NT$10	27,200	225,735	-	-	-	-	(33,120)	27,200	100.00	192,615	192,615
Total			$ 15,351,186		$ 249,500		$ 9,025,230	$ 3,183,053			$ 9,758,509	

Note 1: The increase in equity-method investments included the following:

Taipei New Horizons Co., Ltd.	$ 249,500

Note 2: The decrease in equity-method investments included the following:

a. Distributing cash dividends by Taiwan Cellular Co., Ltd.	$ 5,525,230
b. Capital reduction of Taiwan Cellular Co., Ltd.	3,500,000
	$ 9,025,230

Note 3: Other adjustment from evaluation included the following:

a. Recognized investment income from investees.	$ 3,044,360
b. Recognized changes in cumulative translation adjustment of investees.	(5,829)
c. Recognized changes in revaluation gain (loss) on financial assets of investees.	122,216
d. Recognized changes in net loss not recognized as pension cost of investees.	(6,659)
e. Recognized changes in paid in capital of investees.	28,965
	$ 3,183,053

Note 4: Calculation was based on audited financial statements as of December 31, 2009.

Note 5: None of the above investments were provided as collateral.

SCHEDULE 6

TAIWAN MOBILE CO., LTD.

NON-OPERATING ASSETS
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

	Cost	Accumulated Depreciation	Net Carrying Value
Assets leased to others			
Land	$ 1,572,359	$ -	$ 1,572,359
Buildings	765,052	129,343	635,709
	$ 2,337,411	$ 129,343	2,208,068
Deferred charges, net			814
			2,208,882
Less accumulated impairment			(10,591)
			$ 2,198,291
Idle assets			
Land	$ 238,960	$ -	$ 238,960
Buildings	137,010	27,403	109,607
Telecommunication equipment	51,578	15,650	35,928
	$ 427,548	$ 43,053	384,495
Less allowance for price decline			(35,929)
Less accumulated impairment			(126,429)
			$ 222,137

SCHEDULE 3

TAIWAN MOBILE CO., LTD.

OTHER RECEIVABLES
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Item	Amount
Receivable for capital reduction	$ 3,500,000
Receivable for financing provided	2,048,901
Other (Note)	217,151
	$ 5,766,052

Note: Each of the account was less than 5% of the total account balance.

SCHEDULE 8

TAIWAN MOBILE CO., LTD.

ACCOUNTS PAYABLE
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Suppliers	Amount
National Communication Commission	$ 1,581,702
Other (Note)	321,521
	$ 1,903,223

Note: Each of the account was less than 5% of the total account balance.

SCHEDULE 5

TAIWAN MOBILE CO., LTD.

CHANGES IN PROPERTY AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

	Beginning Balance	Changes for the Period			Ending Balance
		Increase	Decrease	Reclassification	
Cost					
Land	$ 3,866,289	$ -	$ -	$ -	$ 3,866,289
Buildings	2,385,587	-	-	-	2,385,587
Telecommunication equipment	60,783,882	9,490	7,345,415	4,686,400	58,134,357
Office equipment	100,333	1,637	61,997	(7,373)	32,600
Leased assets	1,285,920	-	-	-	1,285,920
Miscellaneous equipment	2,065,396	665,822	595,995	7,373	2,142,596
	70,487,407	$ 676,949	$ 8,003,407	$ 4,686,400	67,847,349
Accumulated depreciation					
Buildings	343,780	$ 49,173	$ -	$ -	392,953
Telecommunication equipment	28,153,739	6,343,324	5,859,791	-	28,637,272
Office equipment	69,825	10,621	53,421	(5,727)	21,298
Leased assets	420,303	65,152	-	-	485,455
Miscellaneous equipment	920,166	533,511	561,498	5,727	897,906
	29,907,813	$ 7,001,781	$ 6,474,710	$ -	30,434,884
Construction in progress and advance payments	2,439,097	$ 3,869,419	$ 1,569	$ (4,686,400)	1,620,547
Net property and equipment	$ 43,018,691				$ 39,033,012

Note 1: The total insurance for property and equipment and assets leased to others amounted to $30,527,264 thousand.

Note 2: The increase of the construction in progress and advance payments included capitalized interests amounting to $16,685 thousand.

SCHEDULE 10

TAIWAN MOBILE CO., LTD.

OTHER PAYABLES
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Nature	Amount
Payables for equipment and constructions	$ 1,355,332
Value-added tax payables	156,349
Other	2,227,773
	$ 3,739,454

SCHEDULE 7

TAIWAN MOBILE CO., LTD.

SHORT-TERM BORROWINGS
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Bond Type and Creditor	Financing Period	Interest Rate	Amount	Credit Line	Mortgage or Guarantee
Unsecured loans					
Taiwan Cooperation Bank	December 10, 2009 - January 29, 2010	0.60	$ 2,200,000	$ 2,200,000	None
Bank of Taiwan	December 30, 2009 - January 29, 2010	0.59	2,000,000	10,000,000	None
Hua Nan Commercial Bank	December 30, 2009 - January 29, 2010	0.57	500,000	3,000,000	None
First Commercial Bank	December 30, 2009 - January 29, 2010	0.57	300,000	2,000,000	None
			$ 5,000,000	$ 17,200,000	

SCHEDULE 12

TAIWAN MOBILE CO., LTD.

OPERATING COSTS
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Item	Amount
Telecom service costs	
Interconnection cost (Note 1)	$ 8,941,581
Depreciation	6,448,639
Cost of goods sold	2,977,141
Leased-line charges	1,785,716
Rents	1,638,978
2G concession fee and 3G license amortization	1,606,407
Maintenance materials and constructions	943,794
Administrative and utilities expense of radio base stations	922,666
Frequency usage fee	467,505
Other (Note 2)	1,433,498
	$ 27,165,925

Note 1: Including airtime and interconnection charges paid to other telecommunication service providers.

Note 2: Including expenses for maintaining telecommunication network and equipment.

SCHEDULE 9

TAIWAN MOBILE CO., LTD.

ACCRUED EXPENSES
DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Nature	Amount
Salaries and bonuses	$ 1,167,974
Commissions	842,491
Bonus to employees and remunerations to directors	406,548
Professional service fees	333,678
BTS expenses	328,898
Repair and maintenance expenses	304,752
Other (Note)	1,317,400
	$ 4,701,741

Note: Each of the item was less than 5% of the total account balance.

SCHEDULE 12

TAIWAN MOBILE CO., LTD.

OPERATING COSTS
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Item	Amount
Telecom service costs	
Interconnection cost (Note 1)	$ 8,941,581
Depreciation	6,448,639
Cost of goods sold	2,977,141
Leased-line charges	1,785,716
Rents	1,638,978
2G concession fee and 3G license amortization	1,606,407
Maintenance materials and constructions	943,794
Administrative and utilities expense of radio base stations	922,666
Frequency usage fee	467,505
Other (Note 2)	1,433,498
	$ 27,165,925

Note 1: Including airtime and interconnection charges paid to other telecommunication service providers.

Note 2: Including expenses for maintaining telecommunication network and equipment.

SCHEDULE 13

TAIWAN MOBILE CO., LTD.

OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Item	Marketing	Administrative	Total
Commissions	$ 5,952,338	$ -	$ 5,952,338
Salaries and pension	863,590	1,142,344	2,005,934
Professional service fees	1,059,561	261,172	1,320,733
Bad debts	-	599,482	599,482
Service charges	40,859	529,052	569,911
Depreciation	22,877	530,265	553,142
Advertising	324,587	50,522	375,109
Telecommunication and postage expenses	107,433	222,359	329,792
Other (Note)	829,125	681,164	1,510,289
	$ 9,200,370	$ 4,016,360	$ 13,216,730

Note: Each item was less than 5% of the total account balance.

Taiwan Mobile Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2009 and 2008 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. (the "Corporation") and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taiwan Mobile Co., Ltd. and subsidiaries as of December 31, 2009 and 2008, and the consolidated results of its operations and its consolidated cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As stated in Note 3 to 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.

January 20, 2010

Notice to Readers

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

For the convenience of readers, the auditors' 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 auditors' report and consolidated financial statements shall prevail.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2009 Amount	2009 %	2008 Amount	2008 %
CURRENT ASSETS				
Cash and cash equivalents (Notes 2, 4 and 24)	$ 2,999,036	3	$ 3,868,062	4
Available-for-sale financial assets - current (Notes 2 and 5)	177,821	-	241,442	-
Hedging derivative financial assets - current (Notes 2, 23 and 27)	-	-	82,485	-
Notes receivable	68,498	-	66,589	-
Accounts receivable - third parties (Notes 2 and 6)	6,637,930	8	6,411,711	7
Accounts receivable - related parties (Notes 2 and 24)	163,998	-	233,029	-
Other receivables	319,201	-	426,418	1
Inventories (Note 2)	472,058	1	359,119	1
Prepayments (Note 24)	696,279	1	823,697	1
Deferred income tax assets - current (Notes 2 and 20)	29,132	-	149,534	-
Pledged time deposits (Notes 24 and 25)	32,157	-	38,015	-
Other current assets	3,944	-	12,653	-
Total current assets	11,600,054	13	12,712,754	14
INVESTMENTS				
Investments accounted for using the equity method (Notes 2 and 7)	211,974	-	-	-
Prepayment for long-term investments (Note 7)	-	-	249,500	-
Financial assets carried at cost - non-current (Notes 2 and 8)	2,498,980	3	2,515,168	3
Bonds measured at amortized cost - non-current (Notes 2 and 9)	500,000	1	500,000	1
Total investments	3,210,954	4	3,264,668	4
PROPERTY AND EQUIPMENT (Notes 2, 10 and 24)				
Cost				
Land	6,097,370	7	6,087,548	7
Buildings	3,924,993	5	3,918,908	4
Telecommunication equipment	63,148,505	73	65,293,248	71
Office equipment	148,627	-	173,887	-
Leased assets	1,285,920	1	1,285,921	1
Miscellaneous equipment	2,367,848	3	2,240,123	3
Total cost	76,973,263	89	78,999,635	86
Less accumulated depreciation	(32,660,164)	(38)	(32,261,532)	(35)
	44,313,099	51	46,738,103	51
Construction in progress and payments for equipment	2,230,518	3	2,982,128	3
Net property and equipment	46,543,617	54	49,720,231	54
INTANGIBLE ASSETS (Note 2)				
3G concession	6,729,382	8	7,477,091	8
Computer software cost	71,471	-	61,577	-
Goodwill (Note 11)	10,485,941	12	10,485,048	11
Other intangible assets				
Customer relationship (Note 11)	2,511,760	3	2,686,541	3
Operating rights (Note 11)	1,382,000	2	1,382,000	2
Other intangible assets	33,184	-	30,112	-
	3,926,944	5	4,098,653	5
Total intangible assets	21,213,738	25	22,122,369	24
OTHER ASSETS				
Assets leased to others (Notes 2 and 12)	438,611	1	543,924	1
Idle assets (Notes 2 and 12)	311,726	-	228,269	-
Refundable deposits	388,391	-	393,438	-
Deferred charges (Note 2)	421,839	1	338,151	-
Deferred income tax assets - non-current (Notes 2 and 20)	1,631,570	2	2,478,484	3
Other (Notes 2, 18, 24 and 25)	139,332	-	136,821	-
Total other assets	3,331,469	4	4,119,087	4
TOTAL	$ 85,899,832	100	$ 91,939,109	100

LIABILITIES AND SHAREHOLDERS' EQUITY	2009 Amount	2009 %	2008 Amount	2008 %
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	$ 6,800,000	8	$ -	-
Short-term notes and bills payable (Note 14)	799,638	1	-	-
Notes payable	277,571	-	186,506	-
Accounts payable (Note 24)	2,447,324	3	2,794,305	3
Income taxes payable (Notes 2 and 20)	1,665,244	2	2,798,352	3
Accrued expenses (Note 24)	5,806,865	7	5,909,947	6
Other payables (Note 2)	4,321,341	5	4,762,548	5
Advance receipts (Note 15)	2,057,643	2	2,284,294	3
Current portion of long-term liabilities (Notes 16 and 23)	-	-	7,500,000	8
Guarantee deposits -current	60,624	-	68,096	-
Other current liabilities	524,869	1	431,101	1
Total current liabilities	24,761,119	29	26,735,149	29
LONG-TERM LIABILITIES				
Bonds payable (Notes 16 and 23)	8,000,000	9	8,000,000	9
Long-term borrowings (Note 17)	-	-	5,200,000	6
Total long-term liabilities	8,000,000	9	13,200,000	15
OTHER LIABILITIES				
Guarantee deposits	324,243	-	346,316	-
Deferred income tax liability - non-current (Notes 2 and 20)	125,956	-	90,388	-
Other (Note 2)	605,405	1	630,723	1
Total other liabilities	1,055,604	1	1,067,427	1
Total liabilities	33,816,723	39	41,002,576	45
SHAREHOLDERS' EQUITY (Notes 2 and 19)				
Parent's shareholders' equity				
Capital stock - $10 par value				
Authorized: 6,000,000 thousand shares				
Issued: 3,800,925 thousand shares	38,009,254	44	38,009,254	41
Capital surplus				
From convertible bonds	8,775,819	10	8,775,819	9
From treasury stock transactions	3,639,302	5	3,493,759	4
From long-term investments	3,743	-	1,166	-
From employee stock options	-	-	27,095	-
Other	12,840	-	-	-
Retained earnings				
Legal reserve	13,943,913	16	12,406,775	14
Special reserve	3,350,000	4	3,406,744	4
Unappropriated earnings	16,155,617	19	17,716,013	19
Other equity				
Cumulative translation adjustments	12,011	-	17,840	-
Net loss not recognized as pension cost	(3,797)	-	2,862	-
Treasury stock	(31,889,100)	(37)	(32,948,832)	(36)
Unrealized gains (losses) on financial instruments	63,624	-	(5,897)	-
	52,073,226	61	50,902,598	55
Minority interests	9,883	-	33,935	-
Total shareholders' equity	52,083,109	61	50,936,533	55
TOTAL	$ 85,899,832	100	$ 91,939,109	100

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

(With Deloitte & Touche audit report dated January 20, 2010)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 24)	$ 68,470,232	100	$ 69,296,096	100
OPERATING COSTS (Notes 2, 22 and 24)	33,195,238	48	31,720,111	46
GROSS PROFIT	35,274,994	52	37,575,985	54
OPERATING EXPENSES (Notes 2, 22 and 24)				
Marketing	10,056,904	15	10,956,669	16
Administrative	4,769,956	7	4,857,476	7
Total operating expenses	14,826,860	22	15,814,145	23
OPERATING INCOME	20,448,134	30	21,761,840	31
NON-OPERATING INCOME AND GAINS				
Penalty income	265,387	1	212,756	-
Rental income (Notes 2 and 24)	71,453	-	74,935	-
Gain on disposal of property and equipment (Note 2)	27,605	-	49,859	-
Interest income (Note 2)	16,501	-	103,583	-
Dividend income (Note 2)	10,405	-	11,451	-
Gain on disposal of investments, net (Note 2)	-	-	262,759	1
Other (Notes 2 and 6)	204,780	-	316,823	1
Total non-operating income and gain	596,131	1	1,032,166	2
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Notes 2 and 24)	1,627,693	3	1,461,851	2
Interest expenses (Notes 2 and 10)	561,364	1	689,043	1
Loss on disposal of investments (Note 2)	49,044	-	-	-
Investment loss recognized under the equity method (Notes 2 and 7)	37,526	-	-	-
Financial expenses	24,578	-	18,837	-
Impairment loss (Notes 2, 8 and 12)	16,188	-	23,656	-
Other (Note 2)	81,541	-	63,909	-
Total non-operating expenses and losses	2,397,934	4	2,257,296	3
INCOME BEFORE INCOME TAX	18,646,331	27	20,536,710	30
INCOME TAX EXPENSE (Notes 2 and 20)	4,755,815	7	5,154,461	8
CONSOLIDATED NET INCOME	$ 13,890,516	20	$ 15,382,249	22

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2009		2008	
	Amount	%	Amount	%
ATTRIBUTED TO				
Shareholders of the parent	$ 13,888,862	20	$ 15,371,386	22
Minority interests	1,654	-	10,863	-
	$ 13,890,516	20	$ 15,382,249	22

	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 21)				
Basic	$ 6.09	$ 4.66	$ 6.67	$ 5.18
Diluted	$ 6.07	$ 4.65	$ 6.65	$ 5.17

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

(With Deloitte & Touche audit report dated January 20, 2010) (Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	Authorized and Issued Capital Stock	Capital Surplus	Retained Earnings				Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Treasury Stock	Unrealized Losses on Financial Instruments	Minority Interests	Total Shareholders' Equity
			Legal Reserve	Special Reserve	Unappropriated	Total						
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	$ (40,844,007)	$ (64,043)	$ 552,232	$ 32,405,161
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	(40,844,007)	(64,043)	552,232	24,604,039
Consolidated net income in 2008	-	-	-	-	15,371,386	15,371,386	-	-	-	-	10,863	15,382,249
Buyback of issued shares	-	-	-	-	-	-	-	-	(1,059,732)	-	-	(1,059,732)
Compensation cost recognized from employee stock options	-	27,095	-	-	-	-	-	-	-	-	-	27,095
Adjustments on change of equity in equity-method investments	-	(147)	-	-	-	-	12,076	1,328	-	(39,362)	-	(26,105)
Disposal of the Corporation's shares held by subsidiaries	-	3,485,732	-	-	-	-	-	-	8,954,907	-	-	12,440,639
Unrealized gain on financial instruments, net	-	-	-	-	-	-	-	-	-	97,508	-	97,508
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,148)	(1,148)
Decrease in minority interests	-	-	-	-	-	-	-	-	-	-	(528,012)	(528,012)
BALANCE, DECEMBER 31, 2008	38,009,254	12,297,839	12,406,775	3,406,744	17,716,013	33,529,532	17,840	2,862	(32,948,832)	(5,897)	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	(32,948,832)	(5,897)	33,935	36,967,669
Consolidated net income in 2009	-	-	-	-	13,888,862	13,888,862	-	-	-	-	1,654	13,890,516
Adjustments on change of equity in equity-method investments	-	2,578	-	-	-	-	(5,829)	(6,659)	-	122,216	-	112,306
Transfer of treasury stock to employees	-	(3,254)	-	-	-	-	-	-	1,059,732	-	-	1,056,478
Unrealized loss on financial instruments, net	-	-	-	-	-	-	-	-	-	(52,695)	-	(52,695)
Compensation cost recognized from employee stock options	-	134,541	-	-	-	-	-	-	-	-	-	134,541
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(592)	(592)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(25,114)	(25,114)
BALANCE, DECEMBER 31, 2009	$ 38,009,254	$ 12,431,704	$ 13,943,913	$ 3,350,000	$ 16,155,617	$ 33,449,530	$ 12,011	$ (3,797)	$ (31,889,100)	$ 63,624	$ 9,883	$ 52,083,109

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

(With Deloitte & Touche audit report dated January 20, 2010)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	$ 13,890,516	$ 15,382,249
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,754,522	7,188,030
Loss on disposal and retirement of property and equipment, net	1,600,088	1,411,992
Amortization	1,089,051	1,095,670
Deferred income taxes	1,023,505	426,497
Bad debts	605,708	675,057
Compensation cost recognized from employee stock options	134,541	27,095
Loss (gain) on disposal of investments	49,044	(262,759)
Investment loss recognized under the equity method, net	37,526	-
Impairment loss	16,188	23,656
Pension cost	(12,860)	(23,543)
Provision for (recovery of) loss on inventories	(10,983)	19,126
Other	9,215	28,484
Amortization of long-term notes payable	-	9,660
Net changes in operating assets and liabilities		
Financial assets held for trading	-	131,973
Notes receivable	(1,909)	18,514
Accounts receivable - third parties	(874,448)	(325,236)
Accounts receivable - related parties	69,031	(112,395)
Other receivables	104,424	(184,026)
Long-term capital lease receivables	(4,463)	(58,497)
Inventories	(97,414)	(218,254)
Prepayments	127,252	(54,565)
Other current assets	8,709	10,270
Notes payable	92,908	(36,714)
Accounts payable	(339,822)	379,368
Income taxes payable	(1,133,108)	1,081,841
Accrued expenses	(103,478)	178,969
Other payables	8,928	502,378
Advance receipts	(187,652)	290,635
Other current liabilities	95,853	(68,105)
Net cash provided by operating activities	23,950,872	27,537,370
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(6,673,566)	(6,636,745)
Increase in deferred charges	(220,214)	(149,644)
Proceeds from disposal of available-for-sale financial assets	139,259	2,089,511
Increase in computer software cost and other intangible assets	(14,922)	(15,376)
Acquisition of subsidiaries	(11,066)	(140,919)
Decrease (increase) in other assets	10,176	(9,617)
Proceeds from disposal of property and equipment	9,663	316,435

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
Decrease in pledged time deposits	$ 5,358	$ 9,691
Proceeds from investees' capital return	5,356	2,688
Decrease in refundable deposits	5,047	12,292
Increase in goodwill	(3,742)	(1,222,018)
Proceeds from disposal of idle assets	952	-
Increase in long-term investments accounted for using the equity method	-	(249,500)
Net cash used in investing activities	(6,747,699)	(5,993,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(13,968,840)	(7,601,804)
Decrease in long-term borrowings	(7,700,000)	(900,000)
Decrease in bonds payable	(7,500,000)	(2,500,000)
Increase (decrease) in short-term borrowings	6,800,000	(19,340,000)
Increase in long-term borrowings	2,500,000	6,100,000
Transfer of treasury stock to employees	1,056,478	-
Increase (decrease) in short-term notes and bills payable	799,638	(1,594,753)
Decrease in guarantee deposits	(29,545)	(31,418)
Capital return to minority interest	(21,401)	-
Decrease in minority interests	(3,474)	(7,313,488)
Cash dividends paid to minority interests	(592)	(1,148)
Proceeds from the disposal of treasury stock	-	13,509,828
Capital reduction	-	(9,434,461)
Issuance of bonds payable	-	8,000,000
Repayment of long-term notes payable	-	(2,450,000)
Buyback of treasury stock	-	(1,059,732)
Bonus to employees	-	(181,155)
Remuneration to directors and supervisors	-	(18,116)
Net cash used in financing activities	(18,067,736)	(24,816,247)
EFFECT OF EXCHANGE RATE CHANGES	(4,463)	8,440
ACQUISITION OF CASH AND CASH EQUIVALENTS FOR SUBSIDIARIES	-	103,610
NET DECREASE IN CASH AND CASH EQUIVALENTS	(869,026)	(3,160,029)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,868,062	7,028,091
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,999,036	$ 3,868,062

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 470,605	$ 849,930
Less interest capitalized	16,685	11,296
Interest paid - excluding interest capitalized	$ 453,920	$ 838,634
Income tax paid	$ 4,869,494	$ 3,259,187
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	$ -	$ 7,500,000
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	$ 6,244,641	$ 7,531,939
Decrease in notes payable	1,842	6,812
Increase in accrued expenses	(395)	-
Decrease (increase) in other payables	402,160	(291,027)
Decrease (increase) in other liabilities-other	25,318	(610,979)
Cash paid for acquisition of property and equipment	$ 6,673,566	$ 6,636,745

The Corporation acquired 100% shares of TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.) 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	146
	154,886
Accounts payable	7,841
Accrued expenses	844
Other payables	6,326
Advance receipts	16,595
Other current liabilities	270
	31,876
Net	123,010
Percentage of equity interest	100%
	123,010
Add goodwill	29,193
Less investment payable	(21,955)
Cash paid for acquisition of TWM Communications (Beijing) Ltd. (formerly named Hurray! Times Communications (Beijing) Ltd.)	$ 130,248

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

(With Deloitte & Touche audit report dated January 20, 2010) (Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Taiwan Mobile Co., Ltd. was incorporated in the Republic of China (ROC) on February 25, 1997. The Corporation's shares began 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 December 31, 2009 and 2008, the Corporation and subsidiaries had 4,416 and 4,552 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	Main Businesses and Products	Percentage of Direct Ownership as of December 31		Note
			2009	2008	
Corporation	TransAsia Telecommunications Inc. (TAT)	Wireless service provider	-	-	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	(Note 1)
TFMT	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00	100.00	-
TFMT	Fu Jia Leh Media Technology Co., Ltd. (FJLMT)	Investment	100.00	100.00	-
TFMT	Fu Sin Media Technology Co., Ltd. (FSMT)	Investment	100.00	100.00	-
TFMT	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00	100.00	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	-
TCC	Taiwan Digital Communications Co., Ltd. (TDC)	Equipment installation and IT service	100.00	100.00	-
TCC	TCC Investment Co., Ltd. (TCCI)	Investment	100.00	-	Established on August 10, 2009 As of December 31, 2009, TCCI, TID and TUI collectively owned 811,918 thousand shares of the Corporation representing 21.36% of total outstanding shares.
TCCI	TCCI Investment & Development Co., Ltd. (TID)	Investment	100.00	-	Established on September 22, 2009
TCCI	Win TV Broadcasting Co., Ltd. (WTVB)	TV program producing	98.50	98.50	(Note 2)
TCCI	TFN Media Co., Ltd. (TFNM)	Cable broadband service	100.00	100.00	(Note 2)
TFNM	Union Cable TV Co., Ltd. (UCTV)	Cable TV SO (System Operator)	99.99	99.99	-
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)	29.53	29.53	Another 70.47% shares were held under trustee accounts
TFNM	PCTV	Cable TV SO (System Operator)	96.66	96.66	-
TFNM	GCTV	Cable TV SO (System Operator)	92.38	92.38	-
TFNM	Shin Ho Cable TV Co., Ltd. (SHCTV)	Cable TV SO (System Operator)	-	30.15	Liquidated on December 31, 2009. Another 69.85% shares were held under trustee accounts.
TFNM	North Coast Cable TV Co., Ltd. (NCCTV)	Cable TV SO (System Operator)	-	-	Liquidated on October 1, 2008
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	-	-	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
TFN	Taiwan United Communication Co., Ltd. (TUC)	Equipment installation and IT service	-	-	Merged into TFN on January 1, 2008
TFN	Taiwan Telecommunication Network Services Co., Ltd. (TTN)	Telecommunications	-	-	Merged into TFN on August 1, 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 surviving company and renamed as Taiwan Teleservices & Technologies Co., Ltd. (Note 3)
TT&T	Taiwan Super Basketball Co., Ltd. (TSB)	Basketball team management and related business	100.00	100.00	(Note 4)
TT&T	TT&T Holdings Co., Ltd. (TT&T Holdings)	Investment	100.00	100.00	(Note 4)
TT&T Holdings	Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	100.00	100.00	-
TFN	TFN HK Ltd.	Telecommunications	100.00	100.00	-
TFN	TFN Union Investment Co., Ltd. (TUI)	Investment	100.00	-	Established on September 22, 2009
TFN	TFN Investment Co., Ltd. (TFNI)	Investment	-	100.00	Merged into TCCI on September 19, 2009
TFNI	Reach & Range Inc. (R&R)	Telecom equipment sales and maintenance	-	100.00	Merged into TFN on May 1, 2009

(Continued)

(Concluded)

Note 1: To expand its CATV business, the Corporation's 100%-owned subsidiary, WMT, plans to buy a 100% stake in Cheng Ting Co., Ltd. to acquire all the cable TV and content distribution business of Kbro Co., Ltd. The purchase will be settled using the Corporation's treasury shares (up to 15.5% of total outstanding shares), and the remainder in cash. The Corporation expects to close the deal after obtaining the authorities' approval.

Note 2: Became a subsidiary of TCCI, which merged TFNI on September 19, 2009.

Note 3: Became a subsidiary of TFN, which merged TTN on August 1, 2008.

Note 4: Became a subsidiary of TT&T, which merged the former TT&T on September 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 sheet date.

Available-for-sale Financial Assets

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

Cash dividends are recognized as dividend income on the ex-dividend date, but are accounted for as reductions 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 securities 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 cannot be estimated, the equity instrument, including non-publicly traded and emerging stocks, etc, is measured at cost. The accounting for the dividends from financial assets carried at cost is the same as that for an available-for-sale financial assets. Impairment losses are recognized if a decrease in 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 non-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 the 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, mainly interior decoration costs, are amortized by the straight-line method over 3 to 7 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 current method.

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

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

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 year.

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 year 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 principal 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 service 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 year.

Hedging Derivative Financial Instruments

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

Hedge Accounting

When hedge accounting is applied, gain or loss from changes in the fair value of the derivatives (hedging instruments) shall be offset by that of financial assets/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 year ended December 31, 2008 have been reclassified to conform to the presentation of consolidated financial statements as of and for the year ended December 31, 2009.

3. REASONS AND EFFECT 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 $343,629 thousand in consolidated net income and a decrease in basic earnings per share of NT$0.12 for the year ended December 31, 2008.

4. CASH AND CASH EQUIVALENTS

	December 31	
	2009	2008
Government bonds with repurchase rights	$ 1,580,638	$ 2,176,133
Cash in banks	838,313	996,349
Time deposits	347,350	270,108
Short-term notes and bills with repurchase rights	202,000	391,879
Cash on hand	22,239	26,124
Revolving funds	8,496	7,469
	$ 2,999,036	$ 3,868,062

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2009	2008
Domestic listed stocks		
Chunghwa Telecom Co., Ltd.	$ 177,821	$ 174,008
Overseas listed stocks		
Hurray! Holding Co., Ltd. (NASDAQ listed company)	-	67,434
	$ 177,821	$ 241,442

6. ACCOUNTS RECEIVABLE - THIRD PARTIES

	December 31	
	2009	2008
Accounts receivable	$ 7,057,849	$ 6,876,210
Less allowance for doubtful accounts	(419,919)	(464,499)
	$ 6,637,930	$ 6,411,711

For the year ended December 31, 2008, the Corporation and its subsidiaries entered into an accounts receivable factoring contract with HC Second Asset Management Co., Ltd. The Corporation and its subsidiaries sold $5,188,398 thousand of the overdue accounts receivable, which had been written off, to HC Second Asset Management Co., Ltd. The aggregate selling price was $60,525 thousand. Under this contract, the Corporation and its subsidiaries 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 $37,526 thousand for the year ended December 31, 2009 based on the audited financial statements of TNH.

8. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	December 31	
	2009	2008
Domestic emerging stocks		
Taiwan High Speed Rail Corporation	$ 2,120,829	$ 2,120,829
Domestic unlisted stocks		
New Century Information Tech. Co., Ltd.	187,042	-
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
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	50,324	60,064
Domestic unlisted preferred stock		
New Century Information Tech. Co., Ltd.	-	187,042
	$ 2,498,980	$ 2,515,168

Because there is no active market quotation and a reliable fair value can not be estimated, the above investments are measured at cost. For the years ended December 31, 2009 and 2008, the Group recognized an impairment loss of $16,188 thousand and $11,532 thousand, respectively.

9. BONDS MEASURED AT AMORTIZED COST - NON-CURRENT

	December 31	
	2009	2008
Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A	$ 500,000	$ 500,000

10. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

	December 31	
	2009	2008
Buildings	$ 595,463	$ 515,681
Telecommunication equipment	30,516,262	30,209,157
Office equipment	65,726	99,252
Leased assets	485,455	420,303
Miscellaneous equipment	997,258	1,017,139
	$ 32,660,164	$ 32,261,532

Capitalized interest for the years ended December 31, 2009 and 2008 amounted to $16,685 thousand and $11,296 thousand, respectively, with capitalization rates ranging from 2.40% to 2.76%.

The Corporation and its subsidiary bought farmland located in Yang-Mei, Taoyuan and Fangshan, Pingtung, recognized as land of $12,000 thousand and idle asset of $35,787 thousand, respectively, based on the need for deploying telecom equipment. 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

	Year Ended December 31, 2009		
	Goodwill	Customer Relationship	Operating Rights
Cost			
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	(478)	-	-
Amortization	-	(174,781)	-
Ending balance	$ 10,485,941	$ 2,511,760	$ 1,382,000

	Year Ended December 31, 2008		
	Goodwill	Customer Relationship	Operating Rights
Cost			
Beginning balance	$ 9,231,478	$ 2,861,323	$ 1,382,000
Add:			
Acquired from merger	1,251,211	-	-
Effect of exchange rate changes	2,359	-	-
Amortization	-	(174,782)	-
Ending balance	$ 10,485,048	$ 2,686,541	$ 1,382,000

a. Customer relationship and operating rights

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

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 pre 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 are 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 is 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:

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

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 2009 and 2008 financial statements.

c) Assumptions on discount rate

In 2009 and 2008, the discount rate used to calculate the asset recoverable amounts of the Corporation was 8.50% and 7.48% respectively.

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 2009 and 2008 financial statements.

c) Assumptions on discount rate

In 2009 and 2008, the discount rate was 8.31% and 7.60%, respectively, 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 costs, 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 2009 and 2008 financial statements.

c) Assumptions on discount rate

The discount rate used to calculate the asset recoverable amounts for each System Operation was ranging from 2.90% to 6.42% and from 3.21% to 5.92% in 2009 and 2008, 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, 2009 and 2008.

12. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	December 31	
	2009	2008
Assets leased to others		
Cost	$ 471,664	$ 639,696
Less accumulated depreciation	(22,462)	(41,279)
Less accumulated impairment	(10,591)	(54,493)
	$ 438,611	$ 543,924
Idle assets		
Cost	$ 517,137	$ 612,975
Less allowance for value decline	(35,929)	(187,519)
Less accumulated depreciation	(43,053)	(100,616)
Less accumulated impairment	(126,429)	(96,571)
	$ 311,726	$ 228,269

The impairment losses of idle equipment were determined based on their net realizable value. The Group recognized impairment losses of $12,124 thousand for the year ended December 31, 2008.

13. SHORT-TERM BORROWINGS

	December 31	
	2009	2008
Unsecured loans from financial institutions	$ 6,800,000	$ -
Interest rate	0.57%-0.60%	-

14. SHORT-TERM NOTES AND BILLS PAYABLE

	December 31	
	2009	2008
Commercial paper payable		
International Bills financial Corporation	$ 500,000	$ -
Grand Bills Finance Corporation	300,000	-
Less discount on short-term notes and bills payable	(362)	-
Net carrying value	$ 799,638	$ -
Interest rate	0.27%-0.33%	-
Period	2009.12.10-2010.01.29	-

15. 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 $832,908 thousand as of December 31, 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 were $48,322 thousand as of December 31, 2009.

16. BONDS PAYABLE

	December 31			
	2009		2008	
	Current	Non-current	Current	Non-current
Domestic unsecured bonds	$ -	$ 8,000,000	$ 7,500,000	$ 8,000,000

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

(Continued)

	Principal	Rate	Terms
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
	$ 15,000,000		

(Concluded)

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

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
2012	$ 4,000,000
2013	4,000,000
	$ 8,000,000

17. LONG-TERM BORROWINGS

	December 31	
	2009	2008
Unsecured loans	$ -	$ 5,200,000
Interest rate	-	2.5916%

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 26 for further information.

18. 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 $172,910 thousand and $174,989 thousand for the years ended December 31, 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 of Taipei City Government, the Corporation suspended contributing from February 2007 to January 2010.

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

a. Pension cost

	Years Ended December 31	
	2009	2008
Service cost	$ 4,238	$ 4,386
Interest cost	16,620	13,920
Projected return of pension assets	(16,280)	(14,851)
Amortization	5,172	213
Gain on settlement	(11,657)	(1,087)
Pension cost	$ (1,907)	$ 2,581

b. Changes in the prepaid pension cost

	December 31	
	2009	2008
Benefit obligation		
Vested	$ (6,540)	$ (3,878)
Non-vested	(427,856)	(358,040)
Accumulated	(434,396)	(361,918)
Additional benefits based on future salaries	(282,031)	(295,360)
Projected benefit obligation	(716,427)	(657,278)
Fair value of plan assets	665,367	657,784
Funded status	(51,060)	506
Unrecognized net transition obligation	17,821	20,900
Unrecognized prior service cost	26,662	28,056
Unamortized net gain or loss	90,981	50,984
Unrecognized net gain	(35,345)	(64,247)
Additional liability	(36,899)	(29,694)
Prepaid pension cost	$ 12,160	$ 6,505

c. Vested benefit $ (7,364) $ (4,523)

d. Actuarial assumptions

	Years Ended December 31	
	2009	2008
Discount rate used in determining present values	2.00-2.25%	2.50%-2.75%
Future salary increase rate	2.50-3.00%	3.00%
Expected rate of return on plan assets	2.00%	2.50%-2.75%

19. 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 to 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 year ended December 31, 2009, the bonuses to employees and remuneration to directors and supervisors were accrued based on a 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 reserves. The significant difference between annual accruals and the amount approved by the Board shall be adjusted in the current year. If the Board of Directors' approval differs from the amount ratified at the annual general shareholders' meeting (AGM), the difference will be treated as changes in accounting estimation and will be adjusted in 2010 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:

	Appropriation of Earnings		Dividend Per Share (NT$)	
	For Fiscal Year 2008	For Fiscal Year 2007	For Fiscal Year 2008	For Fiscal Year 2007
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	13,968,864	7,601,851	$4.68704	$2.54326
	$ 15,449,258	$ 8,375,603		

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
Year ended December 31, 2009				
To be transferred to employees	24,193	-	24,193	-
Shares held by subsidiaries	811,918	-	-	811,918
Year ended December 31, 2008				
To be transferred to employees	-	24,193	-	24,193
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 year ended December 31, 2009, the Corporation transferred 24,193 thousand shares bought back from the market to employees at NT$43.8 per share, resulting in a reduction of $3,254 thousand in capital surplus.

Under the Securities and Exchange 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 December 31, 2009, the carrying and market value of the Corporation's stocks held by TCCI, TID and TUI (all are subsidiaries 100%-owned by the Corporation) were $50,663,659 thousand. The Corporation reclassified $31,889,100 thousand from investments accounted for using equity method to treasury stock based on SFAS No. 30, "Accounting for Treasury Stock". Although these shares are treated as treasury stock in the consolidated financial statements, the shareholders are entitled to excise 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 gains or losses on financial instruments

Unrealized gains or losses on financial instruments for the years ended December 31, 2009 and 2008 were summarized as follows:

	Years Ended December 31	
	2009	2008
Available-for-sale financial assets		
Balance, beginning of year	$ 54,455	$ 57,560
Fair value changes recognized directly in equity	9,169	(3,105)
	63,624	54,455
Changes in unrealized gains (losses) of cash flow hedge		
Balance, beginning of year	61,864	(38,749)
Fair value changes recognized directly in equity	(61,864)	100,613
	-	61,864
Changes in unrealized gains (losses) recognized by the equity method		
Balance, beginning of year	(122,216)	(82,854)
Fair value changes recognized directly in equity	122,216	(39,362)
	-	(122,216)
Unrealized gains (losses) on financial instruments	$ 63,624	$ (5,897)

20. INCOME TAX EXPENSE

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

	Years Ended December 31	
	2009	2008
Tax on pretax income at statutory tax rate (25%)	$ 6,509,331	$ 7,351,511
Add (deduct) tax effects of		
Permanent differences		
Investment income from domestic investees accounted for using equity method	(2,195,626)	(2,705,374)
Other	(23,226)	91,238
Temporary differences	(544,301)	(507,231)
Tax-exempt income	-	(26,001)
Deferred income taxes	1,023,505	426,497
Prior years' adjustment	22,135	509,901
Prior years' loss carryforward	(20,412)	(39,901)
Investment tax credits	(15,857)	(316,878)
Tax on short-term bills	266	11,601
Income tax (10%) on unappropriated earnings	-	195,172
Income basic tax	-	163,926
Income tax expense	$ 4,755,815	$ 5,154,461

In January 2009, the Article 39 of the Income Tax Law was amended to extend the operating losses carryforward period from five years to ten years. In May 2009, the Article 5 of the Income Tax Law was amended to reduce corporate statutory income tax rate from 25% to 20%, effective from 2010. The Group recalculated its deferred tax assets and liabilities in accordance with the amended Articles and recorded the resulting difference as an income tax expense.

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

	December 31	
	2009	2008
Unrealized loss on retirement of property and equipment	$ 1,412,488	$ 2,155,031
Provision for doubtful accounts	482,476	690,256
Investment tax credits	27,760	484,494
Amortization of goodwill	(256,598)	(136,519)
Prior years' loss carryforward	66,022	101,901
Provision for impairment losses on idle assets	30,375	66,416
Unrealized gain on financial liabilities	-	(20,622)
Accrued pension cost	(4,571)	(2,526)
Other	106,288	41,599
	1,864,240	3,380,030
Less valuation allowance	(329,494)	(842,400)
	$ 1,534,746	$ 2,537,630

(Continued)

	December 31	
	2009	2008
Deferred income tax assets		
Current	$ 29,132	$ 149,534
Non-current	1,631,570	2,478,484
	$ 1,660,702	$ 2,628,018
Deferred income tax liabilities		
Non-current	$ (125,956)	$ (90,388)

(Concluded)

c. As of December 31, 2009, the Corporation and its subsidiaries' investment tax credits consisted of the following:

Regulatory Basis of Tax Credits	Item	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	$ 42,718	$ 26,861	2013
	Personnel training	899	899	2012
		$ 43,617	$ 27,760	

d. Following were the net operating loss carryforwards of the Group of December 31, 2009:

Year	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
2004	$ 8,733	$ -	2014
2005	22,558	-	2015
2006	184,627	139,148	2016
2007	129,144	126,539	2017
2008	65,226	62,951	2018
2009	1,471	1,471	2019
	$ 411,759	$ 330,109	

e. Integrated income tax information was as follows:

	December 31	
	2009	2008
Balance of imputation credit account (ICA)		
The Corporation	$ 2,990,179	$ 2,797,888
TCC	-	2,668
WMT	-	-
TFMT	2,674	-
FJLMT	-	-
GWMT	1,627	1,624
FSMT	2,370	1,950
GFMT	-	-
TYDB	Not applicable	97

(Continued)

	December 31	
	2009	2008
TDC	$ -	$ -
TCCI	-	-
TID	-	-
TSB	-	10
TFN	712,967	1,615,935
TUI	-	-
TT&T	562	29
TFNI	Not applicable	123,168
R&R	Not applicable	-
WTVB	-	-
TFNM	148,001	198,248
UCTV	27,364	44,364
SHCTV	Not applicable	9,641
YJCTV	56,870	54,683
MCTV	14,119	7,914
PCTV	34,556	31,588
GCTV	28,694	33,738

(Concluded)

As of December 31, 2009, there were no unappropriated earnings generated before January 1, 1998. The estimated or actual creditable ratios for the 2009 and 2008 earnings appropriation were as follows:

	2009	2008
The Corporation	32.17%	35.28%
TCC	30.56%	29.90%
WMT	-	-
TFMT	33.33%	33.33%
FJLMT	-	-
GWMT	33.33%	33.33%
FSMT	33.33%	33.33%
GFMT	-	-
TYDB	Not applicable	-
TDC	-	-
TCCI	33.33%	Not applicable
TID	-	Not applicable
TSB	-	25.98%
TFN	33.33%	33.33%
TT&T	27.61%	0.05%
TUI	-	Not applicable
TFNI	Not applicable	30.52%
R&R	Not applicable	-
WTVB	-	-
TFNM	33.35%	33.35%
UCTV	29.75%	33.33%
SHCTV	Not applicable	-
YJCTV	33.33%	33.33%
MCTV	33.39%	33.37%
PCTV	33.37%	32.59%
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. The estimated creditable ratio for the 2009 earnings appropriation may be adjusted when the imputation credits are distributed.

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

	Year
The Corporation	2005
The former TAT	All applicable
TAT	2007
Mobitai	2006
TCC	2007
WMT	2007
TFMT	2007
FJLMT	2007
GWMT	2007
FSMT	2007
GFMT	Not applicable
TYDB	All applicable
TDC	2008
The former TT&T	2007
TCPIA	All applicable
TLIA	All applicable
TSB	2007
TFN	2007
The former TFN	2006, only 2005 not applicable
TUC	All applicable
TTN	2007
TT&T	2007
TFNI	2007
R&R	2007
WTVB	2007
TFNM	2006
UCTV	2005
SHCTV	2007
YJCTV	2007
MCTV	2007
NCCTV	All applicable
PCTV	2007
GCTV	2007

The Corporation's income tax returns as of 2005 had been examined by the tax authorities. The Corporation filed for corrections of its 1999 through 2001 income tax returns. The Corporation also disagreed with the results on the income tax returns of 2002 through 2005 and had filed requests for reexamination.

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

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

Mobitai's income tax returns as of 2006 had been ratified by the tax authorities. Mobitai disagreed with the result on the income tax returns and plans to apply for 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.

21. EARNINGS PER SHARE

	Amounts (Numerator)		Shares	EPS (NT$)	
	Before Income Tax	After Income Tax	(Denominator) (Thousands)	Before Income Tax	After Income Tax
For the year ended December 31, 2009					
Basic EPS					
Income of common shareholders	$ 18,132,491	$ 13,888,862	2,979,311	$ 6.09	$ 4.66
Add effect of potentially dilutive common stocks					
Bonus to employees	-	-	9,846		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	$ 18,132,491	$ 13,888,862	2,989,157	$ 6.07	$ 4.65
For the year ended December 31, 2008					
Basic EPS					
Income of common shareholders	$ 19,777,097	$ 15,371,386	2,966,368	$ 6.67	$ 5.18
Add effect of potentially dilutive common stocks					
Bonus to employees	-	-	8,515		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	$ 19,777,097	$ 15,371,386	2,974,883	$ 6.65	$ 5.17

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

22. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	Years Ended December 31					
	2009			2008		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 1,348,639	$ 3,289,262	$ 4,637,901	$ 1,363,649	$ 3,362,099	$ 4,725,748
Labor and health insurance	87,907	180,163	268,070	78,725	173,194	251,919
Pension	58,567	110,564	169,131	54,513	104,273	158,786
Other	59,474	132,977	192,451	66,258	148,617	214,875
	$ 1,554,587	$ 3,712,966	$ 5,267,553	$ 1,563,145	$ 3,788,183	$ 5,351,328
Depreciation	$ 7,136,715	$ 610,460	$ 7,747,175	$ 6,597,880	$ 581,721	$ 7,179,601
Amortization	961,926	127,125	1,089,051	973,603	122,067	1,095,670

23. FINANCIAL INSTRUMENT TRANSACTIONS

a. Fair value information

	December 31			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-derivative financial instruments				
Liabilities				
Bonds payable (including current portion)	$ 8,000,000	$ 8,373,376	$ 15,500,000	$ 15,621,815

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

1) 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, the investments accounted for using equity method, prepayment for long-term investments, financial assets 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 December.

4) Fair value of long-term loans - based on 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 December 31, 2008, 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 borrowings, 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 and by estimations using valuation technique.

d. The financial assets exposed to fair value interest rate risk amounted to $2,006,775 thousand and $2,764,594 thousand as of December 31, 2009 and 2008, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to $15,599,638 thousand and $15,700,000 thousand as of December 31, 2009 and 2008, respectively. The financial assets exposed to cash flow interest rate risk amounted to $975,905 thousand and $1,173,229 thousand as of December 31, 2009 and 2008, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to $0 thousand and $5,000,000 thousand as of December 31, 2009 and 2008, respectively.

e. Information on financial risks:

1) Market risk

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

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 credit risk exposure as of December 31, 2009 and 2008 were both zero because all of 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.

24. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Group
Taiwan Mobile Foundation (TWM Foundation)	Over one third of the Foundation's issued fund came from the Corporation
Taipei New Horizons Co., Ltd.	Equity-method investee
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

b. Significant transactions with related parties are summarized below:

1) Operating revenues

	Years Ended December 31			
	2009		2008	
	Amount	% of Total Revenues	Amount	% of Total Revenues
TFCB	$ 133,447	-	$ 149,783	-
FMT	108,446	-	73,494	-
FLA	25,203	-	14,510	-
TSL	24,822	-	102,147	-
Fubon Financial Holding Company	18,359	-	5,634	-
FSC	16,565	-	47,429	-
Fubon Ins.	16,521	-	15,765	-
	$ 343,363		$ 408,762	

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

2) Operating costs

	Years Ended December 31			
	2009		2008	
	Amount	% of Total Costs	Amount	% of Total Costs
DKL	$ 146,948	-	$ 155,199	-
Fubon Ins.	66,336	-	76,375	-
	$ 213,284		$ 231,574	

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) Property transactions

Disposal of property and equipment

	Year Ended December 31, 2008		
	Description	Amount	Loss
FMT	Telecommunication equipment and miscellaneous equipment	$ 62,807	$ 7,038

The transaction amount of WTVB's sale of equipment to FMT was negotiated based on the value appraised by an independent third party. WTVB's receivables from the above transaction were fully collected as of December 31, 2008.

4) Rental income

	Year Ended December 31, 2009		
	Leased Sites/Equipment	2009	2008
FMT	Offices appliance, etc.	$ 33,423	$ 29,972

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

5) Cash in banks

	December 31			
	2009		2008	
	Amount	%	Amount	%
a) Cash in banks				
TFCB	$ 408,101	14	$ 556,278	14
b) Pledged time deposits				
TFCB	$ 10,000	31	$ 36,965	97

6) Receivables and payables

	December 31			
	2009		2008	
	Amount	%	Amount	%
a) Accounts receivable				
TFCB	$ 79,594	1	$ 114,822	2
FSC (Note)	17,983	-	29,715	-
TSL (Note)	15,835	-	42,716	1
Fubon Ins.	15,199	-	14,436	-
FLA (Note)	14,566	-	13,455	-
Other	20,821	-	17,885	-
	$ 163,998		$ 233,029	

Note: Leasehold receivables from FSC were as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
December 31, 2009			
Leasehold receivable	$ 4,295	$ 9,288	$ 13,583
Less unrealized interest income	(679)	(766)	(1,445)
	$ 3,616	$ 8,522	$ 12,138
December 31, 2008			
Leasehold receivable	$ 5,443	$ 12,700	$ 18,143
Less unrealized interest income	(868)	(1,425)	(2,293)
	$ 4,575	$ 11,275	$ 15,850

Note: Leasehold receivables from TSL were as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
December 31, 2009			
Leasehold receivable	$ 16,095	$ 33,340	$ 49,435
Less unrealized interest income	(2,438)	(2,498)	(4,936)
	$ 13,657	$ 30,842	$ 44,499

(Continued)

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
December 31, 2008			
Leasehold receivable	$ 30,851	$ 70,841	$ 101,692
Less unrealized interest income	(4,578)	(7,134)	(11,712)
	$ 26,273	$ 63,707	$ 89,980

(Concluded)

Note: Leasehold receivables from FLA were as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
December 31, 2009			
Leasehold receivable	$ 5,587	$ 9,391	$ 14,978
Less unrealized interest income	(209)	(670)	(879)
	$ 5,378	$ 8,721	$ 14,099

(Concluded)

	December 31			
	2009		2008	
	Amount	%	Amount	%
b) Prepayments				
Fubon Ins.	$ 20,543	3	$ 46,502	6
c) Accounts payable				
DKL	$ 35,916	1	$ 38,800	1
d) Accrued expenses				
Fubon Ins.	$ 13,176	1	$ 56	-

	Years Ended December 31	
	2009	2008
7) Insurance expenses		
Fubon Ins.	$ 12,065	$ 15,887
8) Donation		
TWM Foundation	$ 30,400	$ 22,000
9) Repairs and maintenance		
FPM	$ 24,709	$ 23,347
10) Other expenses		
FPM	$ 27,392	$ 28,085

11) Endorsement/guarantee provided

The Corporation and its subsidiaries provide guarantee contracts for related party. Please see Note 26.

12) Compensation to directors, supervisors and managers:

	Years Ended December 31	
	2009	2008
Salaries, incentives and special compensation	$ 216,507	$ 202,012
Earnings paid as remuneration to directors	37,483	41,470
Earnings paid as bonus to employees	62,668	77,293
Professional fee	3,092	3,688
	$ 319,750	$ 324,463

The compensation to directors, supervisors and managers for the year ended December 31, 2008 included the bonus appropriation from 2008 earnings approved in 2009 AGM. While that for the year ended December 31, 2009 included the bonus appropriation from 2009 earnings subject to approval in 2010 AGM. More detailed information may be referred in the Corporation's annual reports.

25. ASSETS PLEDGED

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

	December 31	
	2009	2008
Current assets - time deposits	$ 32,157	$ 38,015
Other assets - time deposits	500	-
	$ 32,657	$ 38,015

26. 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 December 31, 2009, the purchase amount was $4,693,485 thousand and $975,556 thousand, respectively.

b. The Corporation provided $21,500,000 thousand guarantee for TFN's bank loans. The Corporation also provided $21,328,330 thousand in promissory notes outstanding for TFN's borrowings with banks. TFN has drawn down $1,848,322 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 December 31, 2009, both the Corporation and TFN had not made any drawdown on this loan.

d. As of December 31, 2009, the Corporation had provided TFN $50,000 thousand as performance guarantee for IDD calling card issued by July 31, 2008, in accordance with NCC's new policy effective on April 1, 2007.

e. As of December 31, 2009, TT&T provided an $146 thousand guarantee for TFN's obligation of construction and equipment sales.

f. Future minimum rental payments as of December 31, 2009 for significant operating lease agreements are summarized as follows:

	Amount
2010	$ 159,153
2011	141,873
2012	131,152
2013	8,976
2014	8,976

27. ADDITIONAL DISCLOSURES

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

a. Financing provided: Table 1 (attached).

b. Endorsement/guarantee provided: Table 2 (attached).

c. Marketable securities held: Table 3 (attached).

d. Marketable securities acquired and disposed of at costs or prices of at least $100 million or 20% of the paid-in capital: Table 4 (attached).

e. Acquisition of individual real estate at costs of at least $100 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate at prices of at least $100 million or 20% of the paid-in capital: None.

g. Total purchase from or sale to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5 (attached).

h. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 6 (attached).

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

j. Derivative transactions

1) The Corporation entered into interest rate swap (IRS) contracts in December 2002 to hedge fluctuation of inverse floating interest rates of bonds, which are settled semiannually. Please refer to Note 23 for the related information.

Financial Instrument	Term	Contract Amount	Due Date
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 years ended December 31, 2009 and 2008, the Corporation recognized gains of $84,485 thousand and losses $30,531 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 8 (attached).

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

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

28. SEGMENT INFORMATION

a. Industry

	Year Ended December 31, 2009					
	Mobile	Fixed-line	Cable TV	Others	Adjustments and Elimination	Consolidated
Revenues from outside of the Group	$ 54,762,097	$ 8,399,835	$ 5,244,538	$ 63,762	$ -	$ 68,470,232
Revenues from other segments in the Group (Note 2)	2,299,111	1,541,744	28,527	35,070	(3,904,452)	-
Total revenues	$ 57,061,208	$ 9,941,579	$ 5,273,065	$ 98,832	$ (3,904,452)	$ 68,470,232
Gross profit (loss) (Note 3)	$ 16,696,861	$ 1,778,066	$ 1,984,498	$ 8,843	$ (20,134)	$ 20,448,134
Interest income						16,501
Other income						579,630
Interest expenses						(561,364)
Operating expenses						-
Other expenses						(1,836,570)
Income before income tax						$ 18,646,331
Identifiable assets (Note 4)	$ 65,984,131	$ 6,427,772	$ 12,642,162	$ 27,118	$ (2,570,126)	$ 82,511,057
Financial assets						177,821
Long-term investment						3,210,954
General assets						-
Total assets						$ 85,899,832
Depreciation expenses	$ 7,026,751	$ 232,577	$ 491,537	$ 3,657		
Amortization expenses	$ 872,755	$ 72,801	$ 142,468	$ 1,027		
Capital expenditure	$ 4,573,900	$ 1,183,005	$ 487,341	$ 395		

	Year Ended December 31, 2008					
	Mobile	Fixed-line	Cable TV	Others	Adjustments and Elimination	Consolidated
Revenues from outside of the Group	$ 56,104,767	$ 8,862,675	$ 4,186,480	$ 142,174	$ -	$ 69,296,096
Revenues from other segments in the Group (Note 2)	2,151,979	1,127,584	50,900	33,500	(3,363,963)	-
Total revenues	$ 58,256,746	$ 9,990,259	$ 4,237,380	$ 175,674	$ (3,363,963)	$ 69,296,096
Gross profit (loss) (Note 3)	$ 18,455,210	$ 1,726,187	$ 1,686,003	$ (55,338)	$ (50,222)	$ 21,761,840
Interest income						103,583
Other income						928,583
Interest expenses						(689,043)
Operating expenses						-
Other expenses						(1,568,253)
Income before income tax						$ 20,536,710
Identifiable assets (Note 4)	$ 72,745,897	$ 5,866,249	$ 12,511,028	$ 240,474	$ (3,013,134)	$ 88,350,514
Financial assets						323,927
Long-term investment						3,264,668
General assets						-
Total assets						$ 91,939,109
Depreciation expenses	$ 6,598,035	$ 87,509	$ 483,282	$ 19,204		
Amortization expenses	$ 888,390	$ 62,990	$ 142,913	$ 1,377		
Capital expenditure	$ 5,911,444	$ 1,222,258	$ 397,916	$ 321		

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

Note 2: Represents sales or service revenue between segments.

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

Note 4: Represents tangible and intangible assets which can be separately allocated to each segment. However, these assets do not include:

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

b. Foreign operations

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

c. Foreign revenues

The Corporation has no foreign revenues.

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

	Years Ended December 31			
	2009		2008	
Company	Amount	Percentage of Operating Revenues (%)	Amount	Percentage of Operating Revenues (%)
Chunghwa Telecom Co., Ltd.	$ 8,833,137	13	$ 9,850,395	14

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 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	Lending Company's Lending Amount Limits
											Item	Value		
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Tai Fu Media Technology Co., Ltd.	Other receivables	$ 2,045,000	$ -	0.838%-2.417%	Short-term financing	$ -	To meet its financing needs in acquiring minorities	$ -	-	-	$ 20,829,291 (Note 1)	$ 20,829,291 (Note 1)
		Wealth Media Technology Co., Ltd.	Other receivables	60,000	45,000	0.838%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
		TFN Media Co., Ltd.	Other receivables	2,000,000	2,000,000	0.838%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
		Taiwan Cellular Co., Ltd.	Other receivables	8,000,000	-	0.847%	Short-term financing	-	Operation requirements	-	-	-	20,829,291 (Note 1)	20,829,291 (Note 1)
1	Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Other receivables	5,040,000	4,670,000	0.838%-2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities and operation requirements	-	-	-	20,878,023 (Note 1)	20,878,023 (Note 1)
		TCC Investment Co., Ltd.	Other receivables	2,270,000	2,270,000	0.845%	Short-term financing	-	Operation requirements	-	-	-	20,878,023 (Note 1)	20,878,023 (Note 1)
2	TCC Investment Co., Ltd. (Note 3)	TFN Media Co., Ltd.	Other receivables	1,000,000	-	2.417%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	8,386,254 (Note 1)	8,386,254 (Note 1)
		TFN Media Co., Ltd.	Other receivables	2,900,000	-	0.929%-2.602%	Short-term financing	-	Operation requirements	-	-	-	8,386,254 (Note 1)	8,386,254 (Note 1)
3	Taiwan Fixed Network Co., Ltd.	TFN Media Co., Ltd.	Other receivables	1,320,000	-	0.862%-2.581%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
		The Corporation	Other receivables	1,600,000	-	1.068%-2.417%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
		Taiwan Cellular Co., Ltd.	Other receivables	8,410,000	8,040,000	0.838%-0.847%	Short-term financing	-	Operation requirements	-	-	-	14,084,712 (Note 1)	14,084,712 (Note 1)
4	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	700,000	700,000	0.838%-2.604%	Transactions	270,213	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	188,000	-	0.844%-2.594%	Transactions	32,440	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	200,000	0.862%-2.604%	Transactions	221,977	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	680,000	680,000	0.838%-2.594%	Transactions	563,225	Business requirements	-	-	-	12,000,000 (Note 2)	12,000,000 (Note 2)
8	Shin Ho Cable TV Co., Ltd. (Note 4)	TFN Media Co., Ltd.	Other receivables - related parties	207,700	-	0.839%-2.604%	Transactions	1,350	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	360,000	360,000	0.838%-2.594%	Transactions	478,941	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	470,000	307,000	0.839%-0.862%	Transactions	57,336	Business requirements	-	-	-	15,000,000 (Note 2)	15,000,000 (Note 2)

(Continued)

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company	Lending Company's Lending Amount Limits
											Item	Value		
11	Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Other receivables - related parties	$ 60,000	$ 45,000	0.838%	Short-term financing	$ -	Repayment of financing	$ -	-	-	$ 77,046 (Note 1)	$ 77,046 (Note 1)
12	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Other receivables - related parties	9,000	4,000	0.867%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	76,471 (Note 1)	76,471 (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.

Note 3: TCC Investment Co., Ltd. assumed all TFN Investment Co., Ltd.'s financing provided to others due to merger.

Note 4: Shin Ho Cable TV Co., Ltd. was liquidated on December 1, 2009.

(Concluded)

TABLE 2

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 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)	$ 42,000,000 (Note 3)	$ 34,878,330	$ 34,878,330	$ -	66.98%	$ 52,073,226
1	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Fixed Network Co., Ltd.	(Note 4)	20,000 (Note 5)	146	146	-	0.16%	93,063 (Note 5)

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

Note 2: Direct/indirect subsidiary

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

Note 4: Parent company

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

TABLE 3

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Taiwan Mobile Co., Ltd. (the "Corporation")	Stock							
	Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	2,989	$ 177,821	0.028	$ 177,821 (Note 5)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	50,324	10.00	- (Note 3)	
	Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	- (Note 2)	0.19	- (Note 3)	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,200	192,615	100.00	192,615	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	30,000	9,353,920 (Note 4)	100.00	52,195,059	
	Taipei New Horizons Co., Ltd.	Equity-method investee	Long-term investments - equity method	24,950	211,974	49.90	211,974	
Wealth Media Technology Co., Ltd.	Stock							
	Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	191,178	100.00	191,178	
Tai Fu Media Technology Co., Ltd.	Stock							
	Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	86,982	100.00	86,982	
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	968	100.00	968	
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	140,858	100.00	140,858	
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	780	100.00	780	
Global Wealth Media Technology Co., Ltd.	Stock							
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,749	89,199	6.694	42,130	
Fu Sin Media Technology Co., Ltd.	Stock							
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	131,937	3.34	31,657	
Taiwan Cellular Co., Ltd.	Stock							
	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	- (Note 2)	12.00	- (Note 3)	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773	3.17	- (Note 3)	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US$ 8,415	100.00	US$ 8,415	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	2,100,000	$ 35,211,780	100.00	$ 35,211,780	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	10,950	100.00	10,950	
	TCC Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,100	21,092,818	100.00	20,965,635	
TWM Holding Co., Ltd.	Stock							
	TWM Communications (Beijing) Ltd.	Subsidiary	Long-term investments - equity method	-	US$ 3,872	100.00	US$ 2,982	
TCC Investment Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	222,774	$ 13,901,109	5.86	$ 13,901,109 (Note 5)	
	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	17,905	253,732	98.50	250,914	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	1,763,621	100.00	3,603,385	
	TCCI Investment & Development Co., Ltd.	Subsidiary	Long-term investments - equity method	400	8,123,641	100.00	8,123,641	
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	46,074	6.67	- (Note 3)	
	Preferred stock							
	Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock - Series A	-	Bonds measured at amortized cost - non-current	50,000	500,000	1.24	- (Note 3)	
TCCI Investment & Development Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	132,849	8,289,757	3.50	8,289,757 (Note 5)	
TFN Media Co., Ltd.	Stock							
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,111,821	100.00	587,341	
	Mangrove Cable TV Corporation	Related party in substance	Long-term investments - equity method	6,248	546,514	29.53	283,339 (Note 6)	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	65,818	3,141,644	96.66	917,139	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	2,058,304	99.99	1,853,557	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,203,928	92.38	581,407	
Taiwan Fixed Network Co., Ltd.	Stock							
	TFN Union Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	400	27,902,369	100.00	27,902,369	
	TFN HK LIMITED	Subsidiary	Long-term investments - equity method	1,300	3,346	100.00	3,346	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	93,063	100.00	93,063	
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.47	- (Note 3)	
	New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	21,890	187,042	0.84	- (Note 3)	
TFN Union Investment Co., Ltd.	Stock							
	Taiwan Mobile Co., Ltd. (the "Corporation")	The Corporation	Available-for-sale financial assets - non-current	456,295	28,472,793	12.00	28,472,793 (Note 5)	

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2009				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
Taiwan Teleservices & Technologies Co., Ltd.	Stock							
	TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US$ 1,409	100.00	US$ 1,409	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	20,023	100.00	20,023	
TT&T Holdings Co., Ltd.	Stock							
	Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US$ 1,403	100.00	US$ 1,403	

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

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

Note 3: As of January 20, 2010, the independent auditors' report date, the investee's net worth was not available.

Note 4: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of $52,195,059 thousand on TCC shall be reduced by 1) downward adjusting $31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding $11,420,417 thousand unrealized gain from financial assets investment, 3) adding back $475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of $7,529 thousand.

Note 5: Based on the closing price on December 31, 2009

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

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
Taiwan Fixed Network Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TFN Union Investment Co., Ltd.	Subsidiary	456,295	$ 22,221,555	-	$ -	456,295	$ 22,769,109	$ 18,616,561	(Note 2)	-	$ -
TFN Investment Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TCCI Investment & Development Co., Ltd.	Subsidiary	355,623	17,318,833	-	-	132,849	6,629,149	5,552,137	(Note 3)	(Note 4)	(Note 4)
TFN Union Investment Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	Taiwan Fixed Network Co., Ltd.	Parent	-	-	456,295	22,769,109	-	-	-	-	456,295	28,472,793
TCCI Investment & Development Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	TFN Investment Co., Ltd.	Parent	-	-	132,849	6,629,149	-	-	-	-	132,849	8,289,757
TWM Holding Co., Ltd.	ADS Hurray!Holding Co., Ltd.	Available-for-sale financial assets - current	-	-	1,080	US$ 2,052	-	-	1,080	US$ 4,320	US$ 5,771	US$ (1,451)	-	-

Note 1: The amount of beginning and ending fund balance that belongs to marketable securities included the unrealized revaluation gain or loss on financial assets.

Note 2: TFN resolved to inject capital into TUI with its Taiwan Mobile shares. The difference between the original cost and the disposal price of shares, $4,152,548 thousand, was recognized as deferred credits. There was no gain or loss on this transaction.

Note 3: TFNI resolved to inject capital into TID with its Taiwan Mobile shares. The difference between the original cost and the disposal price of shares, $1,077,012 thousand, was recognized as deferred credits. There was no gain or loss on this transaction.

Note 4: TCCI assumed the 222,774 thousand Taiwan Mobile shares and $13,901,109 thousand (including unrealized gain of financial instruments) from TFNI due to merger.

TABLE 5

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
YEAR ENDED DECEMBER 31, 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	$ (2,276,319)	(4)	Based on contract terms	-	-	$ 368,183	6	(Note 1)
			Purchase	1,390,303	(Note 2)	Based on contract terms	-	-	(301,974)	(Note 3)	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	859,159	(Note 4)	Based on contract terms	-	-	(65,790)	(Note 5)	
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Sale	(859,350)	(85)	Based on contract terms	-	-	65,804	85	
	Taiwan Fixed Network Co., Ltd.	Parent	Sale	(156,205)	(15)	Based on contract terms	-	-	11,240	15	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(1,464,178)	(15)	Based on contract terms	-	-	294,399	15	
			Purchase	2,273,452	32	Based on contract terms	-	-	(367,857)	(21)	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	156,205	(Note 4)	Based on contract terms	-	-	(11,240)	(Note 5)	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(459,667)	(19)	Based on contract terms	(Note 6)	(Note 6)	115,122	27	
	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(212,096)	(9)	Based on contract terms	(Note 6)	(Note 6)	53,205	13	
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(388,009)	(16)	Based on contract terms	(Note 6)	(Note 6)	97,917	23	
	Globalview Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(182,643)	(7)	Based on contract terms	(Note 6)	(Note 6)	45,862	11	
Mangrove Cable TV Corporation	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	143,665	59	Based on contract terms	(Note 6)	(Note 6)	(35,916)	(82)	
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	182,643	58	Based on contract terms	(Note 6)	(Note 6)	(45,862)	(82)	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	212,096	60	Based on contract terms	(Note 6)	(Note 6)	(53,205)	(84)	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	388,009	59	Based on contract terms	(Note 6)	(Note 6)	(97,917)	(79)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	459,667	63	Based on contract terms	(Note 6)	(Note 6)	(115,122)	(89)	

Note 1: The $368,183 thousand accounts receivable amount was expressed on a gross basis in accord with sales amount. The net accounts receivable should be $19,347 thousand after deducting accounts payable and accrued custodial receipts/payments totaled $348,836 thousand.

Note 2: Included operating costs and operating expenses.

Note 3: Included accounts payable and accrued expenses.

Note 4: Recognized as operating expenses.

Note 5: Recognized as accrued expenses.

Note 6: No comparables on such kind of transactions.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 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	$ 368,183	5.92	$ -	-	167	$ -
			Other receivables	53,418		-	-	41	-
	TFN Media Co., Ltd.	Subsidiary	Other receivables	2,003,836		-	-	-	-
	Taiwan Cellular Co., Ltd.	Subsidiary	Other receivables	3,500,000		-			-
Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables	4,679,014		-	-	240,632	-
	TCC Investment Co., Ltd.	Subsidiary	Other receivables	2,274,467		-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	65,804	11.81	-	-	14	-
	Taiwan Fixed Network Co., Ltd.	Parent	Accounts receivable	11,240	11.07	-	-	-	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	294,399	6.06	-	-	8,989	-
			Other receivables	268,588		-	-	148,488	-
	Taiwan Cellular Co., Ltd.	Parent	Other receivables	8,055,329		-	-	240,584	-
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Accounts receivable	134,306	5.37	-	-	-	-
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Accounts receivable	115,567	5.57	-	-	-	-
	WinTV Broadcasting Co., Ltd.	Related party in substance	Accounts receivable	116	13.33	-	-	-	-
			Other receivables	307,000		-	-	-	-
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	2,859	13.37	-	-	-	-
			Other receivables	680,139		-	-	-	-
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	5,767	6.11	-	-	-	-
			Other receivables	700,055		-	-	-	-
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	1,933	11.00	-	-	-	-
			Other receivables	200,036		-	-	-	-
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable	3,020	14.13	-	-	-	-
			Other receivables	360,127		-	-	-	-

TABLE 7

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 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	$ 37,558,330	$ 41,058,330	30,000	100.00	$ 9,353,920 (Note 1)	$ 2,648,823	$ 3,115,006	
	Taipei New Horizons Co., Ltd.	Taipei, Taiwan	Real Estate Rental and Sale	249,500	249,500	24,950	49.90	211,974	(75,203)	(37,526)	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	272,000	272,000	27,200	100.00	192,615	(33,120)	(33,120)	
Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	270,000	27,000	100.00	191,178	(32,871)	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	86,982	2,465	NA	
	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,700	2,001,700	100	100.00	968	(231)	NA	
	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	135,000	13,500	100.00	140,858	5,386	NA	
	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,000	1,000	100	100.00	780	(145)	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	89,199	42,400	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	131,937	166,870	NA	
Taiwan Cellular Co., Ltd.	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US$ 10,800	US$ 10,800	1 share	100.00	US$ 8,415	US$ (1,396)	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	21,000,000	40,000,000	2,100,000	100.00	35,211,780	2,195,548	NA	
	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	12,000	12,000	1,200	100.00	10,950	(131)	NA	
	TCC Investment Co., Ltd.	Taipei, Taiwan	Investment	20,451,000	-	2,100	100.00	21,092,818	502,577	NA	
TWM Holding Co. Ltd.	TWM Communications (Beijing) Ltd.	Beijing, China	Mobile application development and design	US$ 4,936	US$ 5,005	-	100.00	US$ 3,872	US$ 22	NA	
TCC Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	179,047	252,141	17,905	98.50	253,732	72,961	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	2,035,714	230,526	100.00	1,763,621	1,012,976	NA	
	TCCI Investment & Development Co., Ltd.	Taipei, Taiwan	Investment	6,629,149	-	400	100.00	8,123,641	(56)	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	2,111,821	160,341	NA	
	Mangrove Cable TV Corporation	Taipei County, Taiwan	Cable TV service provider	397,703	397,703	6,248 (Note 2)	29.53	546,514	47,872	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	2,294,967	2,294,967	65,818	96.66	3,141,644	166,870	NA	
	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,904,440	1,904,440	170,441	99.99	2,058,304	131,110	NA	
	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	841,413	841,413	51,733	92.38	1,203,928	42,400	NA	
Taiwan Fixed Network Co., Ltd.	TFN Union Investment Co., Ltd.	Taipei, Taiwan	Investment	22,769,109	-	400	100.00	27,902,369	(56)	NA	
	TFN HK LIMITED	Hong Kong	Telecommunications service provider	5,816	5,816	1,300	100.00	3,346	457	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and ISR (international simple resales)	10,000	10,000	1,000	100.00	93,063	57,320	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samoa	Investment	US$ 1,300	US$ 1,300	1,300	100.00	US$ 1,409	US$ 45	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100.00	20,023	14	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$ 1,403	US$ 40	NA	

Note 1: The Corporation's shares held by TCCI, TID and TUI (all are subsidiaries 100%-owned by TCC) are classified as treasury shares. Therefore, the Corporation's carrying cost of $52,195,059 thousand on TCC shall be reduced by 1) downward adjusting $31,889,100 thousand, the carrying value of total treasury shares on the Corporation's book, 2) excluding $11,420,417 thousand unrealized gain from financial assets investment, 3) adding back $475,907 thousand income tax expenses resulted from TFN and TFNI's disposal gain from the Corporation's shares, and 4) excluding recognition of upstream transactions gain of $7,529 thousand.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 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 December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of December 31, 2009	Accumulated Inward Remittance of Earnings as of December 31, 2009
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US$ 1,300 (NT$ 41,909)	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$ 41,909)	$ -	$ -	US$ 1,300 (NT$ 41,909)	100% ownership of indirect investment by the Corporation's subsidiary	US$ 40 (NT$ 1,290)	US$ 1,403 (NT$ 45,230)	$ -
TWM Communications (Beijing) Ltd.	Mobile application development and design	US$ 3,000 (NT$ 96,714)	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$ 148,843)	US$ 255 (NT$ 8,221)	-	US$ 4,872 (NT$ 157,064)	100% ownership of indirect investment by the Corporation's subsidiary	US$ 22 (NT$ 709)	US$ 3,872 (NT$ 124,826)	-

Accumulated Investment in Mainland China as of December 31, 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$41,909)	US$1,300 (NT$41,909)	$ 93,063
US$4,872 (NT$157,064)	US$5,300 (NT$170,861)	52,195,059

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$32.238, RMB1=NT$4.7213 as of December 31, 2009.

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

Note 3: Calculation was based on audited financial statements.

TABLE 9

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
0	Taiwan Mobile Co., Ltd.	Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	$ 19,347	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	46	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	17	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	39	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	9	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	51	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	11	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Other receivables	45,065	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Other receivables	3,500,000	Based on regular terms	4%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	53,418	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other receivables	28	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,003,836	Based on regular terms	2%
		TFN Union Investment Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		TCCI Investment & Development Co., Ltd.	1	Other receivables	6	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	212	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Prepayments	21	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	14	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	275	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	4,300	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	265,004	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	65,790	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other payables	5,508	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	176,836	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	476	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	1,253	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	361	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	1,720	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	297	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	175	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	83,059	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	893	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	2,638	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other current liabilities	693	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	1,851	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	779	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	$ 830	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	2,276,319	Based on regular terms	3%
		TFN Media Co., Ltd.	1	Operating revenues	642	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	605	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	101	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	803	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	438	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,105	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	449	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	1,404,455	Based on regular terms	2%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	971	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	171	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	34,304	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	91,612	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	860,420	Based on regular terms	1%
		TFN Investment Co., Ltd.	1	Operating expenses	3,157	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	(549)	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(497)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(10)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(23)	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	(3)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(29)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(11)	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Interest income	69	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	40,132	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest income	371	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	2,893	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Global Forest Media Technology Co., Ltd.	1	Rental income	37	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Rental income	119,447	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Reach & Range Inc.	1	Rental income	34	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Rental income	173	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	10,784	Based on regular terms	-
		TFN Union Investment Co., Ltd.	1	Rental income	6	Based on regular terms	-
		TCCI Investment & Development Co., Ltd.	1	Rental income	6	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Rental income	14	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	3,221	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	16,869	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
1	Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	1	Other receivables	$ 45,065	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	65	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other payables	45,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	69	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	69	Payment terms varied depend on the agreements	-
2	Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	1	Other receivables	4,000	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Accrued expenses	65	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Other payables	45,000	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	1	Interest income	37	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	40,132	Payment terms varied depend on the agreements	-
		Wealth Media Technology Co., Ltd.	2	Interest expenses	69	Payment terms varied depend on the agreements	-
3	Global Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	2	Other payables	4,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	34	Payment terms varied depend on the agreements	-
		Tai Fu Media Technology Co., Ltd.	2	Interest expenses	37	Payment terms varied depend on the agreements	-
4	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
5	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Payment terms varied depend on the agreements	-
6	Global Forest Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	37	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
7	Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	$ 275	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Other receivables	100	Based on regular terms	-
		Xiamen Taifu Teleservices &Technologies Ltd.	1	Other receivables	100	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Other receivables	100	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	4,679,014	Based on regular terms	5%
		TCC Investment Co., Ltd.	1	Other receivables	2,274,467	Based on regular terms	3%
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	8,040,000	Based on regular terms	9%
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	15,329	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other payables	3,500,000	Based on regular terms	4%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	15,056	Based on regular terms	-
		TCC Investment Co., Ltd.	1	Interest income	4,467	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		Xiamen Taifu Teleservices &Technologies Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	371	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	16,667	Based on regular terms	-
8	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Notes receivable	39	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts receivable	257,097	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Accounts receivable	10	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts receivable	12,581	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	62	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	99	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Accounts receivable	265	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	599	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	211	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	267,490	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Other receivables	8,055,329	Based on regular terms	9%
		Union Cable TV Co., Ltd.	3	Other receivables	8	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	3	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Prepayments	152	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	19,021	Based on regular terms	-
		TFN Media Co., Ltd.	3	Accounts payable	12,195	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	53,744	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Accrued expenses	2,883	Based on regular terms	-
		TFNHK	1	Accrued expenses	8,660	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	11,240	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Accrued expenses	113	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other payables	12,805	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Advance receipts	212	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	1,464,178	Based on regular terms	2%
		WinTV Broadcasting Co., Ltd.	3	Operating revenues	506	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	66,972	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	1,523	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	$ 650	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	1,833	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	5,282	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	800	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	2,273,452	Based on regular terms	3%
		TFNHK	1	Operating costs	29,292	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	426	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating costs	24,390	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	1,298	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	362	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating costs	51	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	1,949	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	352	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	117,457	Based on regular terms	-
		TWM Communications (Beijing) Ltd.	3	Operating expenses	2,883	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	156,273	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating expenses	20	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	16,869	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest income	16,667	Based on regular terms	-
		TFN Media Co., Ltd.	3	Interest income	11,162	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	21,305	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Rental income	91	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Rental income	31	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	5,720	Based on regular terms	-
		TFN Media Co., Ltd.	3	Miscellaneous revenue	1,268	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous expense	3,221	Based on regular terms	-
9	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
10	TCC Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Prepayments	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Short-term borrowing	2,270,000	Based on regular terms	3%
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	4,467	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	14	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	1,984	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	4,467	Based on regular terms	-
11	TCCI Investment & Development Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	6	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	6	Based on regular terms	-
12	WinTV Broadcasting Co., Ltd.	TFN Media Co., Ltd.	3	Notes receivable	19,781	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Accounts receivable	50	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	50	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	28	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	$ (9)	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other payables	307,116	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Advance receipts	48	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	48	Based on regular terms	-
		TFN Media Co., Ltd.	3	Operating revenues	56,566	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	335	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	14,263	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	300	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	231	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	121	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	425	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	82	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	752	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Operating expenses	770	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	3	Interest expenses	1,348	Payment terms varied depend on the agreements	-
13	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	25,000	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Accounts receivable	116	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	67,651	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	115,567	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts receivable	5,808	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	134,306	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	52,737	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		WinTV Broadcasting Co., Ltd.	3	Other receivables	$ 307,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Prepayments	1	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current assets	16	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Notes payable	14,836	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Accrued expenses	50	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	9,014	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	12,204	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	3,882	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,822	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	3,187	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	1,874	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,998	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	1,986	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other payables	2,000,000	Payment terms varied depend on the agreements	2%
		Taiwan Cellular Co., Ltd.	2	Other payables	4,670,000	Payment terms varied depend on the agreements	5%
		Union Cable TV Co., Ltd.	1	Other payables	700,000	Payment terms varied depend on the agreements	1%
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	360,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	680,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Other payables	200,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	24,390	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating revenues	770	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Union Cable TV Co., Ltd.	1	Operating revenues	$ 231,708	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	426,306	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Corporation	1	Operating revenues	17,096	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	502,181	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	200,971	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	56,518	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating costs	36,809	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	1,350	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	51,155	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	18,242	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	59,237	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	21,968	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	299	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	64,707	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	3,489	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating expenses	48	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	64	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	11,384	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	2,522	Payment terms varied depend on the agreements and based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	2,765	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	1,538	Payment terms varied depend on the agreements and based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	$ 3,461	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	1,064	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Interest income	1,348	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Miscellaneous revenue	20	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	2,893	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	15,056	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Interest expenses	11,162	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	43,524	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	10,210	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	3,593	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	3,198	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	2,269	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	8,599	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	4,714	Payment terms varied depend on the agreements	-
		TCC Investment Co., Ltd.	2	Interest expenses	1,984	Payment terms varied depend on the agreements	-
14	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,345	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	5,767	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	700,055	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	53,205	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	18	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	$ 113	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	14,446	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	258	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,298	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	38,505	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	299	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	414	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	212,096	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating expenses	19,611	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	320	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,286	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	10,210	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	826	Based on regular terms	-
15	Yeong Jialeh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	3,494	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	3,020	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	360,127	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other current assets	40	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	22	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	97,917	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	61	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	16	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	40	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		WinTV Broadcasting Co., Ltd.	3	Other payables	$ 50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	17,650	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	655	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	1,955	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	1,155	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	739	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	362	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	52,635	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	386	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	913	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating costs	1,955	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	1,476	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	739	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	256	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	388,009	Payment terms varied depend on the agreements	1%
		WinTV Broadcasting Co., Ltd.	3	Operating expenses	35	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	38,297	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	439	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	391	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,198	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,284	Based on regular terms	-
16	Mangrove Cable TV Corporation	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,021	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,786	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	87	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	120	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	517	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	132	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	$ 9	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Other payables	50	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	5,291	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	51	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	18,643	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	220	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,369	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	14,263	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	517	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	387	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	16,579	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	184	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	2,269	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,137	Based on regular terms	-
17	Phoenix Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	3,506	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	113	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,859	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	680,139	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	115,122	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	53	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	580	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	19,184	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	321	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	1,949	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TFN Media Co., Ltd.	2	Operating revenues	$ 61,044	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	490	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	3,703	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	459,667	Payment terms varied depend on the agreements	1%
		TFN Media Co., Ltd.	2	Operating expenses	42,514	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	644	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	1,579	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	8,599	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Rental income	171	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,653	Based on regular terms	-
18	Globalview Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,059	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,933	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	200,036	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	50	Based on regular terms	-
		TFN Media Co., Ltd.	3	Other current assets	18	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts payable	30	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	45,862	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	163	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Accrued expenses	50	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	11	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other payables	6,876	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	352	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	22,465	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Mobile Co., Ltd.	2	Operating costs	$ 254	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	182,643	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	713	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	117	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	18,327	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	206	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	4,714	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	3	Rental income	34	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	567	Based on regular terms	-
19	Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	1,350	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	57	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	45	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Interest income	3,593	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	64	Based on regular terms	-
20	TWM Communications (Beijing) Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	5,507	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	2,901	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	2,974	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	102	Based on regular terms	-
21	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	65,804	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	11,240	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Accrued expenses	7,812	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	859,350	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	156,205	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	52,126	Based on regular terms	-
		Xiamen Taifu Teleservices &Technologies Ltd.	1	Operating expenses	34,448	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	(68)	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	2,007	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
22	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	$ 4,300	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	34,304	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	1	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
23	TT&T Holdings	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	7,799	Based on regular terms	-
		Xiamen Taifu Teleservices &Technologies Ltd.	1	Accounts payable	5,192	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	52,767	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	103	Based on regular terms	-
		Xiamen Taifu Teleservices &Technologies Ltd.	1	Operating expenses	33,953	Based on regular terms	-
24	Xiamen Taifu Teleservices & Technologies Ltd.	TT&T Holdings Co., Ltd.	2	Accounts receivable	5,192	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	100	Based on regular terms	-
		TT&T Holdings Co., Ltd.	2	Operating revenues	33,944	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	33,919	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	103	Based on regular terms	-
25	TFN HK LIMITED	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	8,312	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	28,414	Based on regular terms	-
26	TFN Union Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	6	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	6	Based on regular terms	-
27	TFN Investment Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	36	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	43,524	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	3,157	Based on regular terms	-
28	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Operating revenues	426	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	170	Based on regular terms	-

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

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR ENDED DECEMBER 31, 2008
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			
				Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
0	Taiwan Mobile Co., Ltd.	Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	$ 214,172	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accounts receivable	1	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,008,079	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	46,733	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	685	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,299	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	22	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other receivables	2	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other receivables	59	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other receivables	8	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	62	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	19	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	238	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	1,300,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	4,094	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	19	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	460	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	20,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	197,416	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	79,715	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	35	Based on regular terms	-
		Hurray! Times Communications (Beijing) Ltd.	1	Other payables	9,206	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	99,249	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other payables	152	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	301	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	17	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	811	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	134	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	875	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	289	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	181	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	358,142	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Other current liabilities	5	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	91	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other current liabilities	6	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	332	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other current liabilities	51	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	$ 257	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	120	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	459,338	Based on regular terms	1%
		Taiwan Super Basketball Co., Ltd.	1	Operating revenues	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	2,087,756	Based on regular terms	2%
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	171	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	92	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	778	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	517	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	172	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	443	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	368	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	1,115	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	447	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating costs	257,989	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	345	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	982,644	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	259	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	200	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	601,107	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	310,881	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	32,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	82,037	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	9	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(1,028)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(30)	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	(3)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(86)	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	(10)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(66)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(23)	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	50,869	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	10,793	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Rental income	23	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	40	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	40	Based on regular terms	-
		Taiwan Cellular 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	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		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	-

(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	Rental income	$ 70,390	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Rental income	31	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	2,075	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	10,640	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	1,572	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	5	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Interest expenses	15,205	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expenses	3,813	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Miscellaneous expense	1,244	Based on regular terms	-
1	TransAsia Telecommunications Inc.	Taiwan Mobile Co., Ltd.	2	Operating revenues	257,796	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	29,632	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	459,338	Based on regular terms	1%
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	21,543	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	23	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	329	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	15,205	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	3	Interest income	2,199	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	192	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Rental income	268	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	1,244	Based on regular terms	-
2	Wealth Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
3	Tai Fu Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accrued expenses	8,079	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other payables	2,000,000	Based on regular terms	2%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	50,869	Based on regular terms	-
4	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	40	Based on regular terms	-
5	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	40	Based on regular terms	-
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Operating expenses	34	Based on regular terms	-
7	Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	460	Based on regular terms	-
		Hurray! Times Communications (Beijing) Ltd.	1	Other receivables	100	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other receivables	296	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	251,010	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	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	21,178	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Miscellaneous revenue	95	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
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Miscellaneous revenue	$ 95	Based on regular terms	-
		Hurray! Times Communications (Beijing) Ltd.	1	Miscellaneous revenue	95	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Interest expenses	2,199	Based on regular terms	-
8	Tai Yi Digital Broadcasting Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
9	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
10	The former Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating revenues	600,942	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	20,648	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	863	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	8,338	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	37,686	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	243	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	1,338	Based on regular terms	-
11	TT&T Life Insurance Agency Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
12	TT&T Casualty & Property Insurance Agency Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
13	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	20,000	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	32,000	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-
14	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	1,268	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,742	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	8,559	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	4,606	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	94	Based on regular terms	-
15	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	10,723	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	38,645	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	21,257	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	93	Based on regular terms	-
16	Hurray! Times Communications (Beijing) Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	9,035	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	109	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	103	Based on regular terms	-
17	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	227,065	Based on regular terms	-
		TFNHK	1	Accounts receivable	2	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Accounts receivable	14	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	10,136	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
		Union Cable TV Co., Ltd.	1	Accounts receivable	$ 61	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	96	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	193	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	466	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	97	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	1,518,862	Based on regular terms	2%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	1,148	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,052,674	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	183	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Other current assets	18	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accounts payable	3,125	Based on regular terms	-
		TFNHK	1	Accounts payable	3,095	Based on regular terms	-
		Reach & Range Inc.	1	Accounts payable	5,314	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts payable	4,215	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	226	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	62	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	44,921	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	16,986	Based on regular terms	-
		Reach & Range Inc.	1	Accrued expenses	36	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	1	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Advance receipts	237	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other liabilities	1,268	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	1,040,440	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	21,901	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	243	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	24,925	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	(13)	Based on regular terms	-
		Reach & Range Inc.	1	Operating revenues	600	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating revenues	356	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	53,498	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	1,615	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	730	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	2,647	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	22	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	5,201	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	900	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	2,080,134	Based on regular terms	2%
		TransAsia Telecommunications Inc.	3	Operating costs	29,932	Based on regular terms	-
		TFNHK	1	Operating costs	6,828	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating costs	374	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	(354)	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	10,935	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating costs	40,088	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
		Union Cable TV Co., Ltd.	1	Operating costs	$ 703	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	3,960	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	5,491	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	657	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	71,171	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	20,655	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating expenses	763	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	184,080	Based on regular terms	-
		Reach & Range Inc.	1	Operating expenses	134	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(12)	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest income	3,813	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Interest income	8,732	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	17,745	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	17,033	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	4,480	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Rental income	130	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	48	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Rental income	61	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Rental income	33	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	141	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Miscellaneous revenue	3	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	7,645	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest expenses	7,947	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous expense	1,573	Based on regular terms	-
18	TFNHK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	3,022	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	6,364	Based on regular terms	-
19	Taiwan Telecommunication Network Services Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Operating revenues	374	Based on regular terms	-
		Reach & Range Inc.	3	Operating revenues	1,036	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	22	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	22	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	67	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	24,977	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	134	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	(815)	Based on regular terms	-
20	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	79,733	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	16,986	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	685	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	296	Based on regular terms	-
		TT&T Holdings Co., Ltd.	2	Accrued expenses	(2,435)	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	2	Accrued expenses	10,823	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	1,148	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating revenues	310,885	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	187,086	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	$ 2,575	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	4,830	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	22,480	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	7,823	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Rental income	669	Based on regular terms	-
21	TFN Investment Co., Ltd.	TFN Media Co., Ltd.	1	Other receivables	3,923,679	Based on regular terms	4%
		Taiwan Mobile Co., Ltd.	2	Operating expenses	33	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	82,705	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	8,732	Based on regular terms	-
22	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	5,352	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	11,031	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating revenues	355	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	(2)	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating costs	1,036	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	31	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	599	Based on regular terms	-
23	WinTV Broadcasting Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Other receivables	159	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	300	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	4	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	577	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	121	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	191	Based on regular terms	-
24	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	4,215	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	60,050	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	92,509	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts receivable	2,604	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	120,232	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	45,363	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	35	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	1	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Prepayments	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
		Taiwan Fixed Network Co., Ltd.	2	Other intangible assets	$ 1,268	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	1,745	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Accounts payable	365	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts payable	2,172	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts payable	744	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	3,635	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	1,475	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	2,299	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	10,122	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,138	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	25	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	2,280	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	657	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,755	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	724	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	1,010	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	2,559	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Accrued expenses	23,679	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Other payables	250,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	1,050,000	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
		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	540,001	Payment terms varied depend on the agreements and based on regular terms	1%
		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	130,001	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	138,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	500,000	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Other payables	350,000	Payment terms varied depend on the agreements	-
		Fu Jia Leh Media Technology Co., Ltd.	3	Advance receipts	2,000,000	Payment terms varied depend on the agreements	2%
		Mangrove Cable TV Corporation	1	Other liabilities	3,299	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Other liabilities	1,459	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	40,088	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	217,336	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	4,762	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	363,041	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating revenues	15,380	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	7,630	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	476,829	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	189,683	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	292	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	58,432	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	46,026	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	4,172	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	Operating costs	$ 44,320	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	12,162	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	66,119	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	21,793	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	12,454	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	2,819	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	3,342	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	478	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	2,353	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating expenses	1,098	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	68	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	3,699	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	838	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	164	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	1	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	10,775	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	21,091	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	17,745	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	82,636	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	12,296	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	5,318	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	1,722	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	1,825	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
		North Coast Cable TV Co., Ltd.	1	Interest expenses	$ 3,258	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	6,589	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	7,948	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Miscellaneous expense	37	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Miscellaneous expense	7	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Miscellaneous expense	19	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Miscellaneous expense	10	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	30	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Miscellaneous expense	17	Based on regular terms	-
25	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	392	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,830	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	540,042	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	49,410	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts payable	72	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	30	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	29	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	1	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	10,640	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	703	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	48,870	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	6	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	283	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	358	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	197,640	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	74	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	246	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 Fixed Network Co., Ltd.	2	Operating expenses	$ 1,771	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	19,695	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	12,296	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	534	Payment terms varied depend on the agreements and based on regular terms	-
26	Shin Ho Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	26	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	390	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	207,700	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	3	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	4,172	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	416	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	25	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating costs	416	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	161	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	4,762	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	5,318	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	485	Based on regular terms	-
27	Yeong Jialeh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,443	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	4,429	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	130,000	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current assets	19	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	22	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	81,331	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	Accrued expenses	$ 86	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	60	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	11,178	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	3,960	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	46,166	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	223	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	257	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	256	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	325,323	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	223	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	258	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	684	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	37,717	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,722	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	526	Based on regular terms	-
28	Mangrove Cable TV Corporation	Taiwan Mobile Co., Ltd.	2	Accounts receivable	186	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,304	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	71	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	138,097	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	3,299	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	120	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	10	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	60	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	2,604	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	Operating revenues	$ 12,478	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	60	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	11	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	175	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	2,167	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	59	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	11	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	146	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	667	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	22	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	15,380	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,825	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	793	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Miscellaneous revenue	68	Based on regular terms	-
29	North Coast Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	551	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	20	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating costs	5,775	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	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	1,855	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	3,258	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	71	Based on regular terms	-
30	Phoenix Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,134	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	113	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,272	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	500,118	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	108,422	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	Accrued expenses	$ 87	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	453	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	11,810	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	5,491	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	68,616	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	506	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	379	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	3,588	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	433,687	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	506	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	555	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,865	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	43,143	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	6,589	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Rental income	171	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	1,232	Based on regular terms	-
31	Globalview Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	409	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	2,151	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	350,040	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other current assets	8	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	1,459	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 Fixed Network Co., Ltd.	2	Accounts payable	$ 30	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	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	24	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	65	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	3,227	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	657	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	22,187	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	273	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	212	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	383	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	168,545	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	273	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	173	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	842	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	22	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	21,138	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	7,947	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Rental income	34	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	461	Based on regular terms	-

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

(Concluded)

Taiwan Mobile