

- customer premises equipment.

We have developed a number of advanced network services, operation technologies and applications and value-added services, including our xDSL/FTTx deployment, internet-based call center, e-commerce platform, mobile internet services, global standard for mobile communications billing system, a new telecommunications operation service system for all business units of our company, government public key infrastructure, a leased line testing and monitoring system and an intelligent transportation system. As of December 31, 2010, we have been granted 328 domestic patents and 51 foreign patents.

D. Trend Information

See “—Overview” for a discussion of the most significant recent trends that have had, and in the future may have, a material impact on our results of operations, financial condition and capital expenditures. In addition, see discussions included in this Item for a discussion of known trends, uncertainties, demands, commitments or events that we believe are reasonably likely to have a material effect on our net operating revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

E. Off-Balance Sheet Arrangements

Note 30 and 31 to our consolidated financial statements included elsewhere in this annual report provide descriptions of the pledged assets, and significant commitments and contingencies. There are no off-balance sheet arrangements that are material to investors.

F. Tabular Disclosure of Contractual Obligations

Set forth below are our total contractual obligations as of December 31, 2010.

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(NT\$ in billions)				
Contractual Obligations ⁽¹⁾					
Short-term loans	0.1	0.1	—	—	—
Short-term bills payable	0.2	0.2	—	—	—
Long-term loans	3.4	0.3	1.5	1.4	0.2
Obligations related to ST-2 satellite	3.5	0.8	0.4	0.4	1.9
Operating leases ⁽²⁾	5.3	1.6	2.3	1.3	0.1
Total	12.5	3.0	4.2	3.1	2.2

- (1) Accrued pension liabilities of NT\$1.3 billion (US\$44.3 million) as of December 31, 2010 have not been included in the table above.
- (2) Operating leases obligations are described in note 31 to our consolidated financial statements included elsewhere in the annual report.

As of December 31, 2010, we had remaining commitments under non-cancelable contracts with various parties, including acquisition of lands and buildings of NT\$0.15 billion (US\$5.1 million), and acquisition of telecommunications equipment of NT\$15.8 billion (US\$543.6 million), and contracts for printing bills, envelopes and marketing gifts of NT\$57 million (US\$2.0 million). Light Era Development has already contracted to advance sale of lands and buildings for NT\$2.6 billion (US\$89.0 million), and collected the contracted amount of NT\$0.5 billion (US\$17.4 million).