

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2007 and 2006 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. (the "Corporation") and subsidiaries as of September 30, 2007 and 2006, and the related statements of income and cash flows for the nine months then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to issue a report based on our reviews.

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

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, 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 2 to the consolidated financial statements, to position as an integrated telecom and media player down the road differentiating from competition and build growth momentum exposure to higher margin lines of business, the Corporation, acquired up to 84.03% of Taiwan Fixed Network., Ltd. (TFN)'s shares through Taihsing International Telecommunications Co., Ltd. (TIT), the subsidiary of the Corporation, since April 17, 2007. Because TFN is controlled by the Corporation, TFN and its subsidiaries have been included in the accompanying consolidated financial statements for the period from April 17, 2007 to September 30, 2007.

As disclosed in Note 3 to the financial statements, the Corporation adopted the newly issued Statement of Financial Accounting Standards (SFAS) No. 34, "Accounting for Financial Instruments," No. 36, "Disclosure and Presentation of Financial Instruments," and the revisions of previously released statements, which were amended to harmonizing with SFAS No.34 and 36 on January 1, 2006.

October 12, 2007

Notice to Readers

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

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2007 AND 2006

(In Thousands of New Taiwan Dollars, Except Par Value)

(Reviewed, Not Audited)

ASSETS	2007		2006		LIABILITIES AND SHAREHOLDERS' EQUITY	2007		2006	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2, 4 and 26)	\$ 11,662,691	10	\$ 9,131,155	8	Short-term bank loans (Notes 15, 26 and 27)	\$ 21,580,000	19	\$ -	-
Financial assets at fair value through profit or loss (Notes 2, 3 and 5)	131,422	-	10,485,106	9	Short-term notes and bills payable (Note 16)	1,998,970	2	-	-
Available-for-sale financial assets - current (Notes 2, 3 and 6)	2,742,744	3	370,252	-	Notes payable	337,877	-	-	-
Notes receivable	57,842	-	17,033	-	Accounts payable (Note 26)	2,675,327	2	1,789,245	2
Accounts receivable - third parties (Notes 2 and 7)	6,975,704	6	6,352,618	6	Income taxes payable (Notes 2 and 22)	1,136,520	1	2,018,875	2
Accounts receivable - related parties (Notes 2 and 26)	108,875	-	282,107	-	Accrued expenses (Note 26)	4,694,906	4	3,913,204	3
Other receivables	241,261	-	3,547,956	3	Other payable (Note 26)	4,133,911	4	2,950,357	3
Inventories (Note 2)	174,631	-	34,474	-	Advance receipts	1,665,190	2	647,009	-
Prepayments (Note 26)	869,340	1	514,868	1	Current portion of long-term liabilities (Notes 2, 17, 18, 19, 26 and 27)	6,905,589	6	1,339,532	1
Deferred income tax assets - current (Notes 2 and 22)	164,397	-	153,601	-	Guarantee deposits	90,586	-	137,722	-
Pledged time deposits (Notes 26 and 27)	47,618	-	10,000	-	Deferred income tax liability - current (Notes 2 and 22)	14,845	-	-	-
Other current assets	29,281	-	23,563	-	Other current liabilities (Note 26)	505,270	-	710,606	1
Total current assets	23,205,806	20	30,922,733	27	Total current liabilities	45,738,991	40	13,506,550	12
INVESTMENTS					LONG-TERM LIABILITIES				
Financial assets carried at cost - non-current (Notes 2 and 9)	2,718,815	2	3,879,192	3	Long-term bank loans (Note 18)	4,174,931	3	-	-
Bonds measured at amortized cost - non-current (Notes 2 and 10)	500,000	1	-	-	Hedging derivative financial liabilities (Notes 2, 3, 25 and 29)	182,840	-	347,444	-
Total long-term investments	3,218,815	3	3,879,192	3	Bonds payable (Notes 2 and 17)	10,000,000	9	13,750,000	12
PROPERTY AND EQUIPMENT (Notes 2, 11 and 27)					Total long-term liabilities	14,357,771	12	14,097,444	12
Cost					OTHER LIABILITIES				
Land	5,759,047	5	3,988,128	4	Accrued pension costs (Notes 2 and 20)	111,444	-	64,841	-
Buildings	3,802,520	3	2,549,781	2	Guarantee deposits	373,360	-	249,429	-
Telecommunications equipment	88,774,180	77	79,004,659	69	Deferred income tax liability - non-current (Notes 2 and 22)	22,920	-	-	-
Office equipment	369,961	-	194,498	-	Other	15,561	-	-	-
Leased assets	1,276,190	1	1,276,190	1	Total other liabilities	523,285	-	314,270	-
Leasehold improvements	380,277	1	-	-	Total liabilities	60,620,047	52	27,918,264	24
Miscellaneous equipment	2,433,209	2	1,464,634	1	SHAREHOLDERS' EQUITY (Notes 2 and 21)				
Total cost	102,795,384	89	88,477,890	77	Parent's shareholders' equity				
Less accumulated impairment accumulated depreciation	(39,802,304)	(34)	(31,118,661)	(27)	Capital stock - NTS10 par value				
Construction in progress and advance payments	62,112,394	54	57,359,229	50	Authorized: 6,000,000 thousand shares	-	-	-	-
	2,823,746	2	3,072,100	3	Issued and outstanding: 5,000,925 thousand shares in 2007 and 4,998,376 thousand shares in 2006	50,009,254	43	49,983,759	44
Net property and equipment	64,936,140	56	60,431,329	53	Capital surplus	8,779,946	7	8,732,398	8
INTANGIBLE ASSETS (Note 2)					Retained earnings				
3G concession	8,411,727	7	9,159,436	8	Legal reserve	11,745,475	10	10,128,401	9
Goodwill (Note 12)	9,829,282	9	6,835,370	6	Special reserve	3,493,563	3	3,350,000	3
Computer software cost (Note 12)	158,415	-	163,282	-	Unappropriated earnings	15,832,086	14	16,340,166	14
Other intangible assets					Other equity				
Customer relationship (Note 12)	2,251,328	2	-	-	Cumulative translation adjustments	5,427	-	6,783	-
Operating rights (Note 12)	1,169,172	1	-	-	Unrealized gains on financial instruments	(316,677)	-	(202,955)	-
Other intangible assets	7,999	-	-	-	Treasury stock	(38,491,844)	(33)	(2,079,542)	(2)
	3,428,499	3	-	-	Minority interests	3,958,305	4	24,697	-
Total intangible assets	21,827,923	19	16,158,088	14	Total shareholders' equity	55,015,535	48	86,283,707	76
OTHER ASSETS					TOTAL	\$ 115,635,582	100	\$ 114,201,971	100
Assets leased to others (Notes 2 and 13)	406,575	1	852,115	1					
Idle assets (Notes 2 and 13)	262,049	-	228,403	-					
Refundable deposits	405,413	-	302,777	1					
Deferred charges (Notes 2 and 14)	338,517	-	222,622	-					
Deferred income tax assets - non-current (Notes 2 and 22)	965,001	1	1,131,828	1					
Other (Note 27)	69,343	-	72,884	-					
Total other assets	2,446,898	2	2,810,629	3					
TOTAL	\$ 115,635,582	100	\$ 114,201,971	100					

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

(With Deloitte & Touche review report dated October 12, 2007)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006

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

(Reviewed, Not Audited)

	2007		2006	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 26)	<u>\$48,779,927</u>	<u>100</u>	<u>\$44,378,260</u>	<u>100</u>
OPERATING COSTS (Notes 2, 24 and 26)	<u>21,322,749</u>	<u>43</u>	<u>18,429,234</u>	<u>42</u>
GROSS PROFIT	<u>27,457,178</u>	<u>57</u>	<u>25,949,026</u>	<u>58</u>
OPERATING EXPENSES (Notes 2, 24 and 26)				
Marketing	7,426,199	15	8,227,245	19
Administrative	<u>3,683,777</u>	<u>8</u>	<u>3,332,890</u>	<u>7</u>
Total operating expenses	<u>11,109,976</u>	<u>23</u>	<u>11,560,135</u>	<u>26</u>
OPERATING INCOME	<u>16,347,202</u>	<u>34</u>	<u>14,388,891</u>	<u>32</u>
NON-OPERATING INCOME AND GAINS				
Interest income	199,862	1	163,074	1
Gain on disposal of investments, net (Notes 2 and 6)	190,461	-	2,113,184	5
Investment income recognized under the equity method, net (Notes 2 and 8)	172,777	-	554,770	1
Penalty income	153,622	-	153,377	-
Dividend income	89,468	-	644,323	2
Rental income (Note 26)	54,435	-	43,837	-
Valuation gain on financial assets (Note 2)	47,680	-	48,165	-
Exchange gain, net (Note 2)	20,125	-	35,190	-
Gain on disposal of property and equipment (Note 2)	5,356	-	8,953	-
Other (Notes 2 and 7)	<u>239,032</u>	<u>1</u>	<u>490,741</u>	<u>1</u>
Total non-operating income and gains	<u>1,172,818</u>	<u>2</u>	<u>4,255,614</u>	<u>10</u>
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Note 2)	1,094,614	2	2,909,407	7
Interest expenses (Notes 2, 11 and 26)	655,971	2	326,462	1
Impairment loss (Notes 2, 9 and 13)	23,596	-	2,953	-
Other (Note 2)	<u>79,412</u>	<u>-</u>	<u>195,263</u>	<u>-</u>
Total non-operating expenses and losses	<u>1,853,593</u>	<u>4</u>	<u>3,434,085</u>	<u>8</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 11,811,052	\$ 13,269,188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,674,069	5,044,499
Loss on disposal of property and equipment, net	1,089,258	2,900,454
Amortization	785,113	793,273
Bad debts	700,597	868,903
Deferred income taxes	642,359	(493,445)
Gain on disposal of available-for-sale financial assets	(190,461)	(2,110,978)
Investment income recognized under the equity method, net	(172,777)	(554,770)
Amortization of long-term notes payable	51,518	-
Impairment loss	23,596	2,953
Pension cost	(15,783)	(25,739)
Reversal of allowance for price decline of inventory	(8,166)	-
Accrued interest compensation	(2,297)	35,666
Gain on disposal of idle assets, net	(2,151)	(9,681)
Other	336	-
Cash dividends received from equity-method investees	-	138,210
Loss on buyback of bonds payable	-	59,982
Gain on disposal of long-term investments, net	-	(1,569)
Net changes in operating assets and liabilities		
Financial assets held for trading	14,086,857	(9,885,106)
Notes receivable	(22,800)	(1,584)
Accounts receivable - third parties	(481,751)	(627,488)
Accounts receivable - related parties	141,063	(95,035)
Other receivables	109,276	(164,410)
Inventories	36,821	32,612
Prepayments	91,268	42,667
Other current assets	36,667	8,717
Notes payable	147,624	(8,703)
Accounts payable	(396,746)	28,674
Income taxes payable	(2,095,332)	846,306
Accrued expenses	83,541	(362,581)
Other payables	176,102	506,389
Advance receipts	(184,420)	(439,835)
Other current liabilities	(266,803)	(70,799)
Net cash provided by operating activities	<u>31,847,630</u>	<u>9,726,770</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in acquiring subsidiaries	(41,641,116)	-
Proceeds from disposal of available-for-sale financial assets	11,263,117	7,982,733
Acquisition of property and equipment	(5,139,872)	(4,155,817)

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2007	2006
Acquisition of available-for-sale financial assets	\$ (334,000)	\$ (190,383)
Increase in deferred charges	(64,498)	(55,296)
Decrease in other assets	22,364	1,876
Decrease (increase) in pledged time deposits	(22,022)	2,000
Increase in financial assets carried at cost - non-current	(19,892)	-
Proceeds from disposal of property and equipment	7,092	31,191
Decrease (increase) in refundable deposits	(1,432)	7,257
Decrease in computer software cost and other intangible assets	3,139	-
Proceeds from disposal of idle assets	2,151	44,633
Increase in goodwill	(2)	(421,341)
Proceeds from disposal of long-term investments	<u>-</u>	<u>71,718</u>
Net cash provided by (used in) investing activities	<u>(35,924,971)</u>	<u>3,318,571</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	21,580,000	-
Decrease in long-term loans	(15,785,069)	-
Cash dividends paid	(9,339,684)	(12,843,925)
Increase in short-term notes and bills payable	1,998,970	-
Transfer of treasury stock to employees	735,059	61,456
Increase (decrease) in minority interests	506,170	(854,012)
Bonus to employees	(432,303)	(403,940)
Decrease in guarantee deposits	(44,349)	(17,723)
Remuneration to directors and supervisors	(34,863)	(37,970)
Decrease in bonds payable	(18,900)	(1,503,300)
Increase (decrease) in other liabilities	15,559	(1,289)
Buyback of treasury stock	-	(1,818,370)
Buyback of bonds payable	<u>-</u>	<u>(1,341,076)</u>
Net cash used in financing activities	<u>(819,410)</u>	<u>(18,760,149)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>1,078</u>	<u>4,420</u>
ACQUISITION OF CASH AND CASH EQUIVALENT FOR SUBSIDIARIES	<u>4,142,639</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(753,034)	(5,710,388)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>12,415,725</u>	<u>14,841,543</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$11,662,691</u>	<u>\$ 9,131,155</u>

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2007	2006
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 454,829	\$ 168,827
Less: Interest capitalized	<u>(21,347)</u>	<u>(7,416)</u>
Interest paid - excluding interest capitalized	<u>\$ 433,482</u>	<u>\$ 161,411</u>
Income tax paid	<u>\$ 4,675,890</u>	<u>\$ 1,472,263</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 6,905,589</u>	<u>\$ 1,339,532</u>
Conversion of convertible bonds to capital stock and entitlement certificates	<u>\$ 43,251</u>	<u>\$ 1,288,885</u>
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	\$ 4,819,752	\$ 3,816,042
Increase in notes payable	(8,575)	-
Decrease in other payables	<u>328,695</u>	<u>339,775</u>
Cash paid for acquisition of property and equipment	<u>\$ 5,139,872</u>	<u>\$ 4,155,817</u>
Sale of available-for-sale financial products - current	\$ 11,263,117	\$ 11,265,915
Less: Increase in other receivable (excluding securities transaction tax)	<u>-</u>	<u>(3,283,182)</u>
Cash received from sale of available-for-sale financial products - current	<u>\$ 11,263,117</u>	<u>\$ 7,982,733</u>

The Corporation acquired 74.65% of Taiwan Fixed Network Co., Ltd.'s shares on April 17, 2007. The fair values of the assets and liabilities as of April 17, 2007 were as follows:

Cash	\$ 3,919,950
Available-for-sale financial assets - current	13,363,247
Accounts receivable	896,662
Inventories	160,803
Other receivable	3,066,995
Other current assets	439,823
Investments accounted for using equity method	44,670,593
Financial assets carried at cost - non-current	2,239,242
Bonds measured at amortized cost - non-current	500,000
Property and equipment	5,229,013
Intangible assets	6,650,044
Other assets	<u>357,080</u>
	<u>\$ 81,493,452</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

Accounts payable	\$ 1,327,269
Accrued expenses	567,354
Other payables	453,711
Current portion of long-term liabilities	15,748,972
Other current liabilities	928,479
Long-term bank loans and notes payables	7,315,099
Accrued pension costs	121,265
Other liabilities	<u>148,086</u>
	<u>26,610,235</u>
Net	54,883,217
Percentage of equity interest	84.6%
	46,431,202
Less: Fair value of 9.95% stake owned before tender offer (including investment income recognized under the equity method from January 1, 2007 to April 16, 2007, and the difference between preceding and following fair market value of purchase price allocation.)	<u>(6,444,914)</u>
Cash paid for acquisition of Taiwan Fixed Network Co., Ltd.	<u>\$39,986,288</u>

The Corporation acquired 52.35% of Taiwan Telecommunication Network Services Co., Ltd.'s shares in September 2007. The fair values of the assets and liabilities upon acquisition were as follows:

Cash	\$ 222,689
Financial assets at fair value through profit or loss - current	141,111
Accounts receivable	165,087
Inventories	11,263
Other current assets	13,578
Financial assets carried at cost - non-current	332,400
Property and equipment	292,462
Intangible assets	551,454
Other assets	<u>41,843</u>
	<u>1,771,887</u>
Accounts payable	116,329
Accrued expenses	34,364
Other payables	4,796
Other current liabilities	76,632
Accrued pension costs	31,080
Other liabilities	<u>3,968</u>
	<u>267,169</u>
Net	1,504,718
Percentage of equity interest	<u>52.35%</u>
Cash paid for acquisition of Taiwan Telecommunication Network Services Co., Ltd.	<u>\$ 787,720</u>

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

(With Deloitte & Touche review report dated October 12, 2007)

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

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

The Corporation's services are under the type I license (nation-wide GSM 1800; "GSM" means "global system for mobile communications") 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 September 30, 2007 and 2006, the Corporation and subsidiaries had 4,588 and 3,082 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, 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 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, 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.

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. All significant intercompany transactions and balances are eliminated on consolidation. As obtaining the majority of the shareholder's equity of the subsidiaries during the year, the company starts to consolidate the related revenues and expenses of the subsidiaries since the date of having the controlling interest.

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

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

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

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of September 30		Note
			2007	2006	
Corporation	TransAsia Telecommunications Inc. (TAT)	Wireless service provider	100.00	100.00	Formerly TAT International Telecommunication Co., Ltd.; established on February 8, 2006 by investing the former TAT's shares; merged with the former TAT on June 27, 2006 and renamed as TransAsia Telecommunications Inc.
Corporation	Taiwan Cellular Co., Ltd. (TCC; formerly Taihsing Den Syun Co., Ltd. (TDS))	Equipment installation and IT service	100.00	100.00	Established in 2005 by investing the former Mobitai's shares
Corporation	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00	-	Established on August 7, 2007
TCC (formerly TDS)	Mobitai Communications (Mobitai)	Wireless service provider	100.00	100.00	Formerly Tai Ya International Telecommunications Co., Ltd.; merged with the former Mobitai on January 1, 2006 and renamed as Mobitai Communications
TCC (formerly TDS)	Tai Yi Digital Broadcasting Co., Ltd. (TYDB)	Broadcasts business and cell phone number agency	49.90	49.90	-
TCC (formerly TDS)	TWM Holding Co. Ltd. (formerly Simax Investment Holdings Ltd.)	Investment	100.00	100.00	-
TCC (formerly TDS)	Taihsing International Telecommunications Co., Ltd. (TIT)	Investment	100.00	-	Established on January 30, 2007
TCC (formerly TDS)	Taiwan Digital Communications Co., Ltd. (TDC)	Communication service	100.00	-	Established on June 6, 2007
TCC (formerly TDS)	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service	100.00	100.00	-
TT&T	TT&T Casualty & Property Insurance Agency Co., Ltd. (TCPIA)	Insurance agency	100.00	100.00	-
TT&T	TT&T Life Insurance Agency Co., Ltd. (TLIA)	Insurance agency	100.00	100.00	-
TT&T	Taiwan Super Basketball Co., Ltd. (TSB)	Basketball team management and relative business	100.00	-	Established on September 21, 2007
TT&T	TT&T Holdings Co., Ltd. (TT&T Holding)	Investment	100.00	100.00	-
TT&T Holding	Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	100.00	100.00	-
TT&T Holding	Dalian Xinkai Teleservices & Technologies Ltd.	Call center service	-	50.00	Sold on July 10, 2006
TIT	Taiwan United Communication Co., Ltd. (TUC)	Communication service	100.00	-	Established on April 14, 2007
TUC	Taiwan Telecommunication Network Services Co., Ltd. (TTN)	Data communication / voice value-added service	52.35	-	TUC acquired more than 50% equity and consolidated TTN into financial statements since September, 2007.
TTN	VoPier Communications (Taiwan) Co., Ltd. (VoPier)	International simple resale and prepaid card	100.00	-	-

(Continued)

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of September 30		Note
			2007	2006	
TIT	Taiwan Fixed Network Co., Ltd. (TFN)	Fixed network service	86.22	-	a. TIT acquired more than 50% equity on April 17 2007 and consolidated TFN and its subsidiaries into financial statement. b. As of September 30, 2007, TFN and TFNI own the Corporation's 1,368,250 thousand shares, representing 27.36% shareholding.
TFN	TFN Investment Co., Ltd. (TFNI)	Investment	100.00	-	-
TFN	Hong Yuan Investment Co., Ltd. (HYI)	Investment	-	-	Merged into TFNI on June 5, 2007
TFN	TFN US Ltd.	Telecommunications	-	-	Liquidated on June 8, 2007
TFN	TFN HK Ltd.	Telecommunications	99.99	-	-
TFNI	Reach & Range Inc. (R&R)	Telecom equipment sales and maintainance	100.00	-	-
TFNI	TFN Digital Co., Ltd. (TFND)	Telecom equipment sales and maintainance	-	-	Merged into TFNI on June 30, 2007
TFNI	Win TV Broadcasting Co., Ltd. (WTVB)	TV program producing	98.50	-	-
TFNI	Fu Yang Media Co., Ltd. (FYM)	Cable TV MSO (Multi System Operator)	29.40	-	-
TFNI	TFN Media Ltd. (TFNM)	Cable broadband service	93.06	-	-
TFNM	FYM	Cable TV MSO (Multi System Operator)	70.60	-	-
FYM	Union Cable TV Co., Ltd. (UCTV)	Cable TV SO (System Operator)	99.987	-	-
FYM	Shin Ho Cable TV Co., Ltd. (SHCTV)	Cable TV SO (System Operator)	100.00	-	Partial shares held in trust
FYM	Yeong Jialeh Cable TV Co., Ltd. (YJCTV)	Cable TV SO (System Operator)	100.00	-	-
FYM	Mangrove Cable TV Corporation (MCTV)	Cable TV SO (System Operator)	100.00	-	Partial shares held in trust
FYM	North Coast Cable TV Co., Ltd. (NCCTV)	Cable TV SO (System Operator)	100.00	-	-
FYM	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV SO (System Operator)	70.00	-	-
FYM	Globalview Cable TV Co., Ltd. (GCTV)	Cable TV SO (System Operator)	92.381	-	-

(Concluded)

To position as an integrated telecom and media player down the road differentiating from competition and build growth momentum through exposure to higher margin lines of business, the Board of Directors of the Corporation's subsidiary, TIT, resolved on March 1, 2007 and April 26, 2007 to acquire TFN through a public tender offer at NT\$8.3 per share. As of September 30, 2007, 5,564,797 thousand shares had been held by TIT (86.22% percent of TFN's outstanding shares).

As of April 17, 2007, the Corporation owned 84.6% of TFN's shares through subsidiaries. The financial numbers of TFN and its subsidiaries from April 17 to September 30 have been included in the accompanying consolidated financial statements.

In September, 2007, the Corporation owned more than 50% of TTN's shares through subsidiaries. The financial numbers of TTN and its subsidiary in September have been included in the accompanying consolidated financial statements for the third quarter of 2007.

Among the consolidated subsidiaries, except the financial statements as of and for the nine months ended September 30, 2007 and 2006 of TAT and Mobitai and the financial statements as of and for the nine months ended September 30, 2007 of TFN, TFNM and its subsidiaries, and TTN had been reviewed the financial statements of the rest of the minor subsidiaries were unreviewed. The Corporation's management considered that the adjustment might be immaterial should the minor subsidiaries' financial statements were reviewed.

- c. Under restriction on the Group's dividend distribution and the appropriation of earnings:

TFNM and its subsidiaries entered into a loan agreement with a banking syndicate led by Chinatrust Commercial Bank Co., Ltd. Under this agreement, TFNM and its subsidiaries (together, the "transacting parties") should not distribute dividend or earnings by means of cash, securities (stock dividend not included) or other assets to anyone outside the transacting parties.

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

Classification of Current and Non-current Assets and Liabilities

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

Cash Equivalents

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

Financial Instruments at Fair Value through Profit or Loss

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

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

Available-for-sale Financial Assets

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

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

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

The fair value of listed securities is based on the closing price on the balance sheet date. The fair values of open-end mutual funds are referred to financial assets at fair value through profit or loss.

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 stated at the lower of weighted-average cost or market value. Market value are evaluated on the basis of replacement cost or net realizable value.

Financial Assets Carried at Cost

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

Investments Accounted for using Equity Method

Long-term investments in which the Corporation and subsidiaries own 20% or more of an investee's outstanding voting shares or exercise significant influence on an investee are accounted for by the equity method.

Effective January 1, 2006, 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 but instead tested annually for impairment. An impairment test is also required if there is evidence indicating that goodwill might be impaired as a result of specific events or changes in economic environment. If the fair value of identifiable net assets acquired exceeds the cost of investments, the difference should be allocated to reduce non-current assets proportionately to their respective fair values (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 from 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 the Corporation's sales to its subsidiaries are deferred and included in deferred income and recorded as other liabilities. Gains or losses on the sales 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. Gains or losses from transactions between two equity-method investees are deferred in proportion to the Corporation's equivalent stock ownership in the investees if the Corporation has controlling power over each investee.

If the investor does not have controlling power over the two equity-method investees that have transactions with each other, unrealized gains or losses on the transactions should be deferred in proportion to the percentage of ownership in one investee multiplied by the ownership percentage in the other investee.

The cost and the resulted gain or loss from sales of investments is determined by the weighted-average method.

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. Property and equipment 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.

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 6 years; leased assets - 20 years; leasehold improvements - 3 to 10 years; and miscellaneous equipment - 2 to 6 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.

Intangible Assets

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

Trademarks is amortized by the straight-line method over 10 years; computer software cost is amortized by straight-line method over 3 to 5 years.

a. Goodwill

Goodwill is the unidentifiable difference between the cost of acquisition and the equity in the investee's net asset value. Starting January 1, 2006, 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.

b. 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 a subsidiary's cable TV business. Customer relationship is amortized by straight-line method over 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. Although the license has a statutory period, it can be filed for 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

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

Deferred Charges

Deferred charges, which included interior decoration, arrangement fee from syndicated bank loan, and issuance costs of bonds are amortized by the straight-line method over 1 to 7 years or contract periods.

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) is more than their 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.

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.

Bonds Payable

Convertible bonds with redemption rights are classified as current or non-current according to the redemption dates. The redemption price in excess of the face value of the bonds is amortized using the interest method from the issuance date through the maturity date and accounted for as accrued interest compensation. The accrued interest compensation is provided as a valuation account of convertible bonds. The issuance costs are recognized as deferred charges. The issuance costs for the non-convertible bonds are amortized over the term of the bond, and those for the convertible bonds with redemption rights are amortized from the issuance date to the maturity date of redemption rights.

When bondholders exercise their conversion rights, the face value of the bonds and the related accrued interest compensation are both transferred to capital stock or entitlement certificates and capital surplus.

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 expensed in the year when the shareholders resolve the retention of the earnings.

Income Basic Tax Act has taken effect from January 1, 2006. The amount of basic income shall be the sum of the taxable income as calculated in accordance with the Income Tax Act, plus deductions claimed in regard to investment tax credit granted under the provisions of other laws. The amount of basic tax shall be the amount of basic income multiplied by the tax rate (10%). Between the basic tax under the Income Basic Tax Act and the regular income tax calculated based on the Income Tax Act, the Corporation should pay whichever is the higher amount for the current income tax.

Treasury Stock

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

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

Foreign-currency Transactions

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

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

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

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

Hedging Derivative Financial Instruments

The interest rate swap contracts which the Corporation entered into to manage its exposure to the interest rate risk are designated as a cash flow hedge. The hedging instrument is measured at fair value, and the change of fair value is recognized directly in equity and will be recognized as profit or loss when the hedged forecast transaction affects profit or loss. If the cumulative net loss recognized in equity is regarded as irrecoverable, it is immediately recognized as a loss in the current period.

Reclassification

Certain accounts in the financial statements as of and for the nine months ended September 30, 2006 have been reclassified to conform to the presentation of financial statements as of and for the nine months ended September 30, 2007.

3. REASONS AND EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES

Effective January 1, 2006, the Group adopted newly issued SFAS No. 34, "Accounting for Financial Instruments," SFAS No. 36, "Disclosure and Presentation of Financial Instruments," and the revisions on the related SFASs.

Upon adoption of the newly issued and revised SFASs, the Group appropriately reclassified the financial assets and liabilities, including derivatives. The adjustments to the carrying values of the financial instruments at fair value through profit or loss were recorded in the cumulative effect of changes in accounting principles, and those of the available-for-sale financial assets measured at fair value and of the derivatives for cash flow hedge were recorded in equity.

The effect of the first time adoption of these SFASs is summarized as follows:

	Recognized as Cumulative Effect of Changes in Accounting Principles (Net of Tax)	Recognized in Equity (Net of Tax)
Financial assets at fair value through profit or loss	\$ 35	\$ -
Available-for-sale financial assets	-	2,082,823
Hedging derivative financial liabilities	<u>-</u>	<u>(248,184)</u>
	<u>\$ 35</u>	<u>\$ 1,834,639</u>

The changes in accounting policy resulted in a decrease in income after income tax of \$35 thousand for the nine months ended September 30, 2006, but had no effect on net income and earnings per share (net of tax).

Starting on January 1, 2006, the Group adopted newly revised SFAS No. 1, "Conceptual Framework for Financial Accounting and Preparation of Financial Statements," SFAS No. 5, "Long-term Investments in Equity Securities," and SFAS No. 25, "Business Combinations - Accounting Treatment under Purchase Method." These revisions primarily included that goodwill is no longer amortized and that the difference between the cost of acquisition and the equity in the investee's net assets value is subjected to an initial analysis. If defined as goodwill, the difference is no longer amortized but instead tested annually for impairment. These adoptions increased the income after income tax by \$372,054 thousand and had no effect on the cumulative effect of changes in accounting principle for the nine months ended September 30, 2006.

4. CASH AND CASH EQUIVALENTS

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Short-term notes and bills with repurchase rights	\$ 6,995,241	\$ 6,531,798
Cash in banks	1,915,716	876,061
Government bonds with repurchase rights	1,863,637	400,261
Time deposits	857,320	1,289,739
Cash on hand	26,405	30,006
Revolving funds	<u>4,372</u>	<u>3,290</u>
	<u>\$ 11,662,691</u>	<u>\$ 9,131,155</u>

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

Information of financial instruments held for trading is summarized as follows:

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
<u>Financial assets held for trading</u>		
Beneficiary certificates		
Open-end mutual funds	<u>\$ 131,422</u>	<u>\$ 10,485,106</u>

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Domestic listed stocks		
Fubon Financial Holding Company	\$ 2,112,569	\$ -
Chunghwa Telecom Co., Ltd.	180,365	147,571
Overseas listed stocks		
Hurray! Holding Co., Ltd. (NASDAQ listed company)	181,549	222,681
Mutual funds		
Open-end mutual bonds funds	<u>268,261</u>	<u>-</u>
	<u>\$ 2,742,744</u>	<u>\$ 370,252</u>

In the nine months ended September 30, 2006, the Corporation recognized a gain of \$2,110,978 thousand from selling 200,000 thousand shares of Chunghwa Telecom Co., Ltd.

7. ACCOUNTS RECEIVABLE - THIRD PARTIES

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Accounts receivable	\$ 7,538,607	\$ 6,903,292
Less allowance for doubtful accounts	<u>(562,903)</u>	<u>(550,674)</u>
	<u>\$ 6,975,704</u>	<u>\$ 6,352,618</u>

For the third quarter of 2006, the Corporation entered into an accounts receivable factoring contract with HC Asset Management Co., Ltd. The Corporation sold \$5,743,279 thousand of the overdue accounts receivable, which had been written off, to HC Asset Management Co., Ltd. The aggregate selling price was \$229,731 thousand. Under this contract, the Corporation would no longer assume the risk on this receivable.

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The subsidiary of the Corporation, TUC, acquired more than 50% of TTN's shares on September, 2007 and thus had control over TTN. The Corporation recognized investment income of \$487 thousand from August 15 (acquisition date) to August 31, on its investment in TTN and its subsidiaries.

The subsidiary of the Corporation, TIT, acquired more than 50% of TFN's shares on April 17, 2007 and thus had control over TFN. The Corporation recognized investment income of \$172,290 thousand from January 1 to April 16, on its investment in TFN and its subsidiaries.

The investment income in Howin Technologies Co., Ltd. (HTC) was recognized under the equity method by debiting long-term investments. In the year ended December 31, 2006, HTC was divested. The investment income on HTC for the nine months ended September 30, 2006, determined on the basis of this investee's unaudited financial statements, was \$554,770 thousand, and it included deferred gains or losses on the Corporation's equity accounted investee's sales to the Corporation and reciprocal transactions, amounting to \$552,725 thousand when the Corporation and its subsidiaries sold HTC.

9. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Domestic emerging stocks		
Taiwan High Speed Rail Corporation	\$ 2,173,274	\$ -
Taiwan Fixed Network Co., Ltd.	-	3,743,808
Domestic unlisted stocks		
Arcoa Communication Co., Ltd.	67,731	67,731
Great Taipei Broadband Co., Ltd.	52,563	-
Parawin Venture Capital Corp.	22,202	25,144
Sunnet Technologies Co., Ltd.	11,820	3,265
WEB Point Co., Ltd.	6,773	7,084
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	52,052	32,160
Domestic unlisted preferred stock		
New Century Information Tech. Co., Ltd. (NCIC)	<u>332,400</u>	<u>-</u>
	<u>\$ 2,718,815</u>	<u>\$ 3,879,192</u>

The above stocks had no active market quotation and reliably determining their fair values would entail an unreasonably high cost; thus, these investments were measured at cost. For the nine months ended September 30, 2007 and 2006, the Corporation recognized an impairment loss in proportion to its ownership percentage of net worth amounting to \$8,105 thousand and \$948 thousand.

10. BONDS MEASURED AT AMORTIZED COST - NON-CURRENT

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A	<u>\$ 500,000</u>	<u>\$ -</u>

11. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Accumulated depreciation		
Buildings	\$ 542,453	\$ 304,975
Telecommunication equipment	37,381,300	29,853,936
Office equipment	196,339	85,594
Leased assets	340,317	276,508
Leasehold improvements	258,579	-
Miscellaneous equipment	<u>1,083,316</u>	<u>597,648</u>
	<u>\$ 39,802,304</u>	<u>\$ 31,118,661</u>
Accumulated impairment		
Land	\$ 12,202	\$ -
Buildings	12,826	-
Telecommunication equipment	838,039	-
Office equipment	1,497	-
Leasehold improvements	15,319	-
Miscellaneous equipment	<u>803</u>	<u>-</u>
	<u>\$ 880,686</u>	<u>\$ -</u>

Interest expenses capitalized for the nine months ended September 30, 2007 and 2006 amounted to \$21,347 thousand and \$7,416 thousand, respectively, with interest rates ranging from 2.4% to 3% and from 2.28% to 3.12%, respectively.

12. INTANGIBLE ASSETS

	<u>Nine Months Ended September 30, 2007</u>		
	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Operating Rights</u>
<u>Cost</u>			
Beginning balance	\$ 6,835,370	\$ -	\$ -
Add			
Consolidated acquisition	<u>2,993,912</u>	<u>2,251,328</u>	<u>1,169,172</u>
Ending balance	<u>\$ 9,829,282</u>	<u>\$ 2,251,328</u>	<u>\$ 1,169,172</u>

a. Customer relationship and operating rights

On April 17, 2007, TIT, the Corporation's 100%-owned subsidiary, acquired more than 50% of TFN through a public tender offer at the price of NT\$8.3 pre share. Under SFAS No. 25 - "Business Combinations" and No. 37 - "Accounting for Intangible Assets", the Corporation should measure the fair value of the acquired assets and identify major intangible assets as well as the amortization periods, at fixed network service and cable TV two cash generating units. Accordingly, customer relationship and operating rights are identified as major intangible assets whilst the rest is classified as goodwill.

b. Goodwill

In conformity with SFAS No. 35, "Accounting for Asset Impairment," the Group identified the Corporation, TAT and Mobitai in 2006 and the Corporation, the former TAT and the former Mobitai in 2005 as the smallest identifiable group of cash-generating units. TAT (including the former TAT) and Mobitai (including the former Mobitai) mainly provide second-generation GSM wireless communication services. The recoverable amounts of TAT (including the former TAT) and Mobitai (including the former Mobitai) were measured by the assets for operating and goodwill values in use under the following critical assumptions:

1) 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.

2) 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 2006 and 2005 financial statements.

3) Assumptions on discount rate

In 2006, the Group used the discount rates of 8.70%, 9.84%, and 9.70% in calculating the asset recoverable amounts of the Corporation, TAT and the Mobitai, respectively. In 2005, the discount rates are 8.12%, 7.63%, and 8.72% for the Corporation, former TAT, and the former Mobitai, 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 year ended December 31, 2006 and 2005.

13. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Assets leased to others		
Cost	\$ 500,276	\$ 910,924
Less accumulated depreciation	(40,159)	(48,218)
Less accumulated impairment	<u>(53,542)</u>	<u>(10,591)</u>
	<u>\$ 406,575</u>	<u>\$ 852,115</u>
Idle assets		
Cost	\$ 1,959,186	\$ 3,999,118
Less accumulated depreciation	(410,011)	(1,350,841)
Less accumulated impairment	(361,995)	(282,763)
Less allowance for value decline	<u>(925,131)</u>	<u>(2,137,111)</u>
	<u>\$ 262,049</u>	<u>\$ 228,403</u>

The carrying values of idle property (including land, buildings and telecommunication equipment) were less than their net realizable values or appraisal values, thus, the difference was recognized as impairment loss. The Corporation recognized impairment losses \$15,491 thousand and \$2,005 thousand for the nine months ended September 30, 2007 and 2006, respectively.

14. DEFERRED CHARGES

	<u>September 30</u>	
	2007	2006
Interior decoration	\$ 261,776	\$ 197,925
Other	<u>76,741</u>	<u>24,697</u>
	<u>\$ 338,517</u>	<u>\$ 222,622</u>

15. SHORT-TERM BANK LOANS

	<u>September 30</u>	
	2007	2006
Unsecured loans (interest rates were 2.034%-2.5065% in 2007)	\$ 20,420,000	\$ -
Secured loans (interest rates were 2.1131%-2.5729% in 2007)	<u>1,160,000</u>	<u>-</u>
	<u>\$ 21,580,000</u>	<u>\$ -</u>

The assets provided as collaterals for loans to financial institutions as of September 30, 2007 are shown in Note 27.

16. SHORT-TERM NOTES AND BILLS PAYABLE

	<u>September 30</u>	
	2007	2006
Commercial paper payable		
Shanghai Commercial and Savings Bank	\$ 2,000,000	\$ -
Less: Discount on short-term notes and bills payable	<u>(1,030)</u>	<u>-</u>
Net carrying value	<u>\$ 1,998,970</u>	<u>\$ -</u>
Interest rate	<u>2.012%</u>	<u>-</u>

17. BONDS PAYABLE

	<u>September 30</u>			
	<u>2007</u>		<u>2006</u>	
	Current	Non-current	Current	Non-current
Domestic unsecured bonds	\$ 3,750,000	\$ 10,000,000	\$ 1,250,000	\$ 13,750,000
2nd domestic convertible bonds	-	-	78,300	-
Add accrued interest compensation	<u>-</u>	<u>-</u>	<u>11,232</u>	<u>-</u>
	<u>\$ 3,750,000</u>	<u>\$ 10,000,000</u>	<u>\$ 1,339,532</u>	<u>\$ 13,750,000</u>

a. Domestic secured bonds

On February 1, 2001, the Corporation issued \$3,000,000 thousand of five-year domestic secured bonds, with each bond having a face value of \$1,000 thousand with a coupon rate of 5.31% per annum. The bonds will be redeemed in the fourth and fifth years after the issuance date at \$1,500,000 thousand for each of those years. Interest is payable annually. The bonds were repaid by the Corporation in February 2006.

b. Domestic unsecured bonds

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

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

Future repayments of corporate bonds are as follows:

Year	Amount
The fourth quarter, 2007	\$ 3,750,000
2008	2,500,000
2009	<u>7,500,000</u>
	<u>\$ 13,750,000</u>

c. 1st domestic convertible bonds

On August 25, 2001, the Corporation issued \$10,000,000 thousand of five-year domestic unsecured convertible bonds, with each bond having a face value of \$100 thousand and 0% interest. Within the conversion period, starting from 3 months after the issuance date to the 10th day before maturity, the bondholders may ask for bond conversion into common stocks or entitlement certificates of the Corporation. Cash is paid for those bonds that cannot be converted into one share. The conversion price is subject to adjustment based on the prescribed formula. The conversion price has been NT\$22.2 per share since July 20, 2006. As of August 24, 2006, bonds amounting to \$6,802,300 thousand had been converted to 226,716 thousand of common shares. As of August 24 (due date), 2006, bonds amounting to \$3,194,400 thousand were purchased and canceled by the Corporation, and the other \$3,300 thousand was repaid by the Corporation on August 24, 2006.

If the closing price of the Corporation's share is above 50% of the conversion price for 30 consecutive trading days of the Taiwan Stock Exchange from 3 months after bond issuance to the 40th day before maturity, the Corporation has the option to convert the bonds to entitlement certificates at the conversion price or to redeem the bonds by cash at face value. If the total value of outstanding convertible bonds becomes less than 10% of the total principal, the Corporation also has the option, at any time, to convert the bonds to entitlement certificates at the conversion price or to redeem the bonds by cash at face value.

On the third year after the issuance date, the holders may redeem the bonds by cash at face value plus interest accrued, which is 113.30% of face value calculated based on an implied yield rate of 4.25%. Upon maturity, the Corporation has redeemed the bonds by cash at face value plus interest accrued, which is 124.62% of face value, calculated based on an implied yield rate of 4.5%.

d. 2nd domestic convertible bonds

On August 16, 2002, the Corporation issued \$6,000,000 thousand of five-year domestic unsecured convertible bonds, with each bond having a face value of \$100 thousand and 0% interest. Within the conversion period from 3 months after issuance date to the 10th day before maturity, the bondholders may have the bonds converted into common stocks of the Corporation. Cash is paid for bonds that cannot be converted into one share. The conversion price is subject to adjustment based on the prescribed formula. The conversion price has been NT\$22.1 per share since July 24, 2007. As of September 30, 2007, bonds amounting to \$5,436,400 thousand had been converted to 210,871 thousand of common shares. Bonds amounting to \$544,700 thousand were purchased and canceled by the Corporation and \$18,900 thousand, the amount of the remaining bonds, was repaid by the Corporation on August 15, 2007.

If the closing price of the Corporation's share is above 50% of the conversion price for 30 consecutive trading days of the Taiwan Stock Exchange from 3 months after bond issuance to the 40th day before maturity, the Corporation has the option to convert the bonds to common stocks at conversion price or to redeem the bonds by cash at face value. If the total value of outstanding convertible bonds becomes less than 10% of the total principal, the Corporation also has the option - from 3 months after bond issuance to the 40th day before maturity - to convert the bonds to common stocks at the conversion price or to redeem the bonds by cash at face value.

On the third year after the issuance date, the holders may redeem the bonds by cash at face value plus interest accrued, which is 109.59% of face value, calculated based on an implied yield rate of 3.1%. Upon maturity, the Corporation has redeemed the bonds by cash at face value plus interest accrued, which is 117.63% of face value, calculated based on implied yield rate of 3.3%.

18. LONG-TERM BANK LOANS

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Secured loans	\$ 4,918,931	\$ -
Less current portion of long-term liabilities	<u>(744,000)</u>	<u>-</u>
	<u>\$ 4,174,931</u>	<u>\$ -</u>

TFNM and its subsidiaries entered into an agreement of \$7,000,000 thousand 7-year syndicated bank loan with 18 financial institutions led by Chinatrust Commercial Bank on August 9, 2005 for the needs of capital expenditure and operations. The \$7,000,000 thousand of credit line is available from September 2, 2005 to September 2, 2012, with interest payable quarterly. The interest rate was based on "Moneyline Telerate page 51328 in 30, 60, 90 and 180 days short-term rate" plus 0.65% to 1.5% mark-up.

The assets provided as collaterals for loans to financial institutions are listed in Note 27.

19. LONG-TERM NOTES PAYABLE

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Long-term notes payable	\$ 2,450,000	\$ -
Less: Discount on long-term notes payable	(38,411)	-
Current portion of long-term liabilities	<u>(2,411,589)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

TFNI has \$2,450,000 thousand notes payable to Pacific Construction Co., Ltd. for the purchase of FYM in May 2006. This repayment date is 20 months from the transaction date. The present value of this payable is \$2,263,875 thousand, based on 4.75% discount rate.

20. PENSION PLAN

The Labor Pension Act (LPA) became effective on July 1, 2005. Employees on board before June 30, 2005 may choose to continue to be subject to the pension plan under the Labor Standards Act (LSA) or be subject to the new pension plan under LPA, with their service years accumulated as of July 1, 2005 to be retained and subject to the pension plan under LSA. Starting from July 1, 2005, new employees may only choose to be subject to the new pension plan under LPA.

The new 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 Group recognized a pension cost of \$110,968 thousand and \$104,856 thousand for the nine months ended September 30, 2007 and 2006, respectively.

The 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 Central Trust of China. The Group recognized a pension cost of \$4,099 thousand and \$12,195 thousand for the nine months ended September 30, 2007 and 2006, respectively. (Approved by Department of Labor, Taipei City Government on April 13, 2007, the Corporation stops contributions from February 2007 to January, 2008.)

21. SHAREHOLDERS' EQUITY

a. Capital surplus

Under the Company Law, 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.

Capital surplus comprised of the following:

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Arising from conversion of bonds	\$ 8,775,819	\$ 8,732,398
Arising from treasury stock transactions	<u>4,127</u>	<u>-</u>
	<u>\$ 8,779,946</u>	<u>\$ 8,732,398</u>

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.

The 2006 and 2005 earnings appropriations resolved by the shareholders in their meetings on June 15, 2007 and 2006 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share</u>	
	<u>For Fiscal</u>	<u>For Fiscal</u>	<u>(NT\$)</u>	
	<u>Year 2006</u>	<u>Year 2005</u>	<u>Year 2006</u>	<u>Year 2005</u>
Appropriation of legal reserve	\$ 1,617,074	\$ 1,623,670		
Appropriation of special reserve	143,563	1,150,000		
Reversal of special reserve	-	(1,631)		
Remuneration to directors and supervisors	43,231	40,394		
Cash bonus to employees	432,303	403,940		
Cash dividends	<u>12,880,151</u>	<u>12,843,997</u>	\$2.58757	\$2.61677
	<u>\$ 15,116,322</u>	<u>\$ 16,060,370</u>		

To increase ROE (return of equity) and maintain stable EPS (earnings per share) and dividend, the Corporation's AGM (annual general shareholders' meeting) resolved on June 15, 2007, a capital reduction of \$12,000,000 thousand, representing 24% of outstanding shares. A record date will be set and followed by subsequent related procedures after the authority's approval.

c. Treasury stock

(Shares in Thousands)				
Purpose of Buyback	Beginning Shares	Increase	Decrease	Ending Shares
<u>Nine months ended September 30, 2007</u>				
To be transferred to employees	46,537	-	23,824	22,713
Shares held by subsidiaries	-	1,368,250	-	1,368,250
<u>Nine months ended September 30, 2006</u>				
To be transferred to employees	11,551	57,804	2,023	67,332

1) Transfer of stock

For the nine months ended September 30, 2007, the Corporation transferred the treasury stocks through various tranches to employees of 23,824 thousand shares at NT\$28.17 and NT\$31.16 per share, respectively, resulting in a reduction of retained earnings, amounting to \$4,869 thousand and an increase on paid-in capital, amounting to \$4,127 thousand.

For the nine months ended September 30, 2006, the Corporation transferred the treasury stock through various tranches to employees of 2,023 thousand shares at NT\$30.47 per share, resulting in a reduction of retained earnings, amounting to \$916 thousands.

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

TFN and its subsidiary (TFNI), have become the subsidiaries of the Corporation since April 17, 2007. On September 30, 2007, the carrying and market value of the treasury stocks which held by TFN and TFNI was \$60,203,010 thousand. The Corporation reclassified \$37,790,356 thousand from investments accounted for using equity method to treasury stock based on SFAS No. 30, "Treasury Stock". Although these shares are treated as treasury stock in the consolidated financial statement, the shareholders are entitled to exercise their rights on these shares, except for participation in capital injection by cash. In addition, based on the ROC Company Act, the shareholders of treasury stocks can not exercise the voting right.

d. Unrealized gains (losses) on financial instruments

Unrealized gains or losses on financial instruments for the nine months ended September 30, 2007 and 2006 were summarized as follows:

	Nine Months Ended	
	September 30	
	2007	2006
Available-for-sale financial assets		
Balance, beginning of period	\$ 40,652	\$ -
Effect of the first time adoption of new issued SFAS No. 34	-	2,082,823
Fair value changes recognized directly in equity	17,472	53,486
Transfer to current gains or loss upon sales of financial assets	<u>-</u>	<u>(2,110,978)</u>
	<u>58,124</u>	<u>25,331</u>
Changes in unrealized gains (losses) of cash flow hedge		
Balance, beginning of period	(218,284)	-
Effect of the first time adoption of new issued SFAS No. 34	-	(248,184)
Fair value changes recognized directly in equity	<u>81,154</u>	<u>(12,399)</u>
	<u>(137,130)</u>	<u>(260,583)</u>
Recognition of investees' changes in unrealized gains or losses by the equity method		
Balance, beginning of period	30,209	-
Fair value changes recognized directly in equity	<u>(267,880)</u>	<u>32,297</u>
	<u>(237,671)</u>	<u>32,297</u>
Unrealized losses of financial instruments	<u>\$ (316,677)</u>	<u>\$ (202,955)</u>

22. INCOME TAX EXPENSE

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

	Nine Months Ended	
	September 30	
	2007	2006
Tax on pretax income at statutory tax rate (25%)	\$ 5,158,040	\$ 4,365,998
Add (deduct) tax effects of		
Permanent differences		
Investment income from domestic investees accounted for under the equity method	(1,397,413)	(696,322)
Tax-exempt dividend income	(14,617)	(160,954)
Gain on disposal of marketable securities	(59,739)	(535,571)
Other	183,036	(20,420)
Temporary differences	(699,564)	80,158
Tax-exempt income	-	(290,732)
Income tax (10%) on unappropriated earnings	106,400	473,043
Investment tax credits	(262,741)	(930,081)
Prior year's loss carryforward	(41,160)	(20,344)
Deferred income taxes	642,359	(493,445)
Prior year's adjustment	201,316	161,254
Tax on short-term bills	22,308	8,683
Income basic tax	<u>17,150</u>	<u>-</u>
Income tax expense	<u>\$ 3,855,375</u>	<u>\$ 1,941,267</u>

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

	September 30	
	2007	2006
Provision for doubtful accounts	\$ 873,727	\$ 803,859
Unrealized loss on retirement of property and equipment	482,457	247,740
Provision for impairment losses on idle assets	1,309,967	507,268
Amortization of goodwill	(169,974)	(33,296)
Unrealized loss on financial liabilities	30,865	86,861
Prior year's loss carryforward	133,297	46,852
Investment tax credits	1,437,519	-
Accrued interest compensation	-	2,808
Accrued pension cost	11,719	16,210
Other	74,963	5,278
	<u>4,184,540</u>	<u>1,683,580</u>
Less valuation allowance	<u>(3,092,907)</u>	<u>(398,151)</u>
	<u>\$ 1,091,633</u>	<u>\$ 1,285,429</u>
Deferred income tax assets		
Current	\$ 164,397	\$ 153,601
Non-current	<u>965,001</u>	<u>1,131,828</u>
	<u>\$ 1,129,398</u>	<u>\$ 1,285,429</u>
Deferred income tax liabilities		
Current	\$ (14,845)	-
Non-current	<u>(22,920)</u>	<u>-</u>
	<u>\$ (37,765)</u>	<u>\$ -</u>

c. As of September 30, 2007, TFN, TTN and WTVB's 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	\$ 879,347	\$ 879,347	2011
	Personnel training	4,972	4,972	2011
	Investments in important technology - based enterprises	553,200	553,200	2007
		<u>\$ 1,437,519</u>	<u>\$ 1,437,519</u>	

- d. Following were the net operating loss carryforwards of TT&T, TYDB, WTVB, R&R, TTN and VoPier Communications (Taiwan) Co., Ltd. as of September 30, 2007:

Year	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
2002	\$ 243,906	\$ 144,988	2007
2003	238,804	139,900	2008
2004	37,673	37,673	2009
2005	24,333	24,333	2010
2006	<u>187,164</u>	<u>187,164</u>	2011
	<u>\$ 731,880</u>	<u>\$ 534,058</u>	

- e. Under Article 8 of the Statute for Upgrading Industries (SUI) before the SUI amendment in 1999, the Corporation is considered an important invested enterprise. Thus, the Corporation's net operating income generated from the following expansion of its equipment is exempt from income tax for five years during the period specified, as approved by the Ministry of Finance.

<u>Equipment Expansion Projects</u>	<u>Tax-Exempt Period</u>
Switches, BTS and related telecommunication equipment, acquired from September 30, 2000 to September 30, 2001	2002 to 2006

- f. Integrated income tax information was as follows:

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
Balance of imputation credit account (ICA)		
The Corporation	<u>\$ 795,755</u>	<u>\$ 419,334</u>
TAT	<u>\$ 341,021</u>	<u>\$ 724,454</u>
Mobitai	<u>\$ 260,489</u>	<u>\$ 110,397</u>
TCC (formerly TDS)	<u>\$ 2,479</u>	<u>\$ 6,359</u>
WMT	<u>\$ -</u>	
TYDB	<u>\$ 97</u>	<u>\$ 17</u>
TDC	<u>\$ -</u>	
TT&T	<u>\$ 28,112</u>	<u>\$ 27,798</u>
TCPIA	<u>\$ -</u>	<u>\$ -</u>
TLIA	<u>\$ 8</u>	<u>\$ -</u>
TSB	<u>\$ -</u>	
TIT	<u>\$ -</u>	
TUC	<u>\$ -</u>	
TTN	<u>\$ 619</u>	
VoPier	<u>\$ -</u>	
TFN	<u>\$ 709,984</u>	
TFNI	<u>\$ 284,106</u>	
HYI	Not applicable	
R&R	<u>\$ 217</u>	
WTVB	<u>\$ -</u>	
TFND	Not applicable	
TFNM	<u>\$ 316,154</u>	
FYM	<u>\$ 484,356</u>	
UCTV	<u>\$ 50,511</u>	

	<u>September 30</u>	
	<u>2007</u>	<u>2006</u>
SHCTV	\$ 171	
YJCTV	\$ 5,528	
MCTV	\$ 2,124	
NCCTV	\$ 1,751	
PCTV	\$ 2,611	
GCTV	\$ 22,845	

As of September 30, 2007, there were no unappropriated earnings generated before January 1, 1998. The estimated or actual creditable ratio for the 2006 and 2005 earnings appropriation were as follows:

	2006	2005
The Corporation	19.21%	9.88%
TAT	23.74%	Not applicable
Mobitai	22.11%	Not applicable
TCC (formerly TDS)	18.04%	-
WMT	Not applicable	
TYDB	-	-
TDC	Not applicable	
TT&T	-	-
TCPIA	-	-
TLIA	33.33%	6.83%
TSB	Not applicable	
TIT	Not applicable	
TUC	Not applicable	
TTN	-	
VoPier	-	
TFN	-	
TFNI	28.37%	
HYI	0.02%	
TFND	-	
R&R	9.53%	
WTVB	-	
TFNM	22.40%	
FYM	33.33%	
UCTV	-	
SHCTV	25.10%	
YJCTV	33.34%	
MCTV	33.41%	
NCCTV	33.46%	
PCTV	33.33%	
GCTV	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 2006 earnings appropriation may be adjusted when the imputation credits are distributed.

- g. 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	2005
TAT	None
The former Mobitai	2004
Mobitai	2005
TCC (formerly TDS)	2005
Taiwan Cellular Co., Ltd. (former TCC)	2004
WMT	Not applicable
TYDB	2005
TDC	Not applicable
TT&T	2004
TCPIA	2005
TLIA	2005
TSB	Not applicable
TIT	Not applicable
TUC	Not applicable
TTN	2005
VoPier	2005
TFN	2003
TFNI	2005
HYI	2005
TFND	None
R&R	2005
WTVB	2005
TFNM	2005
FYM	2004
UCTV	None
SHCTV	2005
YJCTV	2004
MCTV	2005
NCCTV	2005
PCTV	2004
GCTV	2005

Income tax returns through 2005 had been examined by the tax authorities. However, the Corporation disagreed with the examination result of the income tax returns from 1999 to 2003, and filed requests for reexamination. And income tax returns from 2004 to 2005 are estimated to file requests for the reexamination in October 2007.

The former TAT's income tax returns through 2005 had been examined by the tax authorities. However, the former TAT disagreed with the examination result on the income tax returns and filed administrative proceedings for 2002 to 2003 which was conducted by the Supreme Court of the R.O.C. and petition for reexamination of 2004 and 2005's income tax return.

23. EARNINGS PER SHARE

(In New Taiwan Dollar)

	Nine Months Ended September 30			
	2007		2006	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
Basic EPS				
Income before cumulative effect of changes in accounting principles	\$ 3.65	\$ 2.84	\$ 2.84	\$ 2.68
Cumulative effect of changes in accounting principle	-	-	-	-
Net income	<u>\$ 3.65</u>	<u>\$ 2.84</u>	<u>\$ 2.84</u>	<u>\$ 2.68</u>
Diluted EPS				
Income before cumulative effect of changes in accounting principles	\$ 3.65	\$ 2.84	\$ 2.82	\$ 2.66
Cumulative effect of changes in accounting principle	-	-	-	-
Net income	<u>\$ 3.65</u>	<u>\$ 2.84</u>	<u>\$ 2.82</u>	<u>\$ 2.66</u>

	Amounts (Numerator)		Shares (Denominator) (Thousands)	EPS (NT\$)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>Nine months ended September 30, 2007</u>					
Basic EPS					
Income of common shareholders	\$ 15,072,665	\$ 11,724,853	4,130,643	<u>\$ 3.65</u>	<u>\$ 2.84</u>
Add effect of potentially dilutive convertible bonds 2nd convertible bonds (with implied yield rate of 3.3%)	<u>1,034</u>	<u>776</u>	<u>1,582</u>		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 15,073,699</u>	<u>\$ 11,725,629</u>	<u>4,132,225</u>	<u>\$ 3.65</u>	<u>\$ 2.84</u>
<u>Nine months ended September 30, 2006</u>					
Basic EPS					
Income of common shareholders	\$ 13,992,901	\$ 13,226,026	4,933,838	<u>\$ 2.84</u>	<u>\$ 2.68</u>
Add effect of potentially dilutive convertible bonds 1st convertible bonds (with implied yield rate of 4.5%)	23,576	17,682	25,432		
2nd convertible bonds (with implied yield rate of 3.3%)	<u>12,902</u>	<u>9,677</u>	<u>19,571</u>		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 14,029,379</u>	<u>\$ 13,253,385</u>	<u>4,978,841</u>	<u>\$ 2.82</u>	<u>\$ 2.66</u>

24. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	Nine Months Ended September 30					
	2007			2006		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Labor cost						
Salary	\$ 694,756	\$ 2,096,071	\$ 2,790,827	\$ 382,990	\$ 1,695,783	\$ 2,078,773
Labor and health insurance	42,109	116,016	158,125	23,808	107,660	131,468
Pension	32,154	82,072	114,226	21,670	81,207	102,877
Other	<u>36,031</u>	<u>90,676</u>	<u>126,707</u>	<u>21,709</u>	<u>102,409</u>	<u>124,118</u>
	<u>\$ 805,050</u>	<u>\$ 2,384,835</u>	<u>\$ 3,189,885</u>	<u>\$ 450,177</u>	<u>\$ 1,987,059</u>	<u>\$ 2,437,236</u>
Depreciation	\$ 5,207,276	\$ 449,430	\$ 5,656,706	\$ 4,698,456	\$ 335,683	\$ 5,034,139
Amortization	609,102	168,820	779,922	645,214	142,037	787,751

25. FINANCIAL INSTRUMENT TRANSACTIONS

a. Fair value information

	September 30			
	2007		2006	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Non-derivative financial instruments</u>				
Liabilities				
Bonds payable (including current portion)	\$ 13,750,000	\$ 13,670,537	\$ 15,089,532	\$ 15,011,291

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

- 1) Financial assets at fair value through profit or loss and available-for-sale financial assets - based on quoted prices in an active market on the balance sheet date.
- 2) Because there is no active market and a reliable fair value could only be verified at a more than reasonable cost, the fair values of investments in unlisted stocks carried at cost or accounted for using equity method can not be estimated.
- 3) The fair value of long-term liabilities is measured at the present value of expected cash flows. Since the interest rate is floating, fair value approximates book value.
- 4) Bonds payable - based on the over-the-counter quotations in September.
- 5) Derivative financial instruments - based on valuation results provided by banks. As of September 30, the financial instrument held by the Corporation turned into financial liability, 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 bank loans, 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 \$9,780,677 thousand and \$8,231,798 thousand as of September 30, 2007 and 2006, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$29,828,970 thousand and \$7,589,532 thousand as of September 30, 2007 and 2006, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$1,895,816 thousand and \$876,061 thousand as of September 30, 2007 and 2006, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$11,857,771 thousand and \$7,847,444 thousand as of September 30, 2007 and 2006, respectively.
- e. Information on financial risks:

- 1) Market risk

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

- 2) Credit risk

Credit risk represents the potential impacts to financial assets that the 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 September 30, 2007 and 2006 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 entered into IRS transactions to hedge cash flow risks. Because the IRS contracts are settled at net amounts, the expected cash demand is insignificant. The Group have sufficient working capital to meet cash demand.

- 4) Cash flow risk from interest rate fluctuations

The subsidiaries has long-term loans and long-term liabilities with floating interest rates. As a result, the effective interest rates on these loans will change as the market interest rates change. If the annual interest rates rise by 1%, net cash will increase \$88,249 thousand annually.

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

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

26. RELATED-PARTY TRANSACTIONS

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

<u>Related Party</u>	<u>Relationship with the Group</u>
Taiwan Mobile Foundation	Over one third of the Foundation's issued fund came from the Corporation
Fubon Life Assurance Co., Ltd.	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
Taiwan Fixed Network Co., Ltd. (TFN)	Related party in substance (included in consolidation on April 17, 2007)
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.	Related party in substance
Fubon Direct Marketing Consulting Co., Ltd. (FDMC)	Related party in substance
Dai-Ka Ltd. (DKL)	Related party in substance
Howin Technologies Co., Ltd. (HTC)	Equity-method investee (all shares were sold in June 2006)

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

1) Operating revenues

	<u>Nine Months Ended September 30</u>			
	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>
TFN	\$ 454,567	1	\$ 1,167,920	3
FMT	25,726	-	70,754	-
TFCB	<u>30,378</u>	-	<u>18,391</u>	-
	<u>\$ 510,671</u>		<u>\$ 1,257,065</u>	

The Group rendered mainly telecommunications services to the above companies. The average collection period for notes and accounts receivable was the same as transaction with non-related parties.

2) Operating costs

	Nine Months Ended September 30			
	2007		2006	
	Amount	% of Total Costs	Amount	% of Total Costs
TFN	\$ 254,127	1	\$ 683,389	4
Fubon Ins.	81,558	-	75,311	-
DKL	<u>65,268</u>	-	<u>-</u>	-
	<u>\$ 400,953</u>		<u>\$ 758,700</u>	

The above companies rendered mainly telecommunications, maintenance and copyright services to the Group. The average payment term for notes and accounts payable was the same as transaction with non-related parties.

3) Rental income

	Leased Sites /Equipment	Nine Months Ended September 30	
		2007	2006
TFN	Offices and BTS, etc.	<u>\$ 22,523</u>	<u>\$ 20,629</u>

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

4) Cash in banks and bank loans

	September 30			
	2007		2006	
	Amount	%	Amount	%
a) Cash in banks				
TFCB	<u>\$ 482,301</u>	4	<u>\$ 234,502</u>	3
b) Pledged time deposits				
TFCB	<u>\$ 29,105</u>	61	<u>\$ 10,000</u>	100

		Nine Months Ended September 30, 2007
c) Secured loans		
<u>TFCB</u>		
Short-term secured loans		
Maximum balance for the period		<u>\$ 2,180,000</u>
Ending balance		<u>\$ 1,160,000</u>
Rate		2.1131%-2.5729%
Interest expenses		<u>\$ 15,652</u>
Long-term secured loans		
Maximum balance for the period		<u>\$ 2,500,000</u>
Ending balance		<u>\$ -</u>
Rate		2.3568%-2.4516%
Interest expenses		<u>\$ 19,293</u>

5) Receivables and payables

	September 30			
	2007		2006	
	Amount	%	Amount	%
a) Accounts receivable				
TFCB	\$ 60,801	1	\$ 4,562	-
FSC	22,724	-	-	-
Fubon Ins.	11,857	-	-	-
TFN	-	-	277,195	4
Other	<u>13,493</u>	-	<u>350</u>	-
	<u>\$ 108,875</u>		<u>\$ 282,107</u>	
b) Prepayments				
Fubon Ins.	<u>\$ 9,660</u>	1	<u>\$ 11,295</u>	2
c) Accounts payable				
DKL	<u>\$ 12,536</u>	-	<u>\$ -</u>	-
d) Accrued expenses				
TFN	<u>\$ -</u>	-	<u>\$ 62,900</u>	2
e) Other payables				
TFN	<u>\$ -</u>	-	<u>\$ 69,155</u>	2
f) Other current liabilities - collections and temporary credits for the following				
FDMC	\$ 22,841	5	\$ -	-
TFCB	17,742	4	2,884	1
TFN	<u>-</u>	-	<u>176,199</u>	25
	<u>\$ 40,583</u>		<u>\$ 179,083</u>	
			Nine Months Ended	
			September 30	
			2007	2006
6) Telecommunications service expenses				
TFN			<u>\$ 28,182</u>	<u>\$ 48,595</u>
7) Insurance expenses				
Fubon Ins.			<u>\$ 16,803</u>	<u>\$ 13,373</u>
8) Donation				
TWM Foundation			<u>\$ 18,000</u>	<u>\$ 21,000</u>

	Nine Months Ended	
	September 30	
	2007	2006
9) Other expenses		
Fubon Property Management Co., Ltd.	\$ 14,136	\$ 15,407

10) Endorsement/guarantee provided

The Corporation and its subsidiaries provide guarantee contracts for related party. Please see Note 28.

11) Other

The Corporation bought a real estate from TFN based on the need for base station. Only a natural person could be the owner of the farmland due to the related regulations. The Corporation bought the farmland located in Yang-Mei, Taoyuan for the amount of \$12,000 thousand through setting up of a fiduciary contract with the landholder in December 2006 and is applying for the transfer of the ownership. The Corporation uses the land for operation purpose.

27. 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:

	September 30	
	2007	2006
Current assets - time deposits	\$ 47,618	\$ 10,000
Other assets - time deposits and impound account	16,861	-
Fixed assets, net carrying value	<u>1,471,402</u>	<u>-</u>
	<u>\$ 1,535,881</u>	<u>\$ 10,000</u>

- a. The 641,900 thousand shares of TFN, held by TIT, had been used as collaterals for loan obtained from the Taipei Fubon Bank in April 2007.
- b. In August 2005, the assets, which TFNM and its subsidiaries had pledged or mortgaged as collaterals for syndicated loan to Chinatrust Commercial Bank and other financial institutions were as follows:

Stocks	Thousand Shares
FYM	450,073
GCTV	51,733
UCTV	170,441
MCTV	21,160
NCCTV	21,160
PCTV	47,663
YJCTV	33,940
SHCTV	20,000

- c. The 66,480 thousand shares of NCIC, held by TTN, had been used as collaterals for the loan obtained from the Chinatrust Commercial Bank. Since the loan was totally repaid as of September 30, 2007, these NCIC shares will be redeemed from the bank.

28. 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. As of September 30, 2007, payments of \$602,626 thousand has been made.
- b. To enhance the intensity and widen the coverage of the 3G signal and to increase the service functions and items provided by 3G mobile telecommunications, the Corporation entered into a 3G expansion contract with Nokia for \$4,800,000 thousand in September 2004. In accordance with the terms of the contract, as of September 30, 2007, payments of \$4,543,357 thousand has been made.
- c. Unused letters of credit for acquisition of equipment were EUR49 thousand as of September 30, 2007.
- d. The Corporation provided a \$18,000,000 thousand guarantee for TIT's bank loan. As of September 30, 2007, TIT had drawn down a bank loan of \$17,280,000 thousand under this guarantee.
- e. As of September 30, 2007, TFN had NT\$1,250,000 thousand promissory notes outstanding in related to its borrowings with banks.
- f. As of September 30, 2007, TFN had \$1,000 thousand performance guarantees issued by banks for TFN's construction and other projects.
- g. TFNM, FYM, PCTV, UCTV, GCTV, YJCTV, MCTV, NCCTV, and SHCTV are each others' guarantors for their bank loans, for a total credit line of \$7,000,000 thousand. As of September 30, 2007, the used credit line was \$4,918,931 thousand, for which all of these nine companies were jointly liable.
- h. As of September 30, 2007, the Corporation had provided TFN \$50,000 thousand as performance guarantee for customers for IDD calling card business, in accordance with NCC's new policy, effective April 1, 2007.
- i. As of September 30, 2007, TAT had provided the Corporation \$1,000,000 thousand as performance guarantee for customers, when issuing prepaid card, in accordance with NCC's new policy effective April 1, 2007.
- j. Future minimum rental payments as of September 30, 2007 for significant operating lease agreements were summarized as follows:

	Amount
The fourth quarter 2007	\$ 42,661
2008	54,107
2009	18,532
2010	15,621
2011	11,642

29. 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 on anti-floating interest rates of bonds, which are settled semiannually. Please refer to Note 25 for the related information.

Financial Instrument	Term	Contract Amount
Interest rate swap contracts	Anti-floating interest rate in exchange for fixed interest rate of 2.25%	\$ 2,500,000
	Anti-floating interest rate in exchange for fixed interest rate of 2.45%	5,000,000

The Corporation entered into IRS contracts to hedge anti-floating interest rate fluctuation. For the nine months ended September 30, 2007 and 2006, the Corporation recognized losses of \$119,873 thousand and \$99,314 thousand, respectively, recorded as addition to interest expense.

- 2) TFN entered into IRS contracts in June 2005 to hedge interest floating rate fluctuations on syndicated loans, which are settled quarterly. The IRS contracts were all cleared on June 25, 2007, and the related information is as follows:

Financial Instrument	Term	Contract Amount
Interest rate swap contracts	Floating interest rate in exchange for fixed interest rate of 1.61%	\$ 500,000
	Floating interest rate in exchange for fixed interest rate of 1.60%	500,000
	Floating interest rate in exchange for fixed interest rate of 1.63%	500,000

TFN entered into IRS contracts to hedge anti-floating interest rate fluctuation. TFN recognized gains \$894 thousand in 2007.

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	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		Financing Limit for Each Borrowing Company (Note)	Financing Company's Financing Amount Limits (Note)
											Item	Value		
0	The Corporation	Taihsing International Telecommunications Co., Ltd.	Other receivables	\$ 12,500,000	\$ 12,500,000 (Note 1)	2.474%	Short-term financing	\$ -	To meet its financing needs in acquiring TFN	\$ -	-	-	\$ 20,422,892 (Note 2)	\$ 20,422,892 (Note 2)
0	The Corporation	Taiwan Fixed Network Co., Ltd.	Other receivables	3,500,000	-	2.94%	Short-term financing	-	To finance subsidiaries to pay off the syndicate loan.	-	-	-	1,034,640 (Note 2)	20,422,892 (Note 2)
1	Mobitai Communications	Taiwan Cellular Co., Ltd.	Other receivables	900,000	900,000	2.477%	Short-term financing	-	To finance subsidiaries to bid for WiMAX license	-	-	-	1,106,223 (Note 2)	1,106,223 (Note 2)
2	Union Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Other receivables - related parties	360,000	360,000	2.8937% - 3.7947%	Transactions	28,800	-	-	-	-	13,500,000 (Note 3)	13,500,000 (Note 3)
3	North Coast Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Other receivables - related parties	140,000	140,000	2.8937% - 3.7947%	Transactions	7,693	-	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
4	Mangrove Cable TV Corporation	Fu Yang Multimedia Co., Ltd.	Other receivables - related parties	43,000	43,000	2.8937% - 3.7947%	Transactions	10,051	-	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
5	Globalview Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Other receivables - related parties	210,000	210,000	2.8937% - 3.7947%	Transactions	25,325	-	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
6	Shin Ho Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Other receivables - related parties	107,700	107,700	2.8937% - 3.7947%	Transactions	10,280	-	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
7	TFN Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Other receivables	1,200,000	1,200,000	2.501%	Short-term financing	-	To finance parent company to pay off the bank loan.	-	-	-	32,637,645 (Note 4)	27,223,322 (Note 4)

Note 1: To conform with the reclassification of the Corporation's stocks held by its subsidiaries as treasury stocks, the credit balance of long-term investment account was to reduce the loan of \$12,500,000 thousand to TIT. Therefore, the balance of book value is zero.

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

Note 3: Where funds are loaned for reasons of business dealings, 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 4: (a) The amount of financing provided, including transactions, business cooperation and short-term financing, should not exceed the higher amount between the net worth of the corporation or the amount of transactions plus business cooperation. (b) The limited amount of financing provided for short-term financing should not exceed 40% of the net worth of the financing company, and the amount financed to each counter-party should not exceed 40% of the net worth of the counter-party.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor (A)	Receiving Party		Maximum Guarantee/ Endorsement Amount Allowed for Receiving Party	Maximum Balance for the Period (Note 4)	Ending Balance (Note 4)	Value of Collaterals	Ratio of Accumulated Amount of Endorsement/ Guarantee to Net Equity of the Receiving Party (Note 4)	Maximum Total Guarantee/ Endorsement Allowed to Be Provided by the Guarantor/Endorser
		Name (B)	Nature of Relationship (B is A's)						
0	The Corporation	Taihsing International Telecommunications Co., Ltd.	(Note 1)	\$ 36,138,400 (Note 5)	\$ 18,000,000	\$ 18,000,000	\$ -	35.25%	\$ 51,057,230 (Note 5)
0	The Corporation	Taiwan Fixed Network Co., Ltd.	(Note 1)	46,181,166 (Note 5)	50,000	50,000	-	0.10%	51,057,230 (Note 5)
1	TransAsia Telecommunications Inc.	The Corporation	(Note 2)	18,000,000 (Note 6)	1,000,000	1,000,000	-	9.33%	10,721,160 (Note 6)
2	TFN Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	(Note 3)	27,223,322 (Note 8)	200,000	200,000	-	0.82%	27,223,322 (Note 8)
3	VoPier Communications (Taiwan) Co., Ltd.	Taiwan Telecommunication Network Services Co., Ltd.	(Note 2)	240,000 (Note 10)	262	262	-	1.99%	12,260 (Note 10)
4	TFN Media Ltd.	TFN Media Ltd.	(Note 1)	15,000,000 (Note 7)	7,000,000 (Note 9)	6,097,853 (Note 9)	6,544,499	221%	15,000,000 (Note 7)
5	Fu Yang Multimedia Co., Ltd.	Fu Yang Multimedia Co., Ltd.	(Note 1)	13,000,000 (Note 7)			366,097	90%	13,000,000 (Note 7)
6	Union Cable TV Co., Ltd.	Union Cable TV Co., Ltd.	(Note 1)	13,500,000 (Note 7)			192,658	347%	13,500,000 (Note 7)
7	North Coast Cable TV Co., Ltd.	North Coast Cable TV Co., Ltd.	(Note 1)	12,000,000 (Note 7)			36,043	2,670%	12,000,000 (Note 7)
8	Mangrove Cable TV Corporation	Mangrove Cable TV Corporation	(Note 1)	12,000,000 (Note 7)			51,897	2,719%	12,000,000 (Note 7)
9	Globalview Cable TV Co., Ltd.	Globalview Cable TV Co., Ltd.	(Note 1)	12,000,000 (Note 7)			259,601	996%	12,000,000 (Note 7)
10	Phoenix Cable TV Co., Ltd.	Phoenix Cable TV Co., Ltd.	(Note 1)	12,000,000 (Note 7)			398,207	722%	12,000,000 (Note 7)

(Continued)

No.	Endorsement/Guarantor (A)	Receiving Party		Maximum Guarantee/ Endorsement Amount Allowed for Receiving Party	Maximum Balance for the Period (Note 4)	Ending Balance (Note 4)	Value of Collaterals	Ratio of Accumulated Amount of Endorsement/ Guarantee to Net Equity of the Receiving Party (Note 4)	Maximum Total Guarantee/ Endorsement Allowed to Be Provided by the Guarantor/Endorser
		Name (B)	Nature of Relationship (B is A's)						
11	Shin Ho Cable TV Co., Ltd.	Shin Ho Cable TV Co., Ltd.	(Note 1)	\$ 12,000,000 (Note 7)			\$ 12,537	2,721%	\$ 12,000,000 (Note 7)
12	Yeong Jialeh Cable TV Co., Ltd.	Yeong Jialeh Cable TV Co., Ltd.	(Note 1)	24,000,000 (Note 7)			407,851	1,300%	24,000,000 (Note 7)

Note 1: Direct/indirect subsidiary

Note 2: Parent company

Note 3: Direct subsidiary

Note 4: Maximum guarantee/endorsement amount for the period and the ending balance are the amount allowed, not actual appropriation.

Note 5: The Corporation limits the endorsement/guarantee amount for the company that directly or indirectly entitled the whole percentage of voting rights within net value of the Corporation, and the endorsement/guarantee amount for each counter-party.

Note 6: The Corporation limits the endorsement/guarantee amount for directly or indirectly entitled the whole percentage of TAT within the net value of TAT, and the endorsement/guarantee amount should not exceed double TAT's investment amount.

Note 7: 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 8: The individual lending amount and the aggregate amount of loaning funds to subsidiaries shall be both limited to the higher amount of the following items: 1) the financing company's net worth, or 2) the amount of business dealing.

Note 9: TFNM, FYM, UCTV, NCCTV, MCTV, GCTV, PCTV, SHCTV and YJCTV are sureties for each other to obtain a syndicate loan from Chinatrust Commercial Bank and other financial institutions. The credit line was \$7,000,000 thousand. Those nine companies are jointly liable for this loan. As of September 30, 2007, the Corporation had drawn down a bank loan of \$4,918,931 thousand under this credit line.

Note 10: TTN wholly owns VoPier Communications. The total guarantee/endorsement amount for VoPier's to provide shall not exceed its net worth. The guarantee/endorsement amount to each shareholder provided by VoPier limits to 2 times of its stake.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2007				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Assets Value (Note 1)	
Taiwan Mobile Co., Ltd.	<u>Stock</u> Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	2,957	\$ 180,365	0.028%	\$ 180,365 (Note 2)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	1,600	52,052	10.81%	42,629	
	TransAsia Telecommunications Inc.	Subsidiary	Long-term investments - equity method	900,000	10,721,160	100.00%	10,721,160	
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	343,028	- (Note 3)	100.00%	22,625,741	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	200	2,000	100.00%	2,000	
Taiwan Cellular Co., Ltd.	<u>Stock</u> Arcoa Communication Co., Ltd.	-	Financial assets carried at cost - non-current	6,998	67,731	5.21%	- (Note 4)	
	Parawin Venture Capital Corp.	-	Financial assets carried at cost - non-current	3,000	22,202	3.00%	- (Note 4)	
	Transportation High Tech Inc.	-	Financial assets carried at cost - non-current	1,200	- (Note 5)	12.00%	- (Note 4)	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773	3.17%	- (Note 4)	
	Sunnet Technologies Co., Ltd.	-	Financial assets carried at cost - non-current	375	2,583	1.51%	1,835 (Note 6)	
	Mobitai Communications	Subsidiary	Long-term investments - equity method	200,000	2,765,568	100.00%	2,765,558	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	30,000	225,088	100.00%	225,088	
	Tai Yi Digital Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	2,495	23,850	49.90%	23,850	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US\$ 8,898	100.00%	US\$ 8,898	
	Taihsing International Telecommunications Co., Ltd.	Subsidiary	Long-term investments - equity method	1,806,920	18,548,977	100.00%	18,548,977	
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	11,221	100.00%	11,221	
TWM Holding Co. Ltd.	<u>ADS</u> Hurray! Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,080	US\$ 5,572	4.97%	US\$ 5,572 (Note 2)	
Mobitai Communications	<u>Stock</u> Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	\$ - (Note 5)	0.19%	\$ - (Note 4)	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT&T Life Insurance Agency Co., Ltd.	Subsidiary	Long-term investments - equity method	300	3,000	100.00%	3,000	
	TT&T Casualty & Property Insurance Agency Co., Ltd.	Subsidiary	Long-term investments - equity method	300	2,670	100.00%	2,670	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2007				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Assets Value (Note 1)	
TT&T Holdings Co., Ltd.	TT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US\$ 1,292	100.00%	US\$ 1,292	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	20,000	100.00%	20,000	
Taihsing International Telecommunications Co., Ltd.	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 1,287	100.00%	US\$ 1,287	
Taiwan United Communication Co., Ltd.	<u>Stock</u> Taiwan United Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,190	1,511,566	100.00%	1,511,566	(Note 9)
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	5,564,797	46,969,745	86.22%	70,350,443	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd.	The Corporation	Available-for-sale financial assets - non-current	900,353	39,615,522	18.00%	39,615,522 (Note 2)	
TFN Investment Co., Ltd.	TFN Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,061,939	27,223,241	100.00%	27,223,322	(Note 6)
	TFN HK Limited	Subsidiary	Long-term investments - equity method	1,299	3,290	99.99%	3,290	
TFN Investment Co., Ltd.	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,255,310	4.44%	397,847 (Note 6)	
	<u>Beneficiary certificates</u> ING Taiwan Income Fund	-	Available-for-sale financial assets - current	16,745	268,261	-	268,261 (Note 7)	
TFN Investment Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd.	The Corporation	Available-for-sale financial assets - non-current	467,897	20,587,488	9.40%	20,587,488 (Note 2)	
	Reach & Range Inc.	Subsidiary	Long-term investments - equity method	2,400	32,204	100.00%	25,132	
TFN Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	59,100	306,633	98.50%	303,852	
	TFN Media Ltd.	Subsidiary	Long-term investments - equity method	214,518	2,742,131	93.06%	2,742,178	
TFN Investment Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Subsidiary	Long-term investments - equity method	187,424	3,048,674	29.40%	2,055,023	(Note 6)
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	52,562	6.67%	51,489	
TFN Investment Co., Ltd.	Sun Net Technology Co., Ltd.	-	Financial assets carried at cost - non-current	1,840	9,237	7.40%	8,994 (Note 6)	
	Fubon Financial Holding Company	Related parties	Available-for-sale financial assets - current	74,914	2,112,569	0.97%	2,112,569 (Note 2)	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2007				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Assets Value (Note 1)	
	<u>Preferred stock</u> Taiwan High Speed Rail Corporation - Unlisted Convertible Preferred Stock - series A	-	Bonds measured at amortized cost-non - current	50,000	\$ 500,000	0.92%	\$ -	
TFN Media Ltd.	<u>Stock</u> Fu Yang Multimedia Co., Ltd.	Subsidiary	Long-term investments - equity method	450,073	6,544,499	70.60%	4,934,855	Total pledge
Fu Yang Multimedia Co., Ltd.	<u>Stock</u> Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,033,464	100.00%	509,088	Total pledge
	Shin Ho Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	20,000	720,996	100.00%	234,133 (Note 8)	Total pledge
	Mangrove Cable TV Corporation	Subsidiary	Long-term investments - equity method	21,160	500,208	100.00%	237,043 (Note 8)	Total pledge
	North Coast Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	21,160	523,634	100.00%	231,800	Total pledge
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	47,663	2,036,349	70.00%	623,280	Total pledge
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	1,985,632	99.99%	1,781,005	Total pledge
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,207,706	92.38%	585,233	Total pledge
Taiwan Telecommunication Network Services Co., Ltd.	<u>Stock</u> VoPier Communications (Taiwan) Co., Ltd.	Subsidiary	Long-term investments - equity method	12,000	12,260	100.00%	12,260	
	<u>Preferred Stock</u> New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	40,000	332,400	0.80%	- (Notes 4 and 9)	
	<u>Beneficiary certificates</u> Fuh-Hwa Bond Fund	-	Financial assets at fair value through profit or loss - current	2,272	30,645	-	30,645 (Note 7)	
	Fuh-Hwa Yuli Bond Fund	-	Financial assets at fair value through profit or loss - current	4,043	50,775	-	50,775 (Note 7)	
	ING Taiwan Income Fund	-	Financial assets at fair value through profit or loss - current	2,556	40,950	-	40,950 (Note 7)	
VoPier Communications (Taiwan) Co., Ltd.	<u>Beneficiary certificates</u> CAPITAL Income Fund	-	Financial assets at fair value through profit or loss - current	71	1,068	-	1,068 (Note 7)	
	IBT 1699 Bond Fund	-	Financial assets at fair value through profit or loss - current	210	2,638	-	2,638 (Note 7)	
	E. Sun ERA Bond Fund	-	Financial assets at fair value through profit or loss - current	145	1,591	-	1,591 (Note 7)	
	Fuh-Hwa Bond Fund	-	Financial assets at fair value through profit or loss - current	278	3,755	-	3,755 (Note 7)	

(Continued)

Note 1: Based on the investee's net value as shown in its latest financial statements.

Note 2: Based on the closing price on September 30, 2007.

Note 3: A book value of \$22,625,741 thousand and a loan of \$12,500,000 thousand to TIT has been reclassified to treasury stock. The debit amount has been recognized upon other liabilities - long-term investments credit balance, amounting to \$2,664,615 thousand.

Note 4: As of September 30, 2007, the independent auditors' report date, the investee's net value was unavailable.

Note 5: Deducted impairment loss recognized in 2004.

Note 6: Calculation was based on unaudited financial statements.

Note 7: Based on the net assets value of the fund on September 30, 2007.

Note 8: Partial shares are held as trusts.

Note 9: Partial shares are held as pledge.

(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
NINE MONTHS ENDED SEPTEMBER 30, 2007
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
Taiwan Mobile Co., Ltd.	<u>Beneficiary certificate</u> Fuhwa Bond Fund	Financial assets at fair value through profit or loss - current	-	-	45,175	\$ 602,192	-	\$ -	45,175	\$ 604,649	\$ 604,649	\$ -	-	\$ -
	ING Taiwan Income Fund	Financial assets at fair value through profit or loss - current	-	-	25,387	401,917	-	-	25,387	403,656	403,656	-	-	-
	ING Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	126,959	1,913,171	-	-	126,959	1,920,610	1,920,610	-	-	-
	ING Taiwan Select Bond Fund	Financial assets at fair value through profit or loss - current	-	-	35,432	401,565	-	-	35,432	401,827	401,827	-	-	-
	AIG Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	153,928	1,962,733	-	-	153,928	1,968,901	1,968,901	-	-	-
	Dresdner Bond Dam Fund	Financial assets at fair value through profit or loss - current	-	-	130,038	1,506,803	-	-	130,038	1,512,928	1,512,928	-	-	-
	Fubon Jin-Ju-I Fund	Financial assets at fair value through profit or loss - current	-	-	81,999	1,002,954	-	-	81,999	1,007,112	1,007,112	-	-	-
	NITC Bond Fund	Financial assets at fair value through profit or loss - current	-	-	17,122	2,817,260	-	-	17,122	2,826,608	2,826,608	-	-	-
	Prudential Financial Bond Fund	Financial assets at fair value through profit or loss - current	-	-	13,686	200,015	-	-	13,686	200,500	200,500	-	-	-
	JF (Taiwan) Bond Fund	Financial assets at fair value through profit or loss - current	-	-	19,702	300,597	-	-	19,702	301,824	301,824	-	-	-
	<u>Stock</u> Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	Long-term investments - equity method	-	-	325,000	3,877,659	18,028	18,027,530	-	-	-	-	343,028	-
	Taiwan Fixed Network Co., Ltd.	Financial assets carried at cost - non-current	Taiwan Cellular Co., Ltd.	Subsidiary	637,000	3,700,944	-	-	637,000	5,287,100	3,700,944	-	-	(Note 2)
												(Note 3)		
TransAsia Telecommunications Inc.	<u>Beneficiary certificate</u> ING Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	46,758	704,606	-	-	46,758	706,382	706,382	-	-	-
	AIG Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	71,000	905,330	-	-	71,000	907,488	907,488	-	-	-
	Prudential Financial Bond Fund	Financial assets at fair value through profit or loss - current	-	-	37,966	554,861	-	-	37,966	556,205	556,205	-	-	-
	JF (Taiwan) Bond Fund	Financial assets at fair value through profit or loss - current	-	-	42,808	653,130	-	-	42,808	654,757	654,757	-	-	-
	Fubon Jin-Ju-I Fund	Financial assets at fair value through profit or loss - current	-	-	12,267	150,035	24,522	300,000	36,789	451,112	451,112	-	-	-
Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	<u>Stock</u> Taihsing International Telecommunications Co., Ltd.	Long-term investments - equity method	-	-	-	-	1,806,920	18,069,200	-	-	-	-	1,806,920	18,548,977
	Taiwan Fixed Network Co., Ltd.	Financial assets carried at cost - non-current	Taiwan Mobile Co., Ltd.	Parent	4,900	42,864	637,000	5,287,100	641,900	5,327,770	5,329,964	-	-	(Note 4)
	Taiwan Digital Communications Co., Ltd.	Long-term investments - equity method	-	-	-	-	26,000	260,000	-	-	-	-	1,200	11,221
												(Note 5)		(Note 6)
Taihsing International Telecommunications Co., Ltd.	<u>Stock</u> Taiwan Fixed Network Co., Ltd.	Long-term investments - equity method	Taiwan Cellular Co., Ltd.	Parent	-	-	5,564,797	46,181,166	-	-	-	-	5,564,797	46,969,745
														(Note 7)
Taiwan United Communication Co., Ltd.	<u>Stock</u> Taiwan Telecommunication Network Services Co., Ltd.	Long-term investments - equity method	-	-	-	-	56,904	787,720	-	-	-	-	56,904	788,586
														(Note 8)

(Continued)

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.	<u>Beneficiary certificate</u> Fubon Jin-Ju-I Fund	Available-for-sale financial assets - current	-	-	57,696	\$ 705,702	-	\$ -	57,696	\$ 710,087	\$ 697,743	\$ 12,344	-	\$ -
	Fubon Chi-Hsiang Fund	Available-for-sale financial assets - current	-	-	32,588	474,301	-	-	32,588	477,065	460,272	16,793	-	-
	ING Taiwan Income Fund	Available-for-sale financial assets - current	-	-	31,345	496,241	-	-	31,345	499,590	482,440	17,150	-	-
	NITC Bond Fund	Available-for-sale financial assets - current	-	-	2,303	378,968	-	-	2,303	381,266	376,422	4,844	-	-
	ING Taiwan Bond Fund	Available-for-sale financial assets - current	-	-	28,577	430,627	-	-	28,577	433,302	428,521	4,781	-	-
	Fuhwa Apex Bond Fund	Available-for-sale financial assets - current	-	-	10,426	123,066	-	-	10,426	123,396	123,031	365	-	-
	JF (Taiwan) Bond Fund	Available-for-sale financial assets - current	-	-	13,110	200,016	-	-	13,110	201,238	200,000	1,238	-	-
	Capital Income Fund	Available-for-sale financial assets - current	-	-	13,432	200,009	-	-	13,432	201,269	200,000	1,269	-	-
	Prudential Financial Bond Fund	Available-for-sale financial assets - current	-	-	6,842	100,000	-	-	6,842	100,602	100,000	602	-	-
	Fuhwa Advantage Bond Fund	Available-for-sale financial assets - current	-	-	11,510	120,005	-	-	11,510	120,322	120,000	322	-	-
	Fuhwa Advantage Bond Fund	Available-for-sale financial assets - current	-	-	-	-	19,009	243,719	19,009	244,487	243,719	768	-	-
TFN Investment Co., Ltd.	<u>Beneficiary certificate</u> ING Taiwan Bond Fund	Available-for-sale financial assets - current	-	-	26,669	401,881	46,329	700,000	72,998	1,107,087	1,100,000	7,087	-	-
	ING Taiwan Income Fund	Available-for-sale financial assets - current	-	-	9,837	155,733	23,108	368,000	16,200	258,180	257,227	953	16,745	268,261
	JF (Taiwan) Bond Fund	Available-for-sale financial assets - current	-	-	6,624	101,072	13,095	200,000	19,719	302,760	300,529	2,231	-	-
	JF (Taiwan) First Bond Fund	Available-for-sale financial assets - current	-	-	-	-	14,192	200,000	14,192	200,663	200,000	663	-	-
	Capital Income Fund	Available-for-sale financial assets - current	-	-	-	-	56,930	850,000	56,930	853,129	850,000	3,129	-	-
	NITC Bond Fund	Available-for-sale financial assets - current	-	-	61	10,083	1,031	170,000	1,092	180,849	179,834	1,015	-	-
	NITC Taiwan Bond Fund	Available-for-sale financial assets - current	-	-	-	-	38,924	550,000	38,924	551,907	550,000	1,907	-	-
	Fubon Chi-Hsiang Fund	Available-for-sale financial assets - current	-	-	12,322	179,343	-	-	12,322	180,423	178,086	2,337	-	-
	Fubon Jin-Ju-I Fund	Available-for-sale financial assets - current	-	-	28,751	351,658	84,371	1,034,267	113,122	1,392,522	1,384,237	8,285	-	-
	Pca Well Pool Fund	Available-for-sale financial assets - current	-	-	-	-	23,896	300,000	23,896	301,054	300,000	1,054	-	-
	Upame James Bond Fund	Available-for-sale financial assets - current	-	-	-	-	16,160	250,000	16,160	250,827	250,000	827	-	-
	Fuhwa Bond Fund	Available-for-sale financial assets - current	-	-	-	-	23,399	300,000	23,399	301,006	300,000	1,006	-	-
	<u>Stock</u> Fubon Financial Holding Company	Available-for-sale financial assets - current	-	-	53,293	1,625,432	34,645	1,032,419	13,024	430,950	341,900	89,050	74,914	2,112,569
	Globalview Cable TV Co., Ltd.	<u>Beneficiary certificate</u> IBT Ta Chong Bond Fund	Available-for-sale financial assets - current	-	-	7,679	100,003	-	-	7,679	100,700	100,000	700	-
Shin Ho Cable TV Co., Ltd.	<u>Beneficiary certificate</u> Fubon Jin-Ju-I Fund	Available-for-sale financial assets - current	-	-	5,724	70,009	-	-	5,724	70,523	70,000	523	-	-

(Continued)

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

Note 2: The amount included (a) the cash dividend adjustment of \$544,114 thousand; (b) the investment income adjustment of \$1,530,979 thousand; (c) the recognition of cumulative translation adjustments of \$1,567 thousand; and (d) unrealized loss of \$267,880 thousand on financial asset. Moreover, a book value of \$22,625,741 thousand and a loan of \$12,500,000 thousand to TIT has been reclassified to treasury stock. The debit amount has been recognized upon other liabilities, amounting to \$2,664,615 thousand.

Note 3: For its reorganization, the Corporation resolved to inject capital into Taiwan Cellular Co., Ltd. with all its shares of Taiwan Fixed Network Co., Ltd. The difference between the original cost and the disposal price of the TFN shares, \$1,586,156 thousand, was recognized by the Corporation as deferred credits. There was no gain or loss on this transaction.

Note 4: The amount included (a) the investment income adjustment of \$710,244 thousand; (b) the recognition of cumulative translation adjustment of \$748 thousand and (c) unrealize loss of \$231,215 thousand on financial assets.

Note 5: For its reorganization, TCC resolved to inject capital into Taihsing International Telecommunications Co., Ltd. with all its shares of Taiwan Fixed Network Co., Ltd. The difference between the original cost and the disposal price of the TFN shares, \$2,194 thousand, was recognized by TCC as deferred debits. There was no gain or loss on this share transaction.

Note 6: The amount included the capital reduction adjustment of \$248,000 thousand and the investment loss adjustment of \$779 thousand.

Note 7: The amount included (a) the investment income adjustment of \$564,816 thousand; (b) the difference between the cost of acquisition and the equity in the investee's net asset value, amount to \$454,230; (c) the recognition of cumulative translation adjustment of \$748 thousand and (d) unrealized loss of \$231,215 thousand on financial assets.

Note 8: The amount included the investment income adjustment of \$866 thousand.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 NINE MONTHS ENDED SEPTEMBER 30, 2007
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Other Transaction		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.	TransAsia Telecommunications Inc.	Subsidiary	Sale	\$ (445,300)	1	Based on contract terms	-	-	\$ 60,805	1	
			Purchase	220,942	1	Based on contract terms	-	-	(19,105)	1	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Sale	(1,183,132)	3	Based on contract terms	-	-	214,724	4	
			Purchase	647,843	4	Based on contract terms	-	-	-	-	
	Mobitai Communications	Subsidiary	Sale	(194,818)	1	Based on contract terms	-	-	15,950	-	
Purchase			151,399	1	Based on contract terms	-	-	(941)	-		
Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Purchase	650,235	(Note 1)	Based on contract terms	-	-	(156,856)	(Note 2)		
TransAsia Telecommunications Inc.	The Corporation	Parent	Sale	(220,942)	5	Based on contract terms	-	-	19,105	3	
			Purchase	445,300	21	Based on contract terms	-	-	(62,484)	26	
Mobitai Communications	The Corporation	Ultimate parent	Sale	(151,089)	6	Based on contract terms	-	-	2,621	1	
			Purchase	194,818	15	Based on contract terms	-	-	(16,267)	10	
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Sale	(650,275)	95	Based on contract terms	-	-	156,562	94	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(705,299)	12	Based on contract terms	-	-	319,629	33	
			Purchase	1,166,040	23	Based on contract terms	-	-	(1,136)	-	
TFN Media Ltd.	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Sale	(211,622)	20	Based on contract terms	-	-	23,514	18	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Sale	(320,541)	31	Based on contract terms	-	-	35,616	28	
	Union Cable TV Co., Ltd.	Subsidiary	Sale	(143,642)	14	Based on contract terms	-	-	15,960	12	
	Globalview Cable TV Co., Ltd.	Subsidiary	Sale	(124,242)	12	Based on contract terms	-	-	13,805	11	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Ltd.	Parent	Royalty	211,622	61	Based on contract terms	(Note 3)	(Note 3)	(23,514)	30	
Union Cable TV Co., Ltd.	TFN Media Ltd.	Parent	Royalty	143,642	52	Based on contract terms	(Note 3)	(Note 3)	(15,960)	74	
Globalview Cable TV Co., Ltd.	TFN Media Ltd.	Parent	Royalty	124,242	61	Based on contract terms	(Note 3)	(Note 3)	(13,805)	12	
Phoenix Cable TV Co., Ltd.	TFN Media Ltd.	Parent	Royalty	320,541	65	Based on contract terms	(Note 3)	(Note 3)	(35,616)	38	

Note 1: Recognized as operating expenses

Note 2: Recognized as accrued expenses

Note 3: 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
 NINE MONTHS ENDED SEPTEMBER 30, 2007
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts	
					Amount	Action Taken			
Taiwan Mobile Co., Ltd.	TransAsia Telecommunications Inc.	Subsidiary	Accounts receivable	\$ 60,805	8.42	\$ -	-	\$ -	\$ -
			Other receivables	120,068		-	-	-	-
	Mobitai Communications	Subsidiary	Accounts receivable	15,950	11.33	-	-	-	-
			Other receivables	97,282		-	-	-	-
Taiwan Fixed Network Co., Ltd.	Subsidiary	Accounts receivable	214,724	7.21	-	-	-	-	
		Other receivables	36,641		-	-	-	-	
		Other receivables	145,729	-	-	-	-	-	
TransAsia Telecommunications Inc.	The Corporation	Parent	Accounts receivable	19,105	13.69	-	-	-	-
			Other receivables	334,394		-	-	-	-
Mobitai Communications	The Corporation	Ultimate parent	Accounts receivable	2,621	59.89	-	-	-	-
			Other receivables	179,799		-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	156,562	5.61	-	-	-	-
			Other receivables	299		-	-	-	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable	319,629	3.25	-	-	511	-
			Other receivables	2,305		-	-	-	-
TFN Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Parent	Other receivables	1,200,000	-	-	-	-	-
North Coast Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Parent	Other receivables	147,314	-	-	-	-	-
Globalview Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Parent	Accounts receivable	1,463	-	-	-	-	-
			Other receivables	226,251		-	-	-	-
Shin Ho Cable TV C., Ltd.	Fu Yang Multimedia Co., Ltd.	Parent	Other receivables	116,220	-	-	-	-	-
Union Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	Parent	Accounts receivable	1,640	-	-	-	-	-
			Other receivables	367,448		-	-	-	-

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
 NINE MONTHS ENDED SEPTEMBER 30, 2007
 (In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2007			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2007	January 1, 2007	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Taiwan Mobile Co., Ltd.	Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	Taipei, Taiwan	Equipment installation and IT service	\$ 21,277,530	\$ 3,250,000	343,028	100	\$ -	\$ 1,514,653	\$ 1,530,979	
	TransAsia Telecommunications Inc.	Taipei, Taiwan	Wireless service provider	9,000,000	12,458,463	900,000	100	10,721,160	1,561,689	1,604,746	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	2,000	-	200	100	2,000	-	-	
Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	Mobitai Communications	Taipei, Taiwan	Wireless service provider	2,000,000	2,000,000	200,000	100	2,765,558	714,201	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service	5,294	405,294	30,000	100	225,088	82,885	NA	
	Tai Yi Digital Broadcasting Co., Ltd.	Taipei, Taiwan	Broadcasts business and cell phone number agency	24,950	24,950	2,495	49.9	23,850	(1,123)	NA	
	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US\$ 9,000	US\$ 9,000	1 share	100	US\$ 8,898	US\$ 49	NA	
	Taihsing International Telecommunications Co., Ltd.	Taipei, Taiwan	Investment	18,069,200	-	1,806,920	100	18,548,977	710,244	NA	
Taiwan Digital Communications Co., Ltd.	Taipei, Taiwan	Equipment installation and IT service	12,000	-	1,200	100	11,221	(779)	NA		
Taihsing International Telecommunications Co., Ltd.	Taiwan United Communication Co., Ltd.	Taipei, Taiwan	Equipment installation and IT service	1,509,887	-	1,190	100	1,511,566	1,679	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed network service	46,181,166	-	5,564,797	86.22	46,969,745	1,617,798	NA	
Taiwan United Communication Co., Ltd.	Taiwan Telecommunication Network Services Co., Ltd.	Taipei, Taiwan	Telecommunications	787,720	-	56,904	52.35	788,586	13,976	NA	
Taiwan Telecommunication Network Services Co., Ltd.	VoPier Communications (Taiwan) Co., Ltd.	Taipei, Taiwan	International simple resale and prepaid card	120,000	120,000	12,000	100	12,260	(894)	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Life Insurance Agency Co., Ltd.	Taipei, Taiwan	Insurance agent	3,000	3,000	300	100	3,000	(13)	NA	
	TT&T Casualty & Property Insurance Agency Co., Ltd.	Taipei, Taiwan	Insurance agent	3,000	3,000	300	100	2,670	(33)	NA	
	TT&T Holdings Co., Ltd.	Samoa	Investment	US\$ 1,300	US\$ 1,300	1,300	100	US\$ 1,292	US\$ (31)	NA	
	Taiwan Super Basketball Co., Ltd.			20,000	-	2,000	100	20,000	-	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Ltd.	Xiamen	Call center service	US\$ 1,300	US\$ 1,300	-	100	US\$ 1,278	US\$ (32)	NA	
Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd.	Taipei, Taiwan	Investment	17,897,639	17,500,000	2,061,939	100	27,223,241	893,074	NA	
	TFN HK Limited	Hong Kong	Telecommunications	5,816	5,816	1,299	99.99	3,290	(273)	NA	
TFN Investment Co., Ltd.	Reach & Range Inc.	Taipei, Taiwan	Service, telecommunication equipment installment and IT service	31,764	60,258	2,400	100	32,204	871	NA	
	Fu Yang Multimedia Co., Ltd.	Taipei, Taiwan	Management, IT service, advertisement and other service	2,761,748	2,446,410	187,424	29.4	3,048,674	545,770	NA	
	TFN Media Ltd.	Taipei, Taiwan	Type II telecommunication services	1,500,000	-	214,518	93.06	2,742,131	565,278	NA	
	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	Broadcasts business	591,000	-	59,100	98.5	306,633	(90,175)	NA	
TFN Media Ltd.	Fu Yang Multimedia Co., Ltd.	Taipei, Taiwan	Management, IT service, advertisement and other service	5,668,820	5,668,820	450,073	70.6	6,544,499	545,770	NA	
Fu Yang Multimedia Co., Ltd.	Yeong Jialeh Cable TV Co., Ltd.	Sinjhuangshih Township	Cable television system	1,616,824	1,616,824	33,940	100	2,033,464	116,245	NA	
	Shin Ho Cable TV Co., Ltd.	Sinjhuangshih Township	Cable television system	661,781	661,781	20,000	100	720,996	27,950	NA	
	Mangrove Cable TV Corporation	Danshueijhen Township	Cable television system	397,703	397,703	21,160	100	500,208	11,738	NA	
	North Coast Cable TV Co., Ltd.	Danshueijhen Township	Cable television system	399,193	399,193	21,160	100	523,634	7,690	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County	Cable television system	1,229,257	1,229,257	47,663	70	2,036,349	148,356	NA	
	Globalview Cable TV Co., Ltd.	Sijhih Township	Cable television system	841,413	841,413	51,733	92.38	1,207,706	62,287	NA	
Union Cable TV Co., Ltd.	Yilan City	Cable television system	1,904,440	1,904,440	170,441	99.99	1,985,632	76,882	NA		

Note 1: A book value of \$22,625,741 thousand investment and a loan of \$12,500,000 thousand to TIT has been reclassified to treasury stock. The credit balance of long-term investment account has been reclassified as other liabilities, amounting to \$2,664,615 thousand.

Note 2: Partial shares are held as trusts.

TABLE 8

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

**INVESTMENT IN MAINLAND CHINA
NINE MONTHS ENDED SEPTEMBER 30, 2007
(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 September 30, 2006	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2007	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Value as of September 30, 2007	Accumulated Inward Remittance of Earnings as of September 30, 2007
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US\$ 1,300 (NT\$ 42,354)	Indirect investment in the Company in Mainland China through a third place by the Corporation's subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 42,354)	\$ -	\$ -	US\$ 1,300 (NT\$ 42,354)	100% ownership of indirect investment by the Corporation's subsidiary	(US\$ 32) (NT\$ 1,041)	US\$ 1,287 (NT\$ 41,932)	\$ -

Accumulated Investment in Mainland China as of September 30, 2007	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2)
US\$1,300 (NT\$42,354)	US\$1,300 (NT\$42,354)	\$90,035

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.58 and RMB1=NT\$4.3378 as of September 30, 2007.

Note 2: The indirect investment made by Taiwan Teleservices & Technologies Co., Ltd., a subsidiary of the Corporation.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
NINE MONTHS ENDED SEPTEMBER 30, 2007
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
0	Taiwan Mobile Co., Ltd.	TransAsia Telecommunications Inc.	1	Accounts receivable	\$ 60,805	Based on regular terms	-
		Mobitai Communications	1	Accounts receivable	15,950	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	214,724	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts receivable	(20)	Based on regular terms	-
		TFN Media Ltd.	1	Accounts receivable	(27)	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Accounts receivable	3	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	110	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other receivables	120,068	Based on regular terms	-
		Mobitai Communications	1	Other receivables	97,282	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	594	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	36,641	Based on regular terms	-
		Taihsing International Telecommunications Co., Ltd.	1	Other receivables	12,645,729	Based on regular terms	11%
		TransAsia Telecommunications Inc.	1	Prepayments	107	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	322	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accounts payable	19,105	Based on regular terms	-
		Mobitai Communications	1	Accounts payable	941	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	5	Based on regular terms	-
		Mobitai Communications	1	Accrued expenses	1,680	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	156,836	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	177,619	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	1	Accrued expenses	19,203	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other payables	173,612	Based on regular terms	-
		Mobitai Communications	1	Other payables	94,835	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	61,304	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Advance receipts	366	Based on regular terms	-
		Mobitai Communications	1	Advance receipts	362	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	1	Advance receipts	34	Based on regular terms	-
		Taiwan United Communication Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		TT&T Life Insurance Agency Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taihsing International Telecommunications Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		TT&T Casualty & Property Insurance Agency Co., Ltd.	1	Advance receipts	34	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	\$ 38	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other current liabilities	160,782	Based on regular terms	-
		Mobitai Communications	1	Other current liabilities	84,963	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	289,383	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	1,330	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	445,300	Based on regular terms	1%
		Mobitai Communications	1	Operating revenues	194,818	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	755,499	Based on regular terms	2%
		TransAsia Telecommunications Inc.	1	Operating costs	220,942	Based on regular terms	-
		Mobitai Communications	1	Operating costs	151,399	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	413,544	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	40	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Marketing expenses	610,737	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Marketing expenses	18,874	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Administrative expenses	38,195	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Administrative expenses	19,954	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	1	Rental income	231	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Rental income	33,233	Based on regular terms	-
		Taihsing International Telecommunications Co., Ltd.	1	Interest income	145,729	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest expense	5	Based on regular terms	-
						Based on regular terms	
1	TransAsia Telecommunications Inc.	The Corporation	2	Accounts receivable	19,105	Based on regular terms	-
		Mobitai Communications	3	Accounts receivable	636	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	5,229	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	1	Based on regular terms	-
		Reach & Range Inc.	3	Accounts receivable	130	Based on regular terms	-
		The Corporation	2	Other receivables	334,394	Based on regular terms	-
		Mobitai Communications	3	Other receivables	5	Based on regular terms	-
		The Corporation	2	Prepayments	366	Based on regular terms	-
		The Corporation	2	Accounts payable	64,688	Based on regular terms	-
		The Corporation	2	Accrued expenses	77,850	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	3,314	Based on regular terms	-
		The Corporation	2	Other payables	38,323	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other payables	2,254	Based on regular terms	-
		The Corporation	2	Advance receipts	106	Based on regular terms	-
		The Corporation	2	Other current liabilities	14	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	4,114	Based on regular terms	-
		The Corporation	2	Operating revenues	220,942	Based on regular terms	-
		Mobitai Communications	3	Operating revenues	5,158	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	20,367	Based on regular terms	-
		The Corporation	2	Operating costs	445,300	Based on regular terms	1%
		Mobitai Communications	3	Operating costs	2,661	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	(149)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	19,352	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Taiwan Fixed Network Co., Ltd.	3	Marketing expenses	\$ 36	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Administrative expenses	30	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Rental income	183	Based on regular terms	-
2	Mobitai Communications	The Corporation	2	Accounts receivable	2,621	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	474	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	4	Based on regular terms	-
		The Corporation	2	Other receivables	179,799	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	2	Other receivables	908,245	Based on regular terms	1%
		The Corporation	2	Prepayments	362	Based on regular terms	-
		The Corporation	2	Accounts payable	16,267	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts payable	642	Based on regular terms	-
		The Corporation	2	Other payables	39,363	Based on regular terms	-
		The Corporation	2	Accrued expenses	57,602	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	459	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other current liabilities	396	Based on regular terms	-
		The Corporation	2	Operating revenues	151,089	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenues	2,661	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	4,551	Based on regular terms	-
		The Corporation	2	Operating costs	194,818	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating costs	5,158	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	1,759	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Marketing expenses	535	Based on regular terms	-
		The Corporation	2	Rental income	309	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	2	Interest income	8,245	Based on regular terms	-
3	Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	The Corporation	2	Other receivables	19,203	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	233	Based on regular terms	-
		The Corporation	2	Prepayments	34	Based on regular terms	-
		Mobitai Communications	1	Accrued expenses	8,245	Based on regular terms	-
		Mobitai Communications	1	Short-term loans	900,000	Based on regular terms	1%
		The Corporation	2	Administrative expenses	231	Based on regular terms	-
		Mobitai Communications	1	Interest expense	8,245	Based on regular terms	-
4	Taihsing International Telecommunications Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
		The Corporation	2	Short-term loans	12,500,000	Based on regular terms	11%
		The Corporation	2	Accrued expenses	145,729	Based on regular terms	-
		The Corporation	2	Interest expense	145,729	Based on regular terms	-
5	Taiwan United Communication Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
6	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Accounts receivable	156,562	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	5,105	Based on regular terms	-
		The Corporation	2	Other receivables	299	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other receivables	431	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Other receivables	10,000	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		The Corporation	2	Prepayments	\$ 34	Based on regular terms	-
		The Corporation	2	Accrued expenses	594	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	302	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Accrued expenses	9,256	Based on regular terms	-
		TT & T Holdings Co., Ltd.	1	Accrued expenses	(143)	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	2	Accrued expenses	233	Based on regular terms	-
		The Corporation	2	Operating revenues	650,275	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	(149)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	6,773	Based on regular terms	-
		TT & T Holdings Co., Ltd.	1	Operating costs	7,406	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating costs	41,459	Based on regular terms	-
		The Corporation	2	Marketing expenses	4,816	Based on regular terms	-
		The Corporation	2	Administrative expenses	34	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Administrative expenses	794	Based on regular terms	-
		The Corporation	2	Rental income	3,513	Based on regular terms	-
7	TT & T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	3,564	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,708	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	7,406	Based on regular terms	-
8	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	9,256	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	42,253	Based on regular terms	-
9	Taiwan Fixed Network Co., Ltd.	The Corporation	2	Accounts receivable	326,885	Based on regular terms	-
		The Corporation	2	Other receivables	2,305	Based on regular terms	-
		The Corporation	2	Prepayments	38	Based on regular terms	-
		The Corporation	2	Refundable deposits	1,330	Based on regular terms	-
		The Corporation	2	Accounts payable	3,109	Based on regular terms	-
		The Corporation	2	Accrued expenses	49,937	Based on regular terms	-
		The Corporation	2	Advance receipts	110	Based on regular terms	-
		The Corporation	2	Operating revenues	445,259	Based on regular terms	1%
		Mobitai Communications	3	Operating revenues	2,294	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenues	19,418	Based on regular terms	-
		The Corporation	2	Operating costs	749,181	Based on regular terms	2%
		Mobitai Communications	3	Operating costs	4,550	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating costs	20,557	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	6,773	Based on regular terms	-
		The Corporation	2	Marketing expenses	22,555	Based on regular terms	-
		The Corporation	2	Administrative expenses	13,905	Based on regular terms	-
		Mobitai Communications	3	Administrative expenses	1	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Administrative expenses	(7)	Based on regular terms	-
		The Corporation	2	Rental income	4,023	Based on regular terms	-
		The Corporation	2	Interest income	5	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
10	TT&T Casualty & Property Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	\$ 34	Based on regular terms	-
11	TT&T Life Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
12	Taiwan Super Basketball Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Other payables	10,000	Based on regular terms	-
13	Taiwan Fixed Network Co., Ltd.	WinTV Broadcasting Co., Ltd.	1	Accounts receivable	12,347	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	11,877	Based on regular terms	-
		TFN Media Ltd.	1	Accounts receivable	32,043	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	6,000	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Short-term loans	1,200,000	Based on regular terms	1%
		Reach & Range Inc.	1	Accounts payable	10,116	Based on regular terms	-
		TFN Media Ltd.	1	Accounts payable	11,270	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Accrued expenses	12,245	Based on regular terms	-
		TFN Media Ltd.	1	Other liabilities - other	10,777	Based on regular terms	-
		Reach & Range Inc.	1	Operating revenues	4,100	Based on regular terms	-
		TFN Media Ltd.	1	Operating revenues	37,194	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	6,000	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating revenues	1,350	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	15,010	Based on regular terms	-
Fu Yang Multimedia Co., Ltd.	1	Operating costs	12,245	Based on regular terms	-		
TFN Investment Co., Ltd.	1	Interest expenses	3,618	Based on regular terms	-		
TFN Media Ltd.	1	Miscellaneous revenue	5,706	Based on regular terms	-		
14	TFN Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other receivables	1,200,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	2	Interest income	3,618	Based on regular terms	-
15	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	10,116	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	108	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	11,769	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	15,010	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	4,100	Based on regular terms	-
16	WinTV Broadcasting Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other payables	5,126	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Long-term notes and accounts payables	7,221	Based on regular terms	-
17	TFN Media Ltd.	Globalview Cable TV Co., Ltd.	3	Accounts receivable	15,458	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	31,260	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accounts receivable	4,221	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	30,568	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	46,749	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Mangrove Cable TV Corporation	3	Accounts receivable	\$ 968	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	11,270	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	73	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other receivables	28	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other receivables	48	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Other receivables	24	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other receivables	30	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Other receivables	169	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Other receivables	10	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other intangible assets	10,777	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	32,043	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	420	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accrued expenses	2,602	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accrued expenses	80	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accrued expenses	260	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accrued expenses	22	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accrued expenses	3,889	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accrued expenses	7,597	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	124,242	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	143,642	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	211,622	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating revenues	37,990	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	320,541	Payment terms varied depend on the agreements	1%
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	37,828	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Globalview Cable TV Co., Ltd.	3	Operating costs	\$ 791	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	8,843	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	510	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	18,064	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	13,160	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	5,072	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating expenses	254	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating expenses	1,091	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Operating expenses	378	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating expenses	145	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating expenses	59	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating expenses	2,122	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating expenses	2,394	Payment terms varied depend on the agreements	-
18	Fu Yang Multimedia Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	12,245	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	1,492	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	2,542	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accounts receivable	603	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts receivable	683	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts payable	1,463	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts payable	2,114	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accounts payable	597	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts payable	489	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accounts payable	442	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts payable	3,518	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Union Cable TV Co., Ltd.	3	Accounts payable	\$ 1,640	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	16,251	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accrued expenses	8,520	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accrued expenses	6,207	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accrued expenses	7,314	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accrued expenses	7,448	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Other payables	210,000	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Other payables	107,700	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other payables	43,000	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other payables	140,000	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Other payables	360,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Other liabilities - other	6,929	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other liabilities - other	6,791	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other liabilities - other	5,184	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other liabilities - other	5,184	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	12,245	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	16,068	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	26,152	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Operating revenues	5,164	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	7,978	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating revenues	6,028	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	32,957	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	14,743	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	12,539	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	\$ 18,122	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Operating costs	5,116	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	4,194	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating costs	3,786	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	30,153	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	14,057	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,350	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	3	Operating expenses	19	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other revenues	3,750	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other revenues	3,750	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Interest expense	5,020	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Interest expense	2,574	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Interest expense	1,028	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Interest expense	3,086	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Interest expense	4,407	Payment terms varied depend on the agreements	-
19	Globalview Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	309	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	1,463	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	111	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	210,000	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	16,251	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	6,929	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	13,805	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	1,492	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Accrued expenses	\$ 1,726	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	846	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	12,539	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	124,242	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	16,068	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	5,020	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	199	Payment terms varied depend on the agreements	-
20	Yeong Jialeh Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	2,114	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	2,556	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	46	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	6,791	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	23,514	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	2,542	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	7,747	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	6,000	Based on regular terms	-
		TFN Media Ltd.	2	Accrued expenses	48	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	9,633	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	18,122	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	211,622	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	29,902	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	301	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous expense	6,000	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
21	Shin Ho Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	\$ 597	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	116,220	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	80	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	24	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	603	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	5,116	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	5,164	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	2,574	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	378	Payment terms varied depend on the agreements	-
22	Mangrove Cable TV Corporation	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	489	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	236	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	43,000	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	23	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	6,207	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	5,184	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	683	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	968	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	28	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	542	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	4,194	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	7,978	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	1,028	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	113	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
23	North Coast Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	\$ 442	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	140,000	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	22	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	5,184	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	7,314	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	4,221	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	30	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	3,786	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	37,990	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	9,778	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	3,086	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	59	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Non-operating income	19	Payment terms varied depend on the agreements	-
24	Phoenix Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	3,748	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	3,518	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	141	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	35,616	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	11,133	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	10	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	14,427	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	30,153	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	320,541	Payment terms varied depend on the agreements	1%
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	32,957	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Non-operating income	\$ 856	Payment terms varied depend on the agreements	-
25	Union Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	7,597	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	1,640	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	367,448	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	15,960	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	14,606	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	169	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	19,906	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	14,057	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	143,643	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	14,743	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	4,407	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	552	Payment terms varied depend on the agreements	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 NINE MONTHS ENDED SEPTEMBER 30, 2006
 (In Thousands of New Taiwan Dollars)
 (Reviewed, Not Audited)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship	Account	Amount	Transaction Terms	
0	The Corporation	TransAsia Telecommunications Inc.	1	Notes receivable	\$ 10	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accounts receivable	42,582	Based on regular terms	-
		Mobitai Communications.	1	Accounts receivable	19,167	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts receivable	1,559	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other receivable	142,073	Based on regular terms	-
		Mobitai Communications.	1	Other receivable	106,533	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivable	1,031	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Prepayments	179	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Notes payable	30	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accounts payables	6,465	Based on regular terms	-
		Mobitai Communications.	1	Accounts payables	672	Based on regular terms	-
		Mobitai Communications	1	Accrued expenses	6,222	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	190,630	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other payable	301,604	Based on regular terms	-
		Mobitai Communications	1	Other payable	159,750	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Advance receipts	134	Based on regular terms	-
		Mobitai Communications	1	Advance receipts	30	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other current liabilities	96,850	Based on regular terms	-
		Mobitai Communications	1	Other current liabilities	69,462	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other current liabilities	90	Based on regular terms	-
		TransAsia Telecommunications Inc.(Included the former TAT)	1	Operating revenues	605,198	Based on regular terms	1%
		Mobitai Communications	1	Operating revenues	187,779	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	6,371	Based on regular terms	-
		TransAsia Telecommunications Inc.(Included the former TAT)	1	Operating costs	284,040	Based on regular terms	1%
		Mobitai Communications	1	Operating costs	119,131	Based on regular terms	-
		TransAsia Telecommunications Inc.(Included the former TAT)	1	Rental income	4,110	Based on regular terms	-
		Mobitai Communications	1	Rental income	890	Based on regular terms	-
Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-		
TransAsia Telecommunications Inc.(Included the former TAT)	1	Marketing expenses	(4)	Based on regular terms	-		
Taiwan Teleservices & Technologies Co., Ltd.	1	Marketing expenses	655,848	Based on regular terms	1%		
Taiwan Teleservices & Technologies Co., Ltd.	1	Administrative expenses	131,502	Based on regular terms	-		
1	TransAsia Telecommunications Inc. (included the former TAT)	The Corporation	2	Notes receivable	30	Based on regular terms	-
		The Corporation	2	Accounts receivable	404,832	Based on regular terms	-
		Mobitai Communications	3	Accounts receivable	1,957	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	1,911	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly TaiHsing Den Syun Co., Ltd.)	3	Other receivable	301,868	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship	Account	Amount	Transaction Terms	
		The Corporation	2	Prepayments	\$ 497	Based on regular terms	-
		The Corporation	2	Notes payable	10	Based on regular terms	-
		The Corporation	2	Accounts payable	49,750	Based on regular terms	-
		Mobitai Communications	3	Accounts payable	2,761	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts payable	9	Based on regular terms	-
		The Corporation	2	Accrued expenses	135,250	Based on regular terms	-
		The Corporation	2	Other payable	63	Based on regular terms	-
		The Corporation	2	Advance receipts	29	Based on regular terms	-
		The Corporation	2	Other current liabilities	20	Based on regular terms	-
		The Corporation	2	Operating revenue	280,810	Based on regular terms	1%
		Mobitai Communications	3	Operating revenue	10,452	Based on regular terms	-
		The Corporation	2	Operating costs	609,308	Based on regular terms	1%
		Mobitai Communications	3	Operating costs	6,088	Based on regular terms	-
		The Corporation	2	Rental income	3,225	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Marketing expenses	(1,756)	Based on regular terms	-
2	Mobitai Communications	The Corporation	2	Accounts receivable	225,683	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts receivable	2,761	Based on regular terms	-
		The Corporation	2	Other receivable	10,423	Based on regular terms	-
		The Corporation	2	Prepayments	30	Based on regular terms	-
		The Corporation	2	Accounts payable	11,732	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts payable	1,957	Based on regular terms	-
		The Corporation	2	Other payable	86,938	Based on regular terms	-
		The Corporation	2	Accrued expenses	27,030	Based on regular terms	-
		The Corporation	2	Operating revenue	119,131	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenue	6,088	Based on regular terms	-
		The Corporation	2	Operating costs	188,669	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating costs	10,452	Based on regular terms	-
3	Taiwan Cellular Co., Ltd. (formerly Taising Den Den Co., Ltd.)	TransAsia Telecommunications Inc.	3	Accrued expenses	1,868	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Other payable	300,000	Based on regular terms	-
4	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Accounts receivable	175,771	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts receivable	(1,606)	Based on regular terms	-
		The Corporation	2	Other receivable	14,950	Based on regular terms	-
		The Corporation	2	Accrued expenses	2,590	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Other current liabilities	295	Based on regular terms	-
		The Corporation	2	Operating revenue	772,249	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenue	(1,756)	Based on regular terms	-
		The Corporation	2	Operating costs	6,301	Based on regular terms	-
		The Corporation	2	Marketing expenses	9,008	Based on regular terms	-
		The Corporation	2	Administrative expenses	103	Based on regular terms	-
		The Corporation	2	Miscellaneous income	24,109	Based on regular terms	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)