

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2008 and 2007 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 March 31, 2008 and 2007, and the related statements of income and cash flows for the three 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 3 of the financial statements, in March 2007, the Accounting Research and Development Foundation issued an interpretation that requires companies to recognize employees bonuses and compensation paid to directors and supervisors as expenses starting from January 1, 2008. The mentioned bonuses and compensation were previously recorded as appropriations from earnings.

As stated in Note 2 of the financial statements, with the purpose of positioning and differentiating itself from the competition as an integrated telecom and media player down the road, and building 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 consolidated entities.

April 11, 2008

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
MARCH 31, 2008 AND 2007
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

| ASSETS | 2008 | | 2007 | | LIABILITIES AND SHAREHOLDERS' EQUITY | 2008 | | 2007 | |
|---|--------------|------|---------------|------|---|----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | CURRENT LIABILITIES | | | | |
| Cash and cash equivalents (Notes 2, 4 and 23) | \$ 8,766,205 | 9 | \$ 24,144,097 | 18 | Short-term borrowing (Note 14) | \$ 16,900,000 | 17 | \$ 12,500,000 | 9 |
| Financial assets at fair value through profit or loss - current (Notes 2 and 5) | - | - | 7,910,615 | 6 | Short-term notes and bills payable (Note 15) | 4,292,812 | 4 | - | - |
| Available-for-sale financial assets - current (Notes 2 and 6) | 305,387 | 1 | 355,833 | - | Accounts payable (Note 23) | 3,583,760 | 4 | 2,288,448 | 2 |
| Notes receivable | 46,754 | - | 12,608 | - | Income taxes payable (Notes 2 and 19) | 2,746,580 | 3 | 3,832,388 | 3 |
| Accounts receivable - third parties (Notes 2 and 7) | 6,437,843 | 7 | 5,844,634 | 5 | Accrued expenses (Note 23) | 4,702,563 | 5 | 3,610,759 | 3 |
| Accounts receivable - related parties (Notes 2 and 23) | 122,030 | - | 225,571 | - | Other payables (Note 23) | 3,865,166 | 4 | 3,029,397 | 2 |
| Other receivables (Note 23) | 236,356 | - | 246,844 | - | Advance receipts | 1,643,260 | 2 | 906,131 | 1 |
| Inventories (Note 2) | 203,960 | - | 77,820 | - | Current portion of long-term liabilities (Notes 2, 16 and 22) | 2,500,000 | 2 | 3,803,112 | 3 |
| Prepayments (Note 23) | 781,247 | 1 | 529,738 | 1 | Guarantee deposits | 79,641 | - | 104,849 | - |
| Deferred income tax assets - current (Notes 2 and 19) | 90,432 | - | 181,644 | - | Deferred income tax liability - current (Notes 2 and 19) | 1,368 | - | - | - |
| Pledged time deposits (Notes 23 and 24) | 47,546 | - | 12,510,000 | 9 | Other current liabilities (Note 23) | 588,158 | 1 | 639,700 | - |
| Other current assets | 43,958 | - | 23,096 | - | | | | | |
| Total current assets | 17,081,718 | 18 | 52,062,500 | 39 | Total current liabilities | 40,903,308 | 42 | 30,714,784 | 23 |
| INVESTMENTS | | | | | LONG-TERM LIABILITIES | | | | |
| Hedging derivative financial assets (Notes 2, 22 and 26) | 32,282 | - | - | - | Hedging derivative financial liabilities (Notes 2, 22 and 26) | - | - | 281,089 | - |
| Financial assets carried at cost - non-current (Notes 2 and 8) | 2,526,701 | 3 | 3,879,192 | 3 | Bonds payable (Notes 2, 16 and 22) | 7,500,000 | 8 | 10,000,000 | 8 |
| Bond measured at amortized cost - non-current (Notes 2 and 9) | 500,000 | - | - | - | Total long-term liabilities | 7,500,000 | 8 | 10,281,089 | 8 |
| Total investments | 3,058,983 | 3 | 3,879,192 | 3 | OTHER LIABILITIES | | | | |
| PROPERTY AND EQUIPMENT (Notes 2, 10 and 24) | | | | | Accrued pension cost (Notes 2 and 17) | 3,221 | - | - | - |
| Cost | | | | | Guarantee deposits | 366,427 | - | 247,357 | - |
| Land | 6,169,969 | 7 | 3,863,140 | 3 | Deferred income tax liability - non-current (Notes 2 and 19) | 64,246 | - | - | - |
| Buildings | 4,148,376 | 4 | 2,475,229 | 2 | Other | 19,744 | - | - | - |
| Telecommunication equipment | 64,018,834 | 66 | 78,096,858 | 58 | Total other liabilities | 453,638 | - | 247,357 | - |
| Office equipment | 244,137 | - | 197,110 | - | Total liabilities | 48,856,946 | 50 | 41,243,230 | 31 |
| Leased assets | 1,276,190 | 1 | 1,276,190 | 1 | SHAREHOLDERS' EQUITY (Notes 2 and 18) | | | | |
| Miscellaneous equipment | 2,352,293 | 3 | 1,949,014 | 1 | Parent's shareholders' equity | | | | |
| Total cost | 78,209,799 | 81 | 87,857,541 | 65 | Capital stock - \$10 par value | | | | |
| Less accumulated depreciation | (30,128,472) | (31) | (32,208,592) | (24) | Authorized: 6,000,000 thousand shares | | | | |
| Construction in progress and prepayments for equipment | 48,081,327 | 50 | 55,648,949 | 41 | Issued: 3,800,925 thousand shares in 2008 and 4,999,757 thousand shares in 2007 | 38,009,254 | 39 | 49,997,573 | 37 |
| Net property and equipment | 50,285,886 | 52 | 58,795,390 | 43 | Capital surplus | 12,270,891 | 13 | 8,756,090 | 6 |
| INTANGIBLE ASSETS (Note 2) | | | | | Retained earnings | | | | |
| 3G concession | 8,037,873 | 8 | 8,785,582 | 7 | Legal reserve | 11,745,475 | 12 | 10,128,401 | 8 |
| Computer software cost | 103,793 | - | 117,103 | - | Special reserve | 3,493,563 | 4 | 3,350,000 | 2 |
| Goodwill (Note 11) | 10,353,216 | 11 | 6,835,370 | 5 | Unappropriated earnings | 14,912,402 | 15 | 23,033,286 | 17 |
| Other intangible assets | | | | | Other equity | | | | |
| Customer relationship (Note 11) | 2,817,628 | 3 | - | - | Cumulative translation adjustments | (14,606) | - | 8,488 | - |
| Operating rights (Note 11) | 1,382,000 | 1 | - | - | Net loss not recognized as pension cost | 1,534 | - | - | - |
| Other intangible assets | 15,925 | - | - | - | Unrealized gains (losses) on financial instruments | 34,609 | - | (168,023) | - |
| Total intangible assets | 4,215,553 | 4 | - | - | Treasury stock | (31,889,100) | (33) | (1,402,946) | (1) |
| OTHER ASSETS | | | | | Minority interests | 69,847 | - | 24,444 | - |
| Assets leased to others (Notes 2 and 12) | 463,273 | 1 | 2,408,471 | 2 | Total shareholders' equity | 48,633,869 | 50 | 93,727,313 | 69 |
| Idle assets (Notes 2 and 12) | 315,101 | - | 227,439 | - | TOTAL | \$ 97,490,815 | 100 | \$ 134,970,543 | 100 |
| Refundable deposits | 418,655 | - | 313,266 | - | | | | | |
| Deferred charges (Notes 2 and 13) | 297,307 | - | 292,349 | - | | | | | |
| Deferred income tax assets - non-current (Notes 2 and 19) | 2,798,551 | 3 | 1,173,196 | 1 | | | | | |
| Other | 60,906 | - | 80,685 | - | | | | | |
| Total other assets | 4,353,793 | 4 | 4,495,406 | 3 | | | | | |

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

(With Deloitte & Touche review report dated April 11, 2008)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED MARCH 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

| | 2008 | | 2007 | |
|--|---------------------|-----------|---------------------|-----------|
| | Amount | % | Amount | % |
| OPERATING REVENUES (Notes 2 and 23) | \$ 17,244,521 | 100 | \$ 14,483,951 | 100 |
| OPERATING COSTS (Notes 2, 3, 21 and 23) | <u>7,626,255</u> | <u>44</u> | <u>6,183,281</u> | <u>43</u> |
| GROSS PROFIT | <u>9,618,266</u> | <u>56</u> | <u>8,300,670</u> | <u>57</u> |
| OPERATING EXPENSES (Notes 2, 3, 21 and 23) | | | | |
| Marketing | 2,793,731 | 16 | 2,224,003 | 15 |
| Administrative | <u>1,185,185</u> | <u>7</u> | <u>1,096,584</u> | <u>8</u> |
| Total operating expenses | <u>3,978,916</u> | <u>23</u> | <u>3,320,587</u> | <u>23</u> |
| OPERATING INCOME | <u>5,639,350</u> | <u>33</u> | <u>4,980,083</u> | <u>34</u> |
| NON-OPERATING INCOME AND GAINS | | | | |
| Gain on disposal of investments, net (Note 2) | 262,759 | 2 | - | - |
| Penalty income | 55,142 | - | 51,140 | - |
| Interest income | 34,049 | - | 52,173 | 1 |
| Rental income (Note 23) | 16,785 | - | 27,564 | - |
| Valuation gain on financial assets, net (Note 2) | 446 | - | 43,574 | - |
| Gain on disposal of property and equipment (Note 2) | 166 | - | 3,799 | - |
| Other (Notes 2 and 7) | <u>74,062</u> | <u>1</u> | <u>122,174</u> | <u>1</u> |
| Total non-operating income and gains | <u>443,409</u> | <u>3</u> | <u>300,424</u> | <u>2</u> |
| NON-OPERATING EXPENSES AND LOSSES | | | | |
| Loss on disposal and retirement of property and equipment (Note 2) | 203,806 | 1 | 185,161 | 1 |
| Interest expenses (Notes 2 and 10) | 199,184 | 1 | 79,162 | 1 |
| Other | <u>39,157</u> | <u>1</u> | <u>35,851</u> | <u>-</u> |
| Total non-operating expenses and losses | <u>442,147</u> | <u>3</u> | <u>300,174</u> | <u>2</u> |
| INCOME BEFORE INCOME TAX | 5,640,612 | 33 | 4,980,333 | 34 |
| INCOME TAX EXPENSE (Notes 2 and 19) | <u>1,435,909</u> | <u>9</u> | <u>1,170,665</u> | <u>8</u> |
| CONSOLIDATED NET INCOME | <u>\$ 4,204,703</u> | <u>24</u> | <u>\$ 3,809,668</u> | <u>26</u> |

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED MARCH 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

| | 2008 | | 2007 | |
|------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | Amount | % | Amount | % |
| ATTRIBUTED TO | | | | |
| Shareholders of the parent | \$ 4,192,172 | 24 | \$ 3,809,732 | 26 |
| Minority interests | <u>12,531</u> | <u>-</u> | <u>(64)</u> | <u>-</u> |
| | <u>\$ 4,204,703</u> | <u>24</u> | <u>\$ 3,809,668</u> | <u>26</u> |
| | | | | |
| | 2008 | | 2007 | |
| | Before Income Tax | After Income Tax | Before Income Tax | After Income Tax |
| EARNINGS PER SHARE (Note 20) | | | | |
| Basic | <u>\$ 1.83</u> | <u>\$ 1.44</u> | <u>\$ 0.96</u> | <u>\$ 0.77</u> |
| Diluted | | | <u>\$ 0.96</u> | <u>\$ 0.77</u> |

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

(With Deloitte & Touche review report dated April 11, 2008)

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | 2008 | 2007 |
|---|------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Consolidated net income | \$ 4,204,703 | \$ 3,809,668 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 1,725,164 | 1,710,057 |
| Amortization | 276,543 | 246,058 |
| Gain on disposal of investments, net | (262,759) | - |
| Loss on disposal and retirement of property and equipment, net | 203,640 | 181,362 |
| Deferred income taxes | 153,308 | 382,934 |
| Bad debts | 151,319 | 242,510 |
| Amortization of long-term notes payable | 9,660 | - |
| Pension cost | 273 | (280) |
| Reversal of allowance for loss on inventories | (75) | (7,018) |
| Accrued interest compensation | - | 504 |
| Net changes in operating assets and liabilities | | |
| Financial assets held for trading | 131,973 | 6,166,553 |
| Notes receivable | 38,349 | (775) |
| Accounts receivable - third parties | 173,834 | 74,333 |
| Accounts receivable - related parties | (1,396) | 24,367 |
| Other receivables | 7,112 | 32,072 |
| Inventories | (44,026) | (39,570) |
| Prepayments | 69,353 | 70,084 |
| Other current assets | (21,355) | (729) |
| Accounts payable | 715,760 | 479,379 |
| Income taxes payable | 1,030,069 | 780,548 |
| Accrued expenses | (609,797) | (397,923) |
| Other payables | (29,925) | (99,256) |
| Advance receipts | (333,803) | (109,404) |
| Other current liabilities | <u>(140,269)</u> | <u>(39,156)</u> |
| Net cash provided by operating activities | <u>7,447,655</u> | <u>13,506,318</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds of the disposal of available-for-sale financial assets | 2,089,511 | - |
| Acquisition of property and equipment | (1,253,764) | (1,760,893) |
| Increase in goodwill | (1,121,738) | - |
| Increase in deferred charges | (56,702) | (25,426) |
| Increase in refundable deposits | (13,070) | (11,306) |
| Proceeds from investees' capital reduction | 2,688 | - |
| Proceeds of the disposal of property and equipment | 2,254 | 4,479 |
| Decrease in other assets | 1,011 | 71 |

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

| | 2008 | 2007 |
|---|---------------------|----------------------|
| Increase in computer software costs and other intangible assets | \$ (731) | \$ - |
| Decrease (increase) in pledged time deposits | <u>159</u> | <u>(12,500,000)</u> |
| Net cash used in investing activities | <u>(350,382)</u> | <u>(14,293,075)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds of the disposal of treasury stock | 13,509,828 | - |
| Cash reduction | (9,430,585) | - |
| Decrease in minority interests | (7,238,442) | - |
| Increase in short-term notes and bills payable | 2,698,059 | - |
| Remuneration of long-term notes payable | (2,450,000) | - |
| Increase (decrease) in short-term bank loans | (2,440,000) | 12,500,000 |
| Increase (decrease) in guarantee deposits | 238 | (15,766) |
| Transfer of treasury stock to employees | <u>-</u> | <u>29,474</u> |
| Net cash provided by (used in) financing activities | <u>(5,350,902)</u> | <u>12,513,708</u> |
| EFFECT OF EXCHANGE RATE CHANGES | <u>(8,257)</u> | <u>1,421</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,738,114 | 11,728,372 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>7,028,091</u> | <u>12,415,725</u> |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$ 8,766,205</u> | <u>\$ 24,144,097</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | \$ 131,866 | \$ - |
| Less: Interest capitalized | <u>(2,641)</u> | <u>-</u> |
| Interest paid - excluding interest capitalized | <u>\$ 129,225</u> | <u>\$ -</u> |
| Income tax paid | <u>\$ 122,586</u> | <u>\$ 8,693</u> |
| NON-CASH INVESTING AND FINANCING ACTIVITIES | | |
| Current portion of long-term liabilities | <u>\$ 2,500,000</u> | <u>\$ 3,803,112</u> |
| Conversion of convertible bonds to capital stock and entitlement certificates | <u>\$ -</u> | <u>\$ 11,841</u> |
| CASH INVESTING AND FINANCING ACTIVITIES | | |
| Acquisition of property and equipment | \$ 1,151,299 | \$ 1,415,069 |
| Add: Decrease in other payables | 97,292 | 345,824 |
| Add: Decrease in notes payable | <u>5,173</u> | <u>-</u> |
| Cash paid for acquisition of property and equipment | <u>\$ 1,253,764</u> | <u>\$ 1,760,893</u> |

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

(With Deloitte & Touche review report dated April 11, 2008)

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2008 AND 2007

(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 March 31, 2008 and 2007, the Corporation and subsidiaries had 4,534 and 2,978 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, bonus to employees, directors and supervisors, impairment loss on assets, etc. Actual results may differ from these estimates.

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

Consolidation

a. Basis of consolidation

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

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

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

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

| Investor | Subsidiary | Main Businesses and Products | Percentage of Ownership as of March 31 | | Note |
|--------------|---|--|--|--------|---|
| | | | 2008 | 2007 | |
| 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 | Wealth Media Technology Co., Ltd. (WMT) | Investment | 100.00 | - | Established on August 7, 2007 |
| WMT | Tai Fu Media Technology Co., Ltd. (TFMT) | Investment | 100.00 | - | Established on October 18, 2007 |
| TFMT | Global Wealth Media Technology Co., Ltd. (GWMT) | Investment | 100.00 | - | Established on October 26, 2007 |
| TFMT | Fu Jia Leh Media Technology Co., Ltd. (FJLMT) | Investment | 100.00 | - | Established on November 23, 2007 |
| TFMT | Fu Sin Media Technology Co., Ltd. (FSMT) | Investment | 100.00 | - | Established on November 23, 2007 |
| GWMT | Globalview Cable TV Co., Ltd. (GCTV) | Cable TV SO (System Operator) | 6.179 | - | - |
| Corporation | Taiwan Cellular Co., Ltd. (TCC) | Equipment installation and IT service | 100.00 | 100.00 | - |
| TCC | Mobitai Communications (Mobitai) | Wireless service provider | - | 100.00 | Merged into TAT on December 15, 2007 |
| TCC | Tai Yi Digital Broadcasting Co., Ltd. (TYDB) | Broadcasts business and cell phone number agency | 49.90 | 49.90 | - |
| TCC | TWM Holding Co. Ltd. | Investment | 100.00 | 100.00 | - |
| TCC | Taiwan Fixed Network Co., Ltd. (TFN) | Fixed network service | 100.00 | 100.00 | a. Established on January 30, 2007. Formerly Taihsing International Telecommunications Co., Ltd., merged with the former TFN on December 28, 2007 and renamed as Taiwan Fixed Network Co., Ltd. b. As of March 31, 2008, the TFN and TFNI own the Corporation's 811,918 thousand shares, representing 21.36% shareholding. |
| TCC | Taiwan Digital Communications Co., Ltd. (TDC) | Communication service | 100.00 | - | Established on June 6, 2007 |
| TCC | 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 | Liquidated in March 15, 2008 |
| 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 related 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 | - |

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| Investor | Subsidiary | Main Businesses and Products | Percentage of Ownership as of March 31 | | Note |
|----------|---|---|--|------|---|
| | | | 2008 | 2007 | |
| TFN | TFN Investment Co., Ltd. (TFNI) | Investment | 100.00 | - | - |
| TFN | TFN HK Ltd. | Telecommunications | 99.99 | - | - |
| TFN | Taiwan United Communication Co., Ltd. (TUC) | Communication service | - | - | Established on April 14, 2007, and acquired minority interests of TTN through share swap on December 31, 2007 and merged with TFN on January 1, 2008 |
| TFN | Taiwan Telecommunication Network Services Co., Ltd. (TTN) | Data communication/ voice value-added service | 99.53 | - | TUC acquired more than 50% equity and consolidated TTN into financial statements since September, 2007. TUC acquired minorities of TTN through share swap on December 31, 2007. |
| TTN | VoPier Communications (Taiwan) Co., Ltd. (VoPier) | International simple resale and prepaid card | 100.00 | - | - |
| TFNI | Reach & Range Inc. (R&R) | Telecom equipment sales and maintenance | 100.00 | - | - |
| TFNI | Win TV Broadcasting Co., Ltd. (WTVB) | TV program producing | 98.50 | - | - |
| TFNI | TFN Media Co., Ltd. (TFNM) | Cable broadband service | 100.00 | - | - |
| TFNM | Union Cable TV Co., Ltd. (UCTV) | Cable TV SO (System Operator) | 99.99 | - | - |
| TFNM | Shin Ho Cable TV Co., Ltd. (SHCTV) | Cable TV SO (System Operator) | 100.00 | - | Some shares held under trustee accounts |
| TFNM | Yeong Jialeh Cable TV Co., Ltd. (YJCTV) | Cable TV SO (System Operator) | 100.00 | - | - |
| TFNM | Mangrove Cable TV Corporation (MCTV) | Cable TV SO (System Operator) | 100.00 | - | Some shares held under trustee accounts |
| TFNM | North Coast Cable TV Co., Ltd. (NCCTV) | Cable TV SO (System Operator) | 100.00 | - | - |
| TFNM | Phoenix Cable TV Co., Ltd. (PCTV) | Cable TV SO (System Operator) | 96.66 | - | - |
| TFNM | GCTV | Cable TV SO (System Operator) | 92.38 | - | - |

(Concluded)

With the purpose of positioning and differentiating itself from the competition as an integrated telecom and media player down the road, and building growth momentum exposure to higher margin lines of business, the Board of Directors of TIT resolved to acquire the former TFN through a public tender offer on March 1, 2007, and approved to buy shares continuously from minorities on April 26, 2007, both at the price of \$8.3 per share. The former TFN and its subsidiaries have become the subsidiaries of the Corporation since April 17, 2007. In addition, TIT's Board of Directors resolved on June 29, 2007 to fully merge the former TFN at \$8.3 per share, with TIT as the surviving company. TIT thus assumed all the rights and obligations of TFN and was renamed as TFN on the record date, December 28, 2007.

As of April 17, 2007, the Corporation owned 84.03% of the former TFN's shares through subsidiaries. The financial numbers of the former TFN and its subsidiaries have been included in the consolidated entities.

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, 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.

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 (loss) and recorded as other liabilities (assets). 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.

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

Financial Assets Carried at Cost

If there is no active market for an equity instrument and a reliable fair value can not be estimated, the equity instrument, including non-publicly traded and emerging stocks, etc, is measured at cost. The accounting for the dividends from financial assets carried at cost is the same as that for 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.

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 - 40 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

a. Franchise

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

b. Computer software

Computer software cost is amortized by straight-line method over 2 to 12 years.

c. 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.

d. Customer relationship and operating rights

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

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

e. Other

Trademarks are amortized by the straight-line method over 5 to 10 years.

Idle Assets

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

Deferred Charges

Deferred charges, which include interior decoration costs, bond issuance costs, and arrangement fees for syndicated bank loans are amortized by the straight-line method over three to seven years 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 and deferred charges) 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 is 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 year.

Non-monetary assets or liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date when the fair value was determined, and the resulting exchange differences are included in profit or loss for the current 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 in order 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 three months ended March 31, 2007 have been reclassified to conform to the presentation of financial statements as of and for the three months ended March 31, 2008.

3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

In March 2007, the Accounting Research and Development Foundation issued an interpretation that requires companies and their subsidiaries to recognize as compensation expenses those bonuses to employees and remunerations to directors and supervisors starting from January 1, 2008. The mentioned bonuses and remunerations were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in a decrease of \$92,773 thousand in net income and a decrease in basic earnings per share of \$0.03 for the three months ended March 31, 2008.

4. CASH AND CASH EQUIVALENTS

| | <u>March 31</u> | |
|---|---------------------|----------------------|
| | <u>2008</u> | <u>2007</u> |
| Short-term notes and bills with repurchase rights | \$ 5,548,047 | \$ 9,163,850 |
| Government bonds with repurchase rights | 1,543,056 | 266,599 |
| Cash in banks | 1,196,111 | 13,568,914 |
| Time deposits | 449,278 | 1,111,067 |
| Cash on hand | 23,297 | 30,077 |
| Revolving funds | <u>6,416</u> | <u>3,590</u> |
| | <u>\$ 8,766,205</u> | <u>\$ 24,144,097</u> |

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

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

| | <u>March 31</u> | |
|--|-----------------|---------------------|
| | <u>2008</u> | <u>2007</u> |
| <u>Financial assets held for trading</u> | | |
| Beneficiary certificates | | |
| Open-end mutual funds | <u>\$ -</u> | <u>\$ 7,910,615</u> |

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

| | <u>March 31</u> | |
|---|-------------------|-------------------|
| | <u>2008</u> | <u>2007</u> |
| Domestic listed stocks | | |
| Chunghwa Telecom Co., Ltd. | \$ 214,771 | \$ 172,301 |
| Overseas listed stocks | | |
| Hurray! Holding Co., Ltd. (NASDAQ listed company) | <u>90,616</u> | <u>183,532</u> |
| | <u>\$ 305,387</u> | <u>\$ 355,833</u> |

7. ACCOUNTS RECEIVABLE - THIRD PARTIES

| | <u>March 31</u> | |
|--------------------------------------|---------------------|---------------------|
| | <u>2008</u> | <u>2007</u> |
| Accounts receivable | \$ 6,934,301 | \$ 6,397,600 |
| Less allowance for doubtful accounts | <u>(496,458)</u> | <u>(552,966)</u> |
| | <u>\$ 6,437,843</u> | <u>\$ 5,844,634</u> |

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

8. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

| | <u>March 31</u> | |
|---|---------------------|---------------------|
| | <u>2008</u> | <u>2007</u> |
| Domestic emerging stocks | | |
| The former Taiwan Fixed Network Co., Ltd. | \$ - | \$ 3,743,808 |
| Taiwan High Speed Rail Corporation | 2,120,829 | - |
| Domestic unlisted stocks | | |
| Arcoa Communication Co., Ltd. | 67,731 | 67,731 |
| Great Taipei Broadband Co., Ltd. | 50,528 | - |
| Parawin Venture Capital Corp. | 22,202 | 25,144 |
| WEB Point Co., Ltd. | 6,773 | 7,084 |
| Sunnet Technologies Co., Ltd. | - | 3,265 |
| Foreign unlisted stocks | | |
| Bridge Mobile Pte Ltd. | 71,596 | 32,160 |
| Domestic unlisted preferred stock | | |
| New Century Information Tech. Co., Ltd. | <u>187,042</u> | <u>-</u> |
| | <u>\$ 2,526,701</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.

9. BONDS MEASURED AT AMORTIZED COST - NON-CURRENT

| | <u>March 31</u> | |
|--|-----------------|-------------|
| | <u>2008</u> | <u>2007</u> |
| Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A | \$ 500,000 | \$ - |

10. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

| | <u>March 31</u> | |
|-----------------------------|----------------------|----------------------|
| | <u>2008</u> | <u>2007</u> |
| Accumulated depreciation | | |
| Buildings | \$ 551,122 | \$ 270,000 |
| Telecommunication equipment | 27,961,812 | 30,776,325 |
| Office equipment | 139,311 | 94,139 |
| Leased assets | 372,222 | 308,413 |
| Miscellaneous equipment | <u>1,104,005</u> | <u>759,715</u> |
| | <u>\$ 30,128,472</u> | <u>\$ 32,208,592</u> |

Interest expenses capitalized for the three months ended March 31, 2008 and 2007 \$2,641 thousand and \$9,287 thousand, respectively, with interest rates both ranging from 2.4 % to 2.64 %.

11. INTANGIBLE ASSETS

| | <u>Three Months Ended March 31</u> | | | |
|----------------------|------------------------------------|------------------------------|-------------------------|---------------------|
| | <u>2008</u> | | | <u>2007</u> |
| | <u>Goodwill</u> | <u>Customer Relationship</u> | <u>Operating Rights</u> | <u>Goodwill</u> |
| <u>Cost</u> | | | | |
| Beginning balance | \$ 9,231,478 | \$ 2,861,323 | \$ 1,382,000 | \$ 6,835,370 |
| Add: | | | | |
| Acquired from merger | 1,121,738 | - | - | - |
| Amortization | <u>-</u> | <u>(43,695)</u> | <u>-</u> | <u>-</u> |
| Ending balance | <u>\$ 10,353,216</u> | <u>\$ 2,817,628</u> | <u>\$ 1,382,000</u> | <u>\$ 6,835,370</u> |

a. Customer relationship and operating rights

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

- 1) On April 17, 2007, TFN, the Corporation's 100%-owned subsidiary, acquired more than 50% of the former TFN through a public tender offer at the price of NT\$8.3 pre share. The Corporation divided the former TFN and its subsidiaries into two cash-generating units, fixed network service and cable TV. Accordingly, customer relationship and operating rights are identified as major intangible assets.
- 2) On September, 2007, TUC, the Corporation's 100%-owned subsidiary, acquired more than 50% of TTN's shares at NT\$13.843 per share. The Corporation measured the fair value of the acquired assets, and viewed TTN's ISP services as one cash-generating unit. Accordingly, customer relationship is identified as major intangible asset.

b. Goodwill

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

In 2006, the Group was engaged in mobile service only and identified the Corporation, TAT and Mobitai as independent cash-generating units.

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

1) Wireless service

a) Assumptions on operating revenues

After taking changes in the telecom industry and competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers, minutes of incoming and outgoing calls and average revenue per minute.

b) Assumptions on operating costs and expenses

The estimates of commissions, customer retention costs, customer service costs and bill processing costs were based on the projected changes in subscriber numbers. The estimates of remaining costs and expenses were based on the proportion of the actual costs and expenses to operating revenues in the 2007 and 2006 financial statements.

c) Assumptions on discount rate

In 2007, the Group used the discount rate of 6.78% in calculating the consolidated asset recoverable amounts of the Corporation, TAT and the Mobitai. In 2006, the discount rates are 8.70%, 9.84%, and 9.70% in calculating the asset recoverable amounts of the Corporation, TAT and the Mobitai, respectively.

2) Cable television business

a) Assumptions on operating revenues

After taking changes in the cable television industry and competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers and average revenue per subscriber.

b) Assumptions on operating costs and expenses

The estimates of 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 2007 and 2006 financial statements.

c) Assumptions on discount rate

The discount rate used to calculate the asset recoverable amounts was ranging 3.86% to 4.64%.

Based on the key assumptions of each cash-generating unit, the Group's management believes that the carrying amounts of these assets for operating and goodwill will not exceed their recoverable amounts even if there are changes in the critical assumptions used to estimate recoverable amounts as long as these changes are reasonable for the years ended December 31, 2007 and 2006.

12. ASSETS LEASED TO OTHERS AND IDLE ASSETS

| | March 31 | |
|-----------------------------------|-------------------|---------------------|
| | 2008 | 2007 |
| Assets leased to others | | |
| Cost | \$ 501,405 | \$ 2,527,005 |
| Less: Accumulated depreciation | (27,541) | (107,943) |
| Less: Accumulated impairment | <u>(10,591)</u> | <u>(10,591)</u> |
| | <u>\$ 463,273</u> | <u>\$ 2,408,471</u> |
| Idle assets | | |
| Cost | \$ 733,371 | \$ 2,461,759 |
| Less: Allowance for value decline | (187,519) | (1,433,279) |
| Less: Accumulated depreciation | (102,187) | (672,179) |
| Less: Accumulated impairment | <u>(128,564)</u> | <u>(128,862)</u> |
| | <u>\$ 315,101</u> | <u>\$ 227,439</u> |

13. DEFERRED CHARGES

| | March 31 | |
|---|-------------------|-------------------|
| | 2008 | 2007 |
| Interior decoration | \$ 266,745 | \$ 278,701 |
| Arrangement fee for syndicated bank loans | 20,250 | - |
| Other | <u>10,312</u> | <u>13,648</u> |
| | <u>\$ 297,307</u> | <u>\$ 292,349</u> |

14. SHORT-TERM BORROWING

| | March 31 | |
|-----------------|----------------------|----------------------|
| | 2008 | 2007 |
| Unsecured loans | \$ 16,900,000 | \$ - |
| Mortgage loans | <u>-</u> | <u>12,500,000</u> |
| | <u>\$ 16,900,000</u> | <u>\$ 12,500,000</u> |
| Interest rate | 2.432%-2.62% | 1.2684% |

15. SHORT-TERM NOTES AND BILLS PAYABLE

| | <u>March 31</u> | |
|--|---------------------|-------------|
| | <u>2008</u> | <u>2007</u> |
| Commercial paper payable | | |
| The Shanghai Commercial & Savings Bank, Ltd. | \$ 2,000,000 | \$ - |
| China Bills Finance Corporation | 850,000 | - |
| International Bills financial Corporation | 850,000 | - |
| Mega Bills financial Corporation | <u>600,000</u> | <u>-</u> |
| | 4,300,000 | - |
| Less: Discount on short-term notes and bills payable | <u>(7,188)</u> | <u>-</u> |
| Net carrying value | <u>\$ 4,292,812</u> | <u>\$ -</u> |
| Interest rate | 2.042%-2.26% | - |

16. BONDS PAYABLE

| | <u>March 31</u> | | | |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------|
| | <u>2008</u> | | <u>2007</u> | |
| | <u>Current</u> | <u>Non-current</u> | <u>Current</u> | <u>Non-current</u> |
| Domestic unsecured bonds | \$ 2,500,000 | \$ 7,500,000 | \$ 3,750,000 | \$ 10,000,000 |
| 2nd domestic convertible bonds | - | - | 45,700 | - |
| Add accrued interest compensation | <u>-</u> | <u>-</u> | <u>7,412</u> | <u>-</u> |
| | <u>\$ 2,500,000</u> | <u>\$ 7,500,000</u> | <u>\$ 3,803,112</u> | <u>\$ 10,000,000</u> |

a 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 |
|---|----------------------|
| From the second to fourth quarter, 2008 | \$ 2,500,000 |
| 2009 | <u>7,500,000</u> |
| | <u>\$ 10,000,000</u> |

b 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 August 15, 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%.

17. 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 and its subsidiaries should contribute monthly an amount equal to 6% of the employees' monthly wages to the employees' individual pension accounts. The contributed amount was \$44,717 thousand and \$28,920 thousand for the three months ended March 31, 2008 and 2007, 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 and its subsidiaries contributes monthly an amount equal to 2% of the employees' monthly wages to a pension fund. The pension fund is managed by an independently administered pension fund committee and deposited in the committee's name in the Bank of Taiwan (formerly the Central Trust of China, which was merged into the Bank of Taiwan in July 2007.) (Approved by Department of Labor, Taipei City Government on April 13, 2007 and January 22, 2008, the Corporation suspended contributing from February 2007 to January 2009.)

18. SHAREHOLDERS' EQUITY

a. Capital surplus

Under the Company Act, capital surplus may only be used to offset a deficit. However, capital surplus generated from the excess of the issue price over the par value of capital stock, including the stock issued for new capital and the buyback of treasury stock, may be transferred to capital as stock dividends, and this transfer is restricted to a certain percentage of the capital and may be made only within prescribed limits each time.

Capital surplus as of March 31, 2008 and 2007 were as follows:

| | <u>March 31</u> | |
|--|----------------------|---------------------|
| | <u>2008</u> | <u>2007</u> |
| Premium of convertible bonds | \$ 8,775,819 | \$ 8,756,090 |
| Surplus from treasury stock transactions | 3,493,759 | - |
| Arising from long-term investments | <u>1,313</u> | <u>-</u> |
| | <u>\$ 12,270,891</u> | <u>\$ 8,756,090</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 in the financial statements of that year.

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

For the three months ended March 31, 2008, the bonuses to employees and remunerations to directors and supervisors were accrued based on a respective 3% and 0.3% of net income after setting aside 10% net income as legal reserves. The significant difference between annual accruals and the amount approved by the Board shall be adjusted in 2008's P&L. If the board's approval differs from the amount ratified at the AGM (Annual General Shareholders' Meeting), the difference will be treated as changes in accounting estimation and will be adjusted in 2009's P&L.

The 2007 and 2006 earnings appropriations resolved by the Board of Directors and the shareholders in their meetings on January 31, 2008 and June 15, 2007, respectively, were as follows:

| | <u>Appropriation of Earnings</u> | | <u>Dividend Per Share</u> (NT\$) | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | <u>For Fiscal</u> <u>Year 2007</u> | <u>For Fiscal</u> <u>Year 2006</u> | <u>For Fiscal</u> <u>Year 2007</u> | <u>For Fiscal</u> <u>Year 2006</u> |
| Appropriation of legal reserve | \$ 661,300 | \$ 1,617,074 | | |
| Appropriation of special reserve | - | 143,563 | | |
| Reversal of special reserve | (86,819) | - | | |
| Remuneration to directors and supervisors | 18,116 | 43,231 | | |
| Cash bonus to employees | 181,155 | 432,303 | | |
| Cash dividends | <u>7,601,851</u> | <u>12,880,151</u> | \$2.0 | \$2.58757 |
| | <u>\$ 8,375,603</u> | <u>\$ 15,116,322</u> | | |

As of April 11, 2008, the independent auditors' report date, the appropriation of the Corporation's 2007 earnings had not been approved by the shareholders' meeting. Information on the appropriation of the 2007 earnings and the bonuses to employees, directors and supervisors proposed by the Board of Directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

c. Cash reduction

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

d. Treasury stock

| <u>Purpose of Buyback</u> | <u>(Shares in Thousands)</u> | | | |
|--|-----------------------------------|-----------------|-----------------|--------------------------------|
| | <u>Beginning</u> <u>Shares</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending</u> <u>Shares</u> |
| <u>Three months ended March 31, 2008</u> | | | | |
| Shares held by subsidiaries | 1,368,250 (Note) | - | 556,332 | 811,918 |
| <u>Three months ended March 31, 2007</u> | | | | |
| To be transferred to employees | 46,537 | - | 1,112 | 45,425 |

Note: Shares held before capital reduction.

1) Transfer of stock to employees

For the three months ended March 31, 2007, the Corporation transferred the bought-back treasury stocks through various tranches to employees of 1,112 thousand shares at \$28.17 per share, respectively, resulting in a reduction of retained earnings, amounting to \$4,869 thousand.

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

On March 31, 2008, TFN and TFNI, its subsidiary, held the carrying and market value of the treasury stocks, amounting to \$47,497,180 thousand. The Corporation reclassified \$31,889,100 thousand from investments accounted for using equity method to treasury stock based on SFAS No. 30, "Treasury Stock". Although these shares are treated as treasury stock in the consolidated financial statements, the shareholders are entitled to exercise their rights on these shares, except for participation in capital injection by cash. In addition, based on the ROC Company Act, the shareholders of treasury stocks can not exercise the voting right.

For the three months ended March 31, 2008, TFN sold 300,000 thousand shares of the Corporation for \$13,509,828 thousand. Disposal gain from the sales resulted in a \$3,485,732 thousand increase in capital surplus. Separately, the Corporation's shares held by subsidiaries were reduced by 256,332 thousand shares due to the Corporation's capital reduction.

e. Unrealized losses on financial instruments

Unrealized gains or losses on financial instruments for the three months ended March 31, 2008 and 2007 were summarized as follows:

| | Three Months Ended | |
|--|---------------------------|---------------------|
| | March 31 | |
| | 2008 | 2007 |
| Available-for-sale financial assets | | |
| Balance, beginning of year | \$ 57,560 | \$ 40,652 |
| Fair value changes recognized directly in equity | <u>37,659</u> | <u>9,408</u> |
| | <u>95,219</u> | <u>50,060</u> |
| Changes in unrealized gains (losses) of cash flow hedge | | |
| Balance, beginning of year | (38,749) | (218,284) |
| Fair value changes recognized directly in equity | <u>62,961</u> | <u>7,467</u> |
| | <u>24,212</u> | <u>(210,817)</u> |
| Recognition of investees' changes in unrealized gains or losses by the equity method | | |
| Balance, beginning of year | (82,854) | 30,209 |
| Fair value changes recognized directly in equity | <u>(1,968)</u> | <u>(37,475)</u> |
| | <u>(84,822)</u> | <u>(7,266)</u> |
| Unrealized gains (losses) of financial instruments | <u>\$ 34,609</u> | <u>\$ (168,023)</u> |

19. 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:

| | Three Months Ended | |
|---|---------------------------|---------------------|
| | March 31 | |
| | 2008 | 2007 |
| Tax on pretax income at statutory tax rate (25%) | \$ 3,867,885 | \$ 1,421,703 |
| Add (deduct) tax effects of: | | |
| Permanent differences | | |
| Investment income from domestic investees accounted for using equity method | (1,511,223) | (186,496) |
| Tax-exempt dividend income | (987,219) | (9,174) |
| Other | (32,482) | (10,271) |
| Temporary differences | (130,468) | (391,481) |
| Income tax (10%) on unappropriated earnings | 195,172 | - |
| Investment tax credits | (229,720) | (36,122) |
| Prior years' loss carryforward | (17,674) | (7,980) |
| Deferred income taxes | 153,308 | 382,934 |
| Prior year's adjustment | 123,953 | 319 |
| Tax on short-term bills | <u>4,377</u> | <u>7,233</u> |
| Income tax expense | <u>\$ 1,435,909</u> | <u>\$ 1,170,665</u> |

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

| | March 31 | |
|---|---------------------|---------------------|
| | 2008 | 2007 |
| Unrealized loss on retirement of property and equipment | \$ 2,380,997 | \$ 528,620 |
| Provision for doubtful accounts | 804,450 | 877,602 |
| Provision for impairment losses on idle assets | 223,872 | 303,815 |
| Amortization of goodwill | (233,072) | (90,257) |
| Unrealized losses (gains) on financial instruments | (8,071) | 70,272 |
| Prior year's loss carryforward | 103,264 | 31,664 |
| Investment tax credits | 463,898 | - |
| Accrued interest compensation | - | 1,853 |
| Other | <u>27,399</u> | <u>15,608</u> |
| | 3,762,737 | 1,739,177 |
| Less valuation allowance | <u>(939,368)</u> | <u>(384,337)</u> |
| | <u>\$ 2,823,369</u> | <u>\$ 1,354,840</u> |
| Deferred income tax assets | | |
| Current | \$ 90,432 | \$ 181,644 |
| Non-current | <u>2,798,551</u> | <u>1,173,196</u> |
| | <u>\$ 2,888,983</u> | <u>\$ 1,354,840</u> |
| Deferred income tax liabilities | | |
| Current | \$ (1,368) | \$ - |
| Non-current | <u>(64,246)</u> | <u>-</u> |
| | <u>\$ (65,614)</u> | <u>\$ -</u> |

- c. As of March 31, 2008, TFN, TTN, WTVB and TFNM'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 | \$ 655,509 | \$ 459,996 | 2012 |
| | Personnel training | <u>3,902</u> | <u>3,902</u> | 2010 |
| | | <u>\$ 659,411</u> | <u>\$ 463,898</u> | |

- d. Following were the net operating loss carryforwards of TT&T, TYDB, TDC, WTVB, R&R, TTN and VoPier as of March 31, 2008:

| Year | Total Creditable Amount | Remaining Creditable Amount | Expiry Year |
|-------------|--------------------------------|------------------------------------|--------------------|
| 2003 | \$ 238,804 | \$ 51,501 | 2008 |
| 2004 | 37,672 | 24,943 | 2009 |
| 2005 | 24,333 | 22,694 | 2010 |
| 2006 | 187,161 | 187,161 | 2011 |
| 2007 | <u>130,343</u> | <u>130,343</u> | 2012 |
| | <u>\$ 618,313</u> | <u>\$ 416,642</u> | |

- e. Integrated income tax information was as follows:

| | March 31 | |
|--|-----------------|--------------|
| | 2008 | 2007 |
| Balance of imputation credit account (ICA) | | |
| The Corporation | \$ 3,247,495 | \$ 1,671,100 |
| TAT | 11,861 | 195,986 |
| Mobitai | Not applicable | 316 |
| TCC | 365 | 92 |
| WMT | - | - |
| TFMT | - | - |
| FJLMT | - | - |
| GWMT | - | - |
| FSMT | - | - |
| TYDB | 97 | 71 |
| TDC | - | - |
| TT&T | 28,082 | 27,798 |
| TCPIA | Not applicable | - |
| TLIA | 8 | 7 |
| TSB | - | - |
| TFN | 1,609,686 | - |
| TUC | Not applicable | - |
| TTN | 1 | - |
| VoPier | - | - |
| TFNI | 77,687 | - |
| R&R | - | - |
| WTVB | - | - |

(Continued)

| | March 31 | |
|-------|-----------------|-------------|
| | 2008 | 2007 |
| TFNM | \$ 164,917 | |
| UCTV | 51,805 | |
| SHCTV | 2,223 | |
| YJCTV | 33,843 | |
| MCTV | 8,546 | |
| NCCTV | 1,120 | |
| PCTV | 35,061 | |
| GCTV | 38,008 | |
| | | (Concluded) |

As of March 31, 2008, there were no unappropriated earnings generated before January 1, 1998. The estimated or actual creditable ratio for the 2007 and 2006 earnings appropriation were as follows:

| | 2007 | 2006 |
|-----------------|----------------|----------------|
| The Corporation | 38.19% | 18.49% |
| TAT | 33.33% | 23.74% |
| Mobitai | Not applicable | 22.11% |
| TCC | 24.59% | 18.04% |
| WMT | - | Not applicable |
| TFMT | - | Not applicable |
| FJLMT | - | Not applicable |
| GWMT | - | Not applicable |
| FSMT | - | Not applicable |
| TYDB | - | - |
| TDC | - | Not applicable |
| TT&T | - | - |
| TCPIA | Not applicable | - |
| TLIA | - | 33.33% |
| TSB | 1.85% | Not applicable |
| TFN | 33.33% | - |
| TUC | Not applicable | Not applicable |
| TTN | - | - |
| VoPier | - | - |
| TFNI | 33.35% | 33.35% |
| R&R | 0.01% | 9.79% |
| WTVB | - | - |
| TFNM | 25.51% | 22.40% |
| UCTV | 33.33% | - |
| SHCTV | 32.13% | 25.10% |
| YJCTV | 33.33% | 33.34% |
| MCTV | 33.42% | 33.41% |
| NCCTV | 34.52% | 33.46% |
| PCTV | 33.03% | 33.33% |
| GCTV | 33.34% | 33.34% |

The imputation credits allocated to the shareholders are based on the ICA balance as of the date of dividend distribution. The estimated creditable ratio for the 2007 earnings appropriation may be adjusted when the imputation credits are distributed.

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

| | Year |
|-----------------|----------------|
| The Corporation | 2005 |
| The former TAT | 2005 |
| TAT | None |
| Mobitai | 2005 |
| TCC | 2005 |
| WMT | Not applicable |
| TFMT | Not applicable |
| FJLMT | Not applicable |
| GWMT | Not applicable |
| FSMT | Not applicable |
| TYDB | 2005 |
| TDC | Not applicable |
| TT&T | 2005 |
| TCPIA | 2005 |
| TLIA | 2005 |
| TSB | Not applicable |
| TFN | Not applicable |
| TUC | Not applicable |
| TTN | 2005 |
| VoPier | 2005 |
| TFNI | 2005 |
| R&R | 2005 |
| WTVB | 2005 |
| TFNM | 2005 |
| UCTV | 2005 |
| SHCTV | 2005 |
| YJCTV | 2005 |
| MCTV | 2005 |
| NCCTV | 2005 |
| PCTV | 2005 |
| 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 2005, and filed requests for reexamination.

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.

20. EARNINGS PER SHARE

| | <u>Amounts (Numerator)</u> | | <u>Shares (Denominator) (Thousands)</u> | <u>EPS (NT\$)</u> | |
|--|------------------------------|-----------------------------|---|----------------------------------|---------------------------------|
| | <u>Before Income Tax</u> | <u>After Income Tax</u> | | <u>Before Income Tax</u> | <u>After Income Tax</u> |
| <u>Three months ended March 31, 2008</u> | | | | | |
| Basic EPS | | | | | |
| Income of common shareholders | \$ 5,333,490 | \$ 4,192,172 | 2,916,344 | \$ 1.83 | \$ 1.44 |
| <u>Three months ended March 31, 2007</u> | | | | | |
| Basic EPS | | | | | |
| Income of common shareholders | \$ 4,746,614 | \$ 3,809,732 | 4,953,938 | \$ 0.96 | \$ 0.77 |
| Add effect of potentially dilutive convertible bonds 2nd convertible bonds (with implied yield rate of 3.3%) | 504 | 378 | 2,306 | | |
| Diluted EPS | | | | | |
| Income of common shareholders with dilutive effect of potential common shares | \$ 4,747,118 | \$ 3,810,110 | 4,956,244 | \$ 0.96 | \$ 0.77 |

21. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

| | <u>Three Months Ended March 31</u> | | | | | |
|-------------------------------|---|---|---------------------|---|---|-------------------|
| | <u>2008</u> | | | <u>2007</u> | | |
| | <u>Classified as Operating Cost</u> | <u>Classified as Operating Expenses</u> | <u>Total</u> | <u>Classified as Operating Cost</u> | <u>Classified as Operating Expenses</u> | <u>Total</u> |
| Labor cost | | | | | | |
| Salary | \$ 322,583 | \$ 828,308 | \$ 1,150,891 | \$ 156,935 | \$ 575,332 | \$ 732,267 |
| Labor and health insurance | 17,981 | 44,554 | 62,535 | 8,964 | 34,400 | 43,364 |
| Pension | 13,846 | 33,393 | 47,239 | 7,404 | 23,849 | 31,253 |
| Other | 13,011 | 33,238 | 46,249 | 8,335 | 24,146 | 32,481 |
| | <u>\$ 367,421</u> | <u>\$ 939,493</u> | <u>\$ 1,306,914</u> | <u>\$ 181,638</u> | <u>\$ 657,727</u> | <u>\$ 839,365</u> |
| Depreciation | \$ 1,588,556 | \$ 131,503 | \$ 1,720,059 | \$ 1,574,619 | \$ 130,124 | \$ 1,704,743 |
| Amortization | 244,624 | 31,586 | 276,210 | 207,396 | 36,264 | 243,660 |

22. FINANCIAL INSTRUMENTS

a. Fair value information

| | <u>March 31</u> | | | |
|--|---------------------------|-------------------|---------------------------|-------------------|
| | <u>2008</u> | | <u>2007</u> | |
| | <u>Carrying Value</u> | <u>Fair Value</u> | <u>Carrying Value</u> | <u>Fair Value</u> |
| <u>Non-derivative financial instruments</u> | | | | |
| Liabilities | | | | |
| Bonds payable (including current portion) | \$ 10,000,000 | \$ 9,946,414 | \$ 13,803,112 | \$ 13,731,265 |

- 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 be measured by net worth of investee or estimate of the book value.
 - 3) Bonds payable - based on the over-the-counter quotations in March.
 - 4) Derivative financial instruments - based on valuation results provided by banks. As of March 31, 2008, the financial instrument held by the Corporation turned into financial asset, evaluated by the bid price of counter party.
 - 5) The above financial instruments do not include cash and cash equivalents, notes and accounts receivables, pledged time deposits, refundable deposits, short-term bank loans, short-term notes and bills payable, notes and accounts payable and guarantee deposits. Because of the short maturities of these instruments, the carrying values represent a reasonable basis to estimate fair values.
- c. The fair values of financial assets and liabilities were not simultaneously determined by quoted prices in active markets and by estimations using valuation technique.
- d. The financial assets exposed to fair value interest rate risk amounted to \$7,377,865 thousand and \$23,051,516 thousand as of March 31, 2008 and 2007, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$26,192,812 thousand and \$18,803,112 thousand as of March 31, 2008 and 2007, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$1,415,053 thousand and \$13,559,046 thousand as of March 31, 2008 and 2007, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$5,000,000 thousand and \$7,781,089 thousand as of March 31, 2008 and 2007, respectively.
- e. Information on financial risks:
- 1) Market risk

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

Credit risk represents the potential impacts to financial assets that the Group might encounter if counter-parties or third parties breach the contracts. Factors that affect the impacts include credit risk concentration, components of financial instruments, contract amount and other receivables. The Group's evaluation of credit risk exposure as of March 31, 2008 and 2007 were both zero because all counter-parties are reputable financial institutions with good credit ratings.

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

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

3) Liquidity risk

The Group 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.

- 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.

23. 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 |
| The former Taiwan Fixed Network Co., Ltd. (the former TFN) | Related party in substance (included in consolidation on April 17, 2007, and merged into TFN on December 28, 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 |
| Fubon Financial Holding Company | Related party in substance |
| Fubon Asset Management Co., Ltd. | Related party in substance |
| Fubon Financial Venture Capital Co., Ltd. | Related party in substance |
| Fubon Future Co., Ltd. | Related party in substance |
| Fubon Investment Services Co., Ltd. | Related party in substance |
| Fubon Venture Capital Consulting Co., Ltd. | Related party in substance |
| Dai-Ka Ltd. (DKL) | Related party in substance |

b. Significant transactions with related parties are summarized below:

1) Operating revenues

| | Three Months Ended March 31 | | | |
|----------------|------------------------------------|----------------------------|-------------------|----------------------------|
| | 2008 | | 2007 | |
| | Amount | % of Total Revenues | Amount | % of Total Revenues |
| TFCB | \$ 34,686 | - | \$ 2,635 | - |
| FSC | 13,317 | - | - | - |
| FMT | 9,176 | - | 5,162 | - |
| The former TFN | <u>-</u> | - | <u>382,003</u> | 3 |
| | <u>\$ 57,179</u> | | <u>\$ 389,800</u> | |

The Group rendered mainly telecommunications services to the above companies. The average collection period for notes and accounts receivable was approximately two months.

2) Operating costs

| | Three Months Ended March 31 | | | |
|----------------|------------------------------------|-------------------------|-------------------|-------------------------|
| | 2008 | | 2007 | |
| | Amount | % of Total Costs | Amount | % of Total Costs |
| DKL | \$ 38,800 | 1 | - | - |
| Fubon Ins. | 20,607 | - | 24,171 | - |
| The former TFN | <u>-</u> | - | <u>216,001</u> | 3 |
| | <u>\$ 59,407</u> | | <u>\$ 240,172</u> | |

The above companies mainly rendered telecommunications, maintenance and TV programs licensing services to the Group. The average payment term for notes and accounts payable was approximately two months.

3) Rental income

| | Leased Sites/Equipment | Three Months Ended March 31 | |
|----------------|-------------------------------|------------------------------------|------------------|
| | | 2008 | 2007 |
| The former TFN | Offices and BTS, etc. | <u>\$ -</u> | <u>\$ 18,825</u> |

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

4) Cash in banks

| | March 31 | | | |
|--------------------------|-------------------|----------|-------------------|----------|
| | 2008 | | 2007 | |
| | Amount | % | Amount | % |
| a) Cash in banks | | | | |
| TFCB | <u>\$ 664,641</u> | 8 | <u>\$ 434,039</u> | 2 |
| b) Pledged time deposits | | | | |
| TFCB | <u>\$ 22,815</u> | 48 | <u>\$ 10,000</u> | - |

5) Receivables and payables

| | March 31 | | | |
|--|-------------------|----------|---------------------------|------------------|
| | 2008 | | 2007 | |
| | Amount | % | Amount | % |
| a) Accounts receivable | | | | |
| TFCB | \$ 60,857 | 1 | \$ 3,305 | - |
| FSC | 24,322 | - | - | - |
| Fubon Life Assurance Co., Ltd. | 12,006 | - | - | - |
| Fubon Ins. | 10,456 | - | 420 | - |
| The former TFN | - | - | 217,861 | 4 |
| Other | <u>14,389</u> | - | <u>3,985</u> | - |
| | <u>\$ 122,030</u> | | <u>\$ 225,571</u> | |
| b) Other receivables | | | | |
| The former TFN | <u>\$ -</u> | - | <u>\$ 21,797</u> | 9 |
| c) Prepayments | | | | |
| Fubon Ins. | <u>\$ 46,127</u> | 6 | <u>\$ 52,392</u> | 10 |
| d) Accounts payable | | | | |
| DKL | \$ 38,800 | 1 | - | - |
| The former TFN | <u>-</u> | - | <u>11,233</u> | - |
| | <u>\$ 38,800</u> | | <u>\$ 11,233</u> | |
| e) Accrued expenses | | | | |
| The former TFN | <u>\$ -</u> | - | <u>\$ 70,435</u> | 2 |
| f) Other payables | | | | |
| The former TFN | <u>\$ -</u> | - | <u>\$ 52,917</u> | 2 |
| g) Other current liabilities - collections and temporary credits for the following | | | | |
| The former TFN | <u>\$ -</u> | - | <u>\$ 29,419</u> | 5 |
| | | | Three Months Ended | |
| | | | March 31 | |
| | | | 2008 | 2007 |
| 6) Telecommunications service expenses | | | | |
| The former TFN | | | <u>\$ -</u> | <u>\$ 24,288</u> |
| 7) Endorsement/guarantee provided | | | | |

The Corporation and its subsidiaries provide guarantee contracts for related party. Please see Note 25.

8) Other

The Corporation bought real estate from the former TFN based on the need for a base station. Only an individual 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 a fiduciary contract with the landholder in December 2006 and is applying for a transfer of ownership. The Corporation uses the land for operation purpose.

24. 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:

| | <u>March 31</u> | |
|----------------------------------|-------------------|----------------------|
| | <u>2008</u> | <u>2007</u> |
| Current assets - time deposits | \$ 47,546 | \$ 12,510,000 |
| Fixed assets, net carrying value | <u>111,536</u> | <u>-</u> |
| | <u>\$ 159,082</u> | <u>\$ 12,510,000</u> |

25. 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 March 31, 2008, the purchase amount was \$1,537,723 thousand.
- b. Unused letters of credit for acquisition of equipment were EUR22 thousand as of March 31, 2008.
- c. The Corporation provided an \$18,000,000 thousand guarantee for TFN's bank loan. As of March 31, 2008, TFN had not made any drawdown on this loan. The Corporation also provide TFN USD\$2,000 thousand in promissory notes outstanding for its borrowings with banks.
- d. On February 21, 2008, to have revolving funds for their operations, the Corporation and its subsidiary, TFN, obtained \$13,500,000 thousand of syndicated bank loan from 9 banks led by Chinatrust Commercial Bank. The Corporation provided a guarantee for TFN's bank loan. As of March 31, 2008, the Corporation and TFN had not made any drawdown on this loan.
- e. As of March 31, 2008, the Corporation had provided TFN \$50,000 thousand as performance guarantee for IDD calling card service, in accordance with NCC's new policy effective on April 1, 2007.
- f. As of March 31, 2008, TAT had provided the Corporation \$1,000,000 thousand as performance guarantee for prepaid card service in accordance with new policy set by NCC on April 1, 2007.
- g. As of March 31, 2008, TFNI provided a \$50,000 thousand guarantee for WTVB's bank loan.
- h. As of March 31, 2008, VoPier provided a \$204 thousand guarantee for TTN's obligation of construction and equipment commerce.

- i. Future minimum rental payments as of March 31, 2008 for significant operating lease agreements were summarized as follows:

| | Amount |
|---|---------------|
| From the second to fourth quarter, 2008 | \$ 24,480 |
| 2009 | 17,497 |
| 2010 | 17,965 |
| 2011 | 11,642 |
| 2012 | 5,367 |

26. 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 22 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 three months ended March 31, 2008 and 2007, the Corporation recognized losses of \$18,585 thousand and \$39,396 thousand, respectively, recorded as addition to interest expense.

- 2) The former 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 |

The former TFN entered into IRS contracts to hedge anti-floating interest rate fluctuation. The former TFN recognized gains of \$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
- l. Business relationships and significant intercompany transactions: Table 9 and Table 10 (attached).

TABLE 1

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars)

| No. | Lending Company | Borrowing Company | Financial Statement Account | Maximum Balance for the Period | Ending Balance | Interest Rate | Financing Purpose | Transaction Amounts | Reasons for Short-term Financing | Allowance for Doubtful Accounts | Collateral | | Lending Limit for Each Borrowing Company (Note) | Lending Company's Lending Amount Limits (Note) |
|-----|---|-----------------------------------|-------------------------------------|--------------------------------|----------------|---------------|----------------------|---------------------|--|---------------------------------|------------|-------|---|--|
| | | | | | | | | | | | Item | Value | | |
| 0 | Taiwan Mobile Co., Ltd. (the "Corporation") | Tai Fu Media Technology Co., Ltd. | Other receivables | \$ 2,005,000 | \$ 2,005,000 | 2.554%-2.568% | Short-term financing | \$ - | To meet its financing needs in acquiring minorities | \$ - | - | - | \$ 19,425,609 (Note 1) | \$ 19,425,609 (Note 1) |
| | | TFN Media Co., Ltd. | Other receivables | 1,250,000 | 1,250,000 | 2.538%-2.548% | Short-term financing | - | To meet its financing needs in acquiring minorities | - | - | - | 19,425,609 (Note 1) | 19,425,609 (Note 1) |
| 1 | TransAsia Telecommunications Inc. | Taiwan Cellular Co., Ltd. | Other receivables | 900,000 | - | 2.477% | Short-term financing | - | To meet its financing needs in setting up subsidiaries | - | - | - | - (Note 3) | 4,005,423 (Note 1) |
| | | The Corporation | Other receivables | 1,700,000 | 45,609 | 2.572% | Short-term financing | - | Operating capital | - | - | - | 4,005,423 (Note 1) | 4,005,423 (Note 1) |
| 2 | Taiwan Cellular Co., Ltd. | Taiwan Fixed Network Co., Ltd. | Other receivables | 2,500,000 | - | 2.558% | Short-term financing | - | To pay off bank loan | - | - | - | 24,041,138 (Note 1) | 24,041,138 (Note 1) |
| | | TFN Media Co., Ltd. | Other receivables | 1,250,000 | 1,250,000 | 2.538% | Short-term financing | - | To meet its financing needs in acquiring minorities | - | - | - | 24,041,138 (Note 1) | 24,041,138 (Note 1) |
| 3 | TFN Investment Co., Ltd. | TFN Media Co., Ltd. | Other receivables | 1,000,000 | 1,000,000 | 2.538% | Short-term financing | - | To meet its financing needs in acquiring minorities | - | - | - | 11,272,146 (Note 1) | 11,272,146 (Note 1) |
| | | TFN Media Co., Ltd. | Other receivables | 3,000,000 | 3,000,000 | 2.602% | Short-term financing | - | Operating capital | - | - | - | 11,272,146 (Note 1) | 11,272,146 (Note 1) |
| 4 | Taiwan Fixed Network Co., Ltd. | TFN Investment Co., Ltd. | Other receivables | 1,150,000 | 800,000 | 2.56% | Short-term financing | - | Operating capital | - | - | - | 22,857,980 (Note 1) | 22,857,980 (Note 1) |
| 5 | Union Cable TV Co., Ltd. | TFN Media Co., Ltd. | Other receivables - related parties | 460,000 | 460,000 | 2.538%-2.570% | Transactions | 66,116 | Business requirements | - | - | - | 13,500,000 (Note 2) | 13,500,000 (Note 2) |
| 6 | North Coast Cable TV Co., Ltd. | TFN Media Co., Ltd. | Other receivables - related parties | 140,000 | 140,000 | 2.538%-2.570% | Transactions | 7,339 | Business requirements | - | - | - | 12,000,000 (Note 2) | 12,000,000 (Note 2) |
| 7 | Mangrove Cable TV Corporation | TFN Media Co., Ltd. | Other receivables - related parties | 43,000 | 43,000 | 2.538%-2.570% | Transactions | 4,593 | Business requirements | - | - | - | 12,000,000 (Note 2) | 12,000,000 (Note 2) |
| 8 | Globalview Cable TV Co., Ltd. | TFN Media Co., Ltd. | Other receivables - related parties | 290,000 | 290,000 | 2.538%-2.570% | Transactions | 51,231 | Business requirements | - | - | - | 12,000,000 (Note 2) | 12,000,000 (Note 2) |
| 9 | Shin Ho Cable TV Co., Ltd. | TFN Media Co., Ltd. | Other receivables - related parties | 207,700 | 207,700 | 2.538% | Transactions | 2,895 | Business requirements | - | - | - | 12,000,000 (Note 2) | 12,000,000 (Note 2) |

(Continued)

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

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

Note 3 Assumed all MBT's financing provided to others due to merger.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

**ENDORSEMENT/GUARANTEE PROVIDED
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars)**

| No. | Endorsement/Guarantor (A) | Receiving Party | | Maximum Guarantee/ Endorsement Amount Can Be Provided to Each Receiving Party | Maximum Balance for the Period (Note 4) | Ending Balance (Note 4) | Value of Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Worth of the Guarantor (Note 4) | Maximum Guarantee/ Endorsement Can Be Provided by the Guarantor/Endorser |
|-----|--|---|---|--|---|----------------------------|----------------------|--|---|
| | | Name (B) | Nature of Relationship (B is A's) | | | | | | |
| 0 | Taiwan Mobile Co., Ltd. (the "Corporation") | Taiwan Fixed Network Co., Ltd. (TFN) | (Note 1) | \$ 80,000,000 (Note 5) | \$ 11,430,000 | \$ 110,804 | \$ - | 0.23% | \$ 48,564,022 (Note 5) |
| 1 | TransAsia Telecommunications Inc. (TAT) | The Corporation | (Note 2) | 18,000,000 (Note 6) | 1,000,000 | 1,000,000 | - | 9.99% | 10,013,558 (Note 6) |
| 2 | TFN Investment Co., Ltd. (TFNI) | WinTV Broadcasting Co., Ltd. | (Note 3) | 591,000 (Note 7) | 50,000 | 50,000 | - | 0.18% | 28,180,365 (Note 7) |
| 3 | VoPier Communications (Taiwan) Co., Ltd. (VoPier) | Taiwan Telecommunication Network Services Co., Ltd. (TTN) | (Note 2) | 240,000 (Note 8) | 223 | 204 | - | 1.74% | 11,722 (Note 8) |

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: For over 50% direct/indirect owned subsidiaries, the aggregate endorsement/guarantee amount provided shall not exceed the net worth of the Corporation, and the upper-limit to each subsidiary shall be the amount of investment from the Corporation. But for 100% direct/indirect owned subsidiaries, the upper-limit mentioned above could be raised to double of the investment amount.

Note 6: The endorsement/guarantee amount provided by TAT to its parent company, the Corporation, shall be limited within the net worth of TAT, and not over double of the investment amount from the Corporation.

Note 7: For over 50% direct/indirect owned subsidiaries, the aggregate endorsement/guarantee amount provided shall not exceed the net worth of TFNI, and the upper-limit to each subsidiary shall be the amount of investment from TFNI.

Note 8: The endorsement/guarantee amount provided by VoPier to its parent company, TTN, shall be limited within the net worth of VoPier, and not over double of the investment amount from TTN.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2008

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

| Investing Company (A) | Marketable Securities Invested (B) | Relationship with the Investing Company (B is A's) | Financial Statement Account | March 31, 2008 | | | | Note |
|---|--|--|--|-----------------------------|------------------------|----------------------------|--------------------------|------|
| | | | | Shares/Units (Thousands) | Carrying Value | Percentage of Ownership | Market Value (Note 1) | |
| Taiwan Mobile Co., Ltd. | <u>Stock</u> Chunghwa Telecom Co., Ltd. | - | Available-for-sale financial assets - current | 2,688 | \$ 214,771 | 0.028% | \$ 214,771 (Note 2) | |
| | Bridge Mobile Pte Ltd. | - | Financial assets carried at cost - non-current | 2,200 | 71,596 | 10.00% | 55,225 | |
| | TransAsia Telecommunications Inc. | Subsidiary | Long-term investments - equity method | 900,000 | 10,013,558 | 100.00% | 10,013,558 | |
| | Wealth Media Technology Co., Ltd. | Subsidiary | Long-term investments - equity method | 8,700 | 70,973 | 100.00% | 70,973 | |
| | Taiwan Cellular Co., Ltd. | Subsidiary | Long-term investments - equity method | 364,958 | 15,118,096 (Note 3) | 100.00% | 60,102,844 | |
| TransAsia Telecommunications Inc. | <u>Stock</u> Yes Mobile Holdings Company | - | Financial assets carried at cost - non-current | 74 | - (Note 5) | 0.19% | - (Note 4) | |
| Wealth Media Technology Co., Ltd. | <u>Stock</u> Tai Fu Media Technology Co., Ltd. | Subsidiary | Long-term investments - equity method | 8,500 | 69,175 | 100.00% | 69,175 | |
| Tai Fu Media Technology Co., Ltd. | <u>Stock</u> Global Wealth Media Technology Co., Ltd. | Subsidiary | Long-term investments - equity method | 8,400 | 85,228 | 100.00% | 85,228 | |
| | Fu Jia Leh Media Technology Co., Ltd. | Subsidiary | Long-term investments - equity method | 117,100 | 2,001,195 | 100.00% | 2,001,195 | |
| | Fu Sin Media Technology Co., Ltd. | Subsidiary | Long-term investments - equity method | 100 | 886 | 100.00% | 886 | |
| Global Wealth Media Technology Co., Ltd. | <u>Stock</u> Globalview Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 3,460 | 85,185 | 6.179% | 41,861 | |
| 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) | |
| | Taiwan Teleservices & Technologies Co., Ltd. | Subsidiary | Long-term investments - equity method | 30,000 | 258,871 | 100.00% | 258,871 | |
| | Tai Yi Digital Broadcasting Co., Ltd. | Subsidiary | Long-term investments - equity method | 2,495 | 23,295 | 49.90% | 23,295 | |
| | TWM Holding Co. Ltd. | Subsidiary | Long-term investments - equity method | 1 share | US\$ 6,296 | 100.00% | US\$ 6,296 | |
| | Taiwan Fixed Network Co., Ltd. | Subsidiary | Long-term investments - equity method | 4,000,000 | 57,144,950 | 100.00% | 57,144,950 | |
| | Taiwan Digital Communication Co., Ltd. | Subsidiary | Long-term investments - equity method | 1,200 | 11,078 | 100.00% | 11,078 | |

(Continued)

| Investing Company (A) | Marketable Securities Invested (B) | Relationship with the Investing Company (B is A's) | Financial Statement Account | March 31, 2008 | | | | Note |
|---|--|--|---|-----------------------------|----------------|----------------------------|--------------------------|------|
| | | | | Shares/Units (Thousands) | Carrying Value | Percentage of Ownership | Market Value (Note 1) | |
| Taiwan Teleservices & Technologies Co., Ltd. | <u>Stock</u> TT&T Life Insurance Agency Co., Ltd. | Subsidiary | Long-term investments - equity method | 300 | \$ 3,035 | 100.00% | \$ 3,035 | |
| | TT&T Holdings Co., Ltd. | Subsidiary | Long-term investments - equity method | 1,300 | US\$ 1,365 | 100.00% | US\$ 1,365 | |
| | Taiwan Super Basketball Co., Ltd. | Subsidiary | Long-term investments - equity method | 2,000 | 9,169 | 100.00% | 9,169 | |
| TT&T Holdings Co., Ltd. | <u>Stock</u> Xiamen Taifu Teleservices & Technologies Ltd. | Subsidiary | Long-term investments - equity method | - | US\$ 1,359 | 100.00% | US\$ 1,359 | |
| TWM Holding Co. Ltd. | <u>ADS</u> Hurray! Holding Co., Ltd. | - | Available-for-sale financial assets - current | 1,080 | US\$ 2,981 | 4.97% | US\$ 2,981 (Note 2) | |
| Taiwan Fixed Network Co., Ltd. | <u>Stock</u> Taiwan Mobile Co., Ltd. | Ultimate parent | Available-for-sale financial assets - non-current | 456,295 | 26,693,243 | 12.00% | 26,693,243 (Note 2) | |
| | TFN Investment Co., Ltd. | Subsidiary | Long-term investments - equity method | 2,061,939 | 25,491,609 | 100.00% | 28,180,365 | |
| | TFN HK Limited | Subsidiary | Long-term investments - equity method | 1,299 | 2,859 | 99.99% | 2,859 | |
| | Taiwan Telecommunication Network Service Co., Ltd. | Subsidiary | Long-term investments - equity method | 108,193 | 1,527,238 | 99.53% | 984,035 | |
| | Taiwan High Speed Rail Corporation | - | Financial assets carried at cost - non-current | 225,531 | 2,120,829 | 3.95% | - (Note 4) | |
| TFN Investment Co., Ltd. | <u>Stock</u> Taiwan Mobile Co., Ltd. | Ultimate parent | Available-for-sale financial assets - non-current | 355,623 | 20,803,937 | 9.36% | 20,803,937 (Note 2) | |
| | Reach & Range Inc. | Subsidiary | Long-term investments - equity method | 2,400 | 33,135 | 100.00% | 26,044 | |
| | WinTV Broadcasting Co., Ltd. | Subsidiary | Long-term investments - equity method | 59,100 | 233,757 | 98.50% | 230,955 | |
| | TFN Media Co., Ltd. | Subsidiary | Long-term investments - equity method | 230,526 | 3,100,063 | 100.00% | 2,788,605 | |
| | Great Taipei Broadband Co., Ltd. | - | Financial assets carried at cost - non-current | 10,000 | 50,528 | 6.67% | - (Note 4) | |
| | <u>Preferred stock</u> Taiwan High Speed Rail Corporation - Unlisted Convertible Preferred Stock - series A | - | Bonds measured at amortized cost - non - current | 50,000 | 500,000 | 1.04% | - | |
| TFN Media Co., Ltd. | <u>Stock</u> Yeong Jialeh Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 33,940 | 2,125,043 | 100.00% | 600,709 | |
| | Shin Ho Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 20,000 | 733,183 | 100.00% | 246,328 (Note 6) | |

(Continued)

| Investing Company (A) | Marketable Securities Invested (B) | Relationship with the Investing Company (B is A's) | Financial Statement Account | March 31, 2008 | | | | Note |
|---|--|--|--|-----------------------------|----------------|----------------------------|--------------------------|------|
| | | | | Shares/Units (Thousands) | Carrying Value | Percentage of Ownership | Market Value (Note 1) | |
| | Mangrove Cable TV Corporation | Subsidiary | Long-term investments - equity method | 21,160 | \$ 535,913 | 100.00% | \$ 272,765 (Note 6) | |
| | North Coast Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 21,160 | 508,852 | 100.00% | 217,011 | |
| | Phoenix Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 65,818 | 3,178,362 | 96.66% | 953,946 | |
| | Union Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 170,441 | 2,042,768 | 99.99% | 1,838,168 | |
| | Globalview Cable TV Co., Ltd. | Subsidiary | Long-term investments - equity method | 51,733 | 1,248,303 | 92.38% | 626,850 | |
| Taiwan Telecommunication Network Services Co., Ltd. | <u>Stock</u> VoPier Communications (Taiwan) Co., Ltd. | Subsidiary | Long-term investments - equity method | 12,000 | 11,722 | 100.00% | 11,722 | |
| | <u>Preferred stock</u> New Century InfoComm Technology Co., Ltd. | - | Financial assets carried at cost - non-current | 33,684 | 239,817 | 0.84% | - (Note 4) | |

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

Note 2: Based on the closing price on March 31, 2008.

Note 3: Taiwan Mobile shares held indirectly by Taiwan Fixed Network Co., Ltd. (TFN) and its subsidiary are classified as treasury shares. Therefore, TWM's carrying cost of TFN and its subsidiary was reduced by adjusting the latter's net worth by \$31,889,100 thousand and another \$13,095,048 thousand unrealized gain from financial assets investment from \$60,102,844 thousand.

Note 4: As of April 11, 2008, the independent auditors' report date, the investee's net worth was not available.

Note 5: Impairment loss recognized in 2004 reduced the value to zero.

Note 6: Some shares are held under trustee accounts.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars)

| Company Name | Marketable Securities | Financial Statement Account | Counter-party | Nature of Relationship | Beginning Balance (Note 1) | | Acquisition | | Disposal | | | Ending Balance (Note 1) | | |
|--------------------------------|---|---|---------------|------------------------|----------------------------|--------------|--------------------------|-----------|--------------------------|--------------|----------------|-------------------------|--------------------------|---------------------|
| | | | | | Shares/Units (Thousands) | Amount | Shares/Units (Thousands) | Amount | Shares/Units (Thousands) | Amount | Carrying Value | Gain (Loss) on Disposal | Shares/Units (Thousands) | Amount |
| TFN Investment Co., Ltd. | <u>Stock</u> Fubon Financial Holding Company | Available-for-sale financial assets - current | - | - | 62,023 | \$ 1,786,256 | - | \$ - | 62,023 | \$ 2,089,511 | \$ 1,628,197 | \$ 461,314 | - | \$ - |
| | TFN Media Co., Ltd. | Long-term investments - equity method | - | - | 214,518 | 2,951,824 | 16,008 | 535,714 | - | - | - | - | 230,526 | 3,100,063 (Note 4) |
| Taiwan Fixed Network Co., Ltd. | <u>Stock</u> Taiwan Mobile Co., Ltd. | Available-for-sale financial assets - non-current | - | - | 900,353 | 37,004,498 | - | - | 300,000 | 13,509,828 | 10,022,678 | 3,487,150 | 456,295 (Note 2) | 26,693,243 (Note 2) |
| TFN Media Co., Ltd. | <u>Stock</u> Phoenix Cable TV Co., Ltd. | Long-term investments - equity method | - | - | 47,663 | 2,069,063 | 18,155 | 1,065,709 | - | - | - | - | 65,818 | 3,178,362 (Note 3) |

Note 1: The amount of beginning and ending balance included the revaluation gain on financial assets.

Note 2: The shares included the capital reduction adjustment of 144,058 thousand shares. The amount included the capital reduction adjustment of \$720,267 thousand and unrealized gain of \$1,008,844 thousand.

Note 3: The amount included the investment income adjustment of \$43,590 thousand.

Note 4: The amount included the cash dividends adjustment of \$675,846 thousand and the investment income adjustment of \$288,371 thousand.

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
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars)

| Company Name (A) | Related Party (B) | Nature of Relationship (B is A's) | Transaction Details | | | | Transactions with Terms Different from Others | | Notes/Accounts Payable or Receivable | | Note |
|--|-----------------------------------|---|---------------------|--------------|-------------------------|-------------------------|--|------------------|---|------------|----------|
| | | | Purchase/ Sale | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | |
| Taiwan Mobile Co., Ltd. (the "Corporation") | TransAsia Telecommunications Inc. | Subsidiary | Sale | \$ (178,617) | (1) | Based on contract terms | - | - | \$ 69,962 | 1 | (Note 2) |
| | | | Purchase | 101,970 | 2 | Based on contract terms | - | - | (20,335) | (1) | |
| | Taiwan Fixed Network Co., Ltd. | Subsidiary | Sale | (481,177) | (4) | Based on contract terms | - | - | 219,313 | 4 | |
| | | | Purchase | 224,842 | 4 | Based on contract terms | - | - | (40,923) | (2) | |
| Taiwan Teleservices & Technologies Co., Ltd. | Subsidiary | Purchase | 232,362 | (Note 1) | Based on contract terms | - | - | (162,405) | - | | |
| TransAsia Telecommunications Inc. | The Corporation | Parent | Sale | (101,897) | (6) | Based on contract terms | - | - | 20,335 | 3 | |
| | | | Purchase | 178,617 | 20 | Based on contract terms | - | - | (71,688) | (16) | |
| Taiwan Teleservices & Technologies Co., Ltd. | The Corporation | Ultimate parent | Sale | (232,379) | (97) | Based on contract terms | - | - | 162,123 | 97 | |
| Taiwan Fixed Network Co., Ltd. | The Corporation | Ultimate parent | Sale | (246,214) | (12) | Based on contract terms | - | - | 160,472 | 21 | |
| | | | Purchase | 480,923 | 33 | Based on contract terms | - | - | (920) | - | |
| TFN Media Co., Ltd. | Phoenix Cable TV Co., Ltd. | Subsidiary | Sale | (119,207) | (23) | Based on contract terms | (Note 3) | (Note 3) | 119,752 | 34 | |
| Phoenix Cable TV Co., Ltd. | TFN Media Co., Ltd. | Parent | Royalty | 108,422 | 66 | Based on contract terms | (Note 3) | (Note 3) | (108,422) | (83) | |

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

MARCH 31, 2008

(In Thousands of New Taiwan Dollars)

| Company Name (A) | Related Party (B) | Nature of Relationship (B is A's) | Ending Balance | Turnover Rate | Overdue | | Amount Received in Subsequent Period | Allowance for Bad Debts | |
|--|---|--------------------------------------|----------------------|------------------|---------|--------------|---|----------------------------|------|
| | | | | | Amount | Action Taken | | | |
| Taiwan Mobile Co., Ltd. (the "Corporation") | TransAsia Telecommunications Inc. | Subsidiary | Accounts receivable | \$ 69,962 | 9.96 | \$ - | - | \$ - | \$ - |
| | | | Other receivables | 406,614 | | - | - | 9 | - |
| | Taiwan Fixed Network Co., Ltd. | Subsidiary | Accounts receivable | 219,313 | 8.78 | - | - | 208 | - |
| | | | Other receivables | 136,491 | | - | - | 1,027 | - |
| Tai Fu Media Technology Co., Ltd. TFN Media Co., Ltd. | Subsidiary Subsidiary | Other receivables | 2,022,120 | | - | - | - | - | |
| | | Other receivables | 1,259,187 | | - | - | - | - | |
| TransAsia Telecommunications Inc. | The Corporation | Parent | Accounts receivable | 20,335 | 20.33 | - | - | - | - |
| | | | Other receivables | 440,890 | | - | - | 21 | - |
| Taiwan Cellular Co., Ltd. | TFN Media Co., Ltd. | Subsidiary | Other receivables | 1,260,343 | | - | - | - | - |
| Taiwan Teleservices & Technologies Co., Ltd. | The Corporation | Ultimate parent | Accounts receivable | 162,123 | 5.79 | - | - | - | - |
| | | | Other receivables | 288 | | - | - | - | - |
| Taiwan Fixed Network Co., Ltd. | The Corporation TFN Investment Co., Ltd. | Ultimate parent Subsidiary | Accounts receivable | 160,472 | 3.84 | - | - | 9,460 | - |
| | | | Other receivables | 166,869 | | - | - | 68,228 | - |
| | | | Other receivables | 803,423 | | - | - | - | - |
| TFN Investment Co., Ltd. | TFN Media Co., Ltd. | Subsidiary | Other receivables | 4,008,275 | | - | - | - | - |
| TFN Media Co., Ltd. | Phoenix Cable TV Co., Ltd. | Subsidiary | Accounts receivable | 119,752 | | - | - | - | - |
| North Coast Cable TV Co., Ltd. | TFN Media Co., Ltd. | Parent | Accounts receivables | 1,262 | | - | - | - | - |
| | | | Other receivables | 143,425 | | - | - | - | - |
| Shin Ho Cable TV C., Ltd. | TFN Media Co., Ltd. | Parent | Accounts receivables | 1,789 | | - | - | - | - |
| | | | Other receivables | 211,150 | | - | - | - | - |
| Union Cable TV Co., Ltd. | TFN Media Co., Ltd. | Parent | Accounts receivable | 14,625 | | - | - | - | - |
| | | | Other receivables | 468,285 | | - | - | - | - |
| Globalview Cable TV Co., Ltd. | TFN Media Co., Ltd. | Parent | Accounts receivable | 5,037 | | - | - | - | - |
| | | | Other receivables | 295,552 | | - | - | - | - |

Note: Including accounts receivable of the former TFN.

TABLE 7

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEE ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars or U.S. Dollars)

| Investor | Investee | Location | Main Businesses and Products | Investment Amount | | Balance as of March 31, 2008 | | | Net Income (Loss) of the Investee | Investment Income (Loss) | Note |
|---|---|------------------------|--|-------------------|-------------------|------------------------------|-------------------------|----------------|-----------------------------------|--------------------------|------|
| | | | | March 31, 2008 | December 31, 2007 | Shares (Thousands) | Percentage of Ownership | Carrying Value | | | |
| Taiwan Mobile Co., Ltd. | Taiwan Cellular Co., Ltd. | Taipei, Taiwan | Telecom engineering and IT service | \$ 43,208,330 | \$ 43,208,330 | 364,958 | 100 | \$ 15,118,096 | \$ 3,985,613 | \$ 847,499 | |
| | TransAsia Telecommunications Inc. | Taipei, Taiwan | Telecom service provider | 9,000,000 | 9,000,000 | 900,000 | 100 | 10,013,558 | 337,448 | 337,283 | |
| | Wealth Media Technology Co., Ltd. | Taipei, Taiwan | Investment | 87,000 | 87,000 | 8,700 | 100 | 70,973 | (11,741) | (11,741) | |
| Wealth Media Technology Co., Ltd. | Tai Fu Media Technology Co., Ltd. | Taipei, Taiwan | Investment | 85,000 | 85,000 | 8,500 | 100 | 69,175 | (11,701) | NA | |
| Tai Fu Media Technology Co., Ltd. | Global Wealth Media Technology Co., Ltd. | Taipei Country, Taiwan | Investment | 84,000 | 84,000 | 8,400 | 100 | 85,228 | 1,131 | NA | |
| | Fu Jia Leh Media Technology Co., Ltd. | Taipei, Taiwan | Investment | 2,001,700 | 2,001,700 | 117,100 | 100 | 2,001,195 | (15) | NA | |
| | Fu Sin Media Technology Co., Ltd. | Taipei, Taiwan | Investment | 1,000 | 1,000 | 100 | 100 | 886 | (14) | NA | |
| Global Wealth Media Technology Co., Ltd. | Globalview Cable TV Co., Ltd. | Sijhih Township | Cable TV service provider | 82,882 | 82,882 | 3,460 | 6.179 | 85,185 | 18,554 | NA | |
| Taiwan Cellular Co., Ltd. | Taiwan Teleservices & Technologies Co., Ltd. | Taipei, Taiwan | Call center service | 5,294 | 5,294 | 30,000 | 100 | 258,871 | 9,988 | NA | |
| | Tai Yi Digital Broadcasting Co., Ltd. | Taipei, Taiwan | Broadcasting business and agency of telecom service subscription | 24,950 | 24,950 | 2,495 | 49.9 | 23,295 | (425) | NA | |
| | TWM Holding Co. Ltd. | British Virgin Islands | Investment | US\$ 9,000 | US\$ 9,000 | 1 share | 100 | US\$ 6,296 | US\$ (26) | NA | |
| | Taiwan Fixed Network Co., Ltd. | Taipei, Taiwan | Fixed line service provider | 40,000,000 | 40,000,000 | 4,000,000 | 100 | 57,144,950 | 3,964,981 | NA | |
| | Taiwan Digital Communications Co., Ltd. | Taipei, Taiwan | Equipment installation and IT service | 12,000 | 12,000 | 1,200 | 100 | 11,078 | (95) | NA | |
| Taiwan Teleservices & Technologies Co., Ltd. | TT&T Life Insurance Agency Co., Ltd. | Taipei, Taiwan | Insurance agent | 3,000 | 3,000 | 300 | 100 | 3,035 | 26 | NA | |
| | TT&T Holdings Co., Ltd. | Samoa | Investment | US\$ 1,300 | US\$ 1,300 | 1,300 | 100 | US\$ 1,365 | US\$ (6) | NA | |
| | Taiwan Super Basketball Co., Ltd. | Taipei, Taiwan | Basketball team management | 20,000 | 20,000 | 2,000 | 100 | 9,169 | (10,836) | NA | |
| TT&T Holdings Co., Ltd. | Xiamen Taifu Teleservices & Technologies Ltd. | Xiamen | Call center service | US\$ 1,300 | US\$ 1,300 | - | 100 | US\$ 1,359 | US\$ (8) | NA | |
| Taiwan Fixed Network Co., Ltd. | TFN Investment Co., Ltd. | Taipei, Taiwan | Investment | 17,897,639 | 17,897,639 | 2,061,939 | 100 | 25,491,609 | 669,219 | NA | |
| | Taiwan Telecommunication Network Services Co., Ltd. | Taipei, Taiwan | Internet service provider | 1,497,701 | 1,497,701 | 108,193 | 99.53 | 1,527,238 | 46,617 | NA | |
| | TFN HK Limited | Hong Kong | Telecommunications service provider | 5,816 | 5,816 | 1,299 | 99.99 | 2,859 | (26) | NA | |
| TFN Investment Co., Ltd. | Reach & Range Inc. | Taipei, Taiwan | Telecommunications equipment installment and IT service provider | 31,764 | 31,764 | 2,400 | 100 | 33,115 | 1,680 | NA | |
| | WinTV Broadcasting Co., Ltd. | Taipei, Taiwan | TV program provider | 591,000 | 591,000 | 59,100 | 98.5 | 233,757 | (21,508) | NA | |
| | TFN Media Co., Ltd. | Taipei, Taiwan | Cable broadband and value added service provider | 2,035,714 | 1,500,000 | 230,526 | 100 | 3,100,063 | 295,024 | NA | |
| Taiwan Telecommunication Network Services Co., Ltd. | VoPier Communications (Taiwan) Co., Ltd. | Taipei, Taiwan | ISR (international simple resales) and international prepaid card service provider | 120,000 | 120,000 | 12,000 | 100 | 11,722 | (725) | NA | |
| TFN Media Co., Ltd. | Globalview Cable TV Co., Ltd. | Sijhih Township | Cable TV service provider | 841,413 | 841,413 | 51,733 | 92.38 | 1,248,303 | 18,554 | NA | |
| | Yeong Jialeh Cable TV Co., Ltd. | Sinjhuangshih Township | Cable TV service provider | 1,616,824 | 1,616,824 | 33,940 | 100 | 2,125,043 | 46,253 | NA | |
| | Shin Ho Cable TV Co., Ltd. | Sinjhuangshih Township | Cable TV service provider | 661,781 | 661,781 | 20,000 | 100 | 733,183 | 3,536 | NA | |
| | Mangrove Cable TV Corporation | Danshueijhen Township | Cable TV service provider | 397,703 | 397,703 | 21,160 | 100 | 535,913 | 17,360 | NA | |
| | North Coast Cable TV Co., Ltd. | Danshueijhen Township | Cable TV service provider | 399,193 | 399,193 | 21,160 | 100 | 508,852 | (7,621) | NA | |
| | Phoenix Cable TV Co., Ltd. | Kaohsiung County | Cable TV service provider | 2,294,967 | 1,229,257 | 65,818 | 96.66 | 3,178,362 | 49,733 | NA | |
| | Union Cable TV Co., Ltd. | Yilan City | Cable TV service provider | 1,904,440 | 1,904,440 | 170,441 | 99.99 | 2,042,768 | 27,888 | NA | |

Note 1: Taiwan Mobile shares held indirectly by Taiwan Fixed Network Co., Ltd. (TFN) and its subsidiary are classified as treasury shares. Therefore, TWM's carrying cost of TFN and its subsidiary was reduced by adjusting the latter's net worth by \$31,889,100 thousand and another \$13,095,048 thousand unrealized gain from financial assets investment from \$60,102,844 thousand.

Note 2: Some shares are held under trustee accounts.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars or U.S. Dollars)

| Investee Company Name | Main Businesses and Products | Total Amount of Paid-in Capital | Investment Type | Accumulated Outflow of Investment from Taiwan as of January 1, 2008 | Investment Flows | | Accumulated Outflow of Investment from Taiwan as of March 31, 2008 | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 3) | Carrying Value as of March 31, 2008 | Accumulated Inward Remittance of Earnings as of March 31, 2008 |
|---|------------------------------|---------------------------------|--|---|------------------|--------|--|---|---------------------------------|-------------------------------------|--|
| | | | | | Outflow | Inflow | | | | | |
| Xiamen Taifu Teleservices & Technologies Ltd. | Call center service | US\$ 1,300 (NT\$ 39,523) | 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\$ 39,523) | \$ - | \$ - | US\$ 1,300 (NT\$ 39,523) | 100% ownership of indirect investment by the Corporation's subsidiary | US\$ (8) (NT\$ (243)) | US\$ 1,359 (NT\$ 41,316) | \$ - |

| Accumulated Investment in Mainland China as of March 31, 2008 | Investment Amounts Authorized by Investment Commission, MOEA (Note 2) | Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2) |
|---|---|--|
| US\$1,300 (NT\$39,523) | US\$1,300 (NT\$39,523) | \$103,548 |

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.402 and RMB1=NT\$4.3347 as of March 31, 2008.

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

Note 3: Calculation was based on unreviewed financial statements.

TABLE 9

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
THREE MONTHS ENDED MARCH 31, 2008
(In Thousands of New Taiwan Dollars)

| Number | Company Name | Counterparty | Transaction Details | | | | |
|----------------------------|-------------------------|---|-------------------------------|---------------------------|-----------|------------------------|---|
| | | | Nature of Relationship (Note) | Account | Amount | Transaction Terms | Percentage of Consolidated Total Operating Revenues or Total Assets |
| 0 | Taiwan Mobile Co., Ltd. | TransAsia Telecommunications Inc. | 1 | Accounts receivable | \$ 69,962 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Accounts receivable | (20) | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Accounts receivable | 219,313 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Accounts receivable | 90 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other receivables | 406,614 | Based on regular terms | - |
| | | Tai Fu Media Technology Co., Ltd. | 1 | Other receivables | 2,022,120 | Based on regular terms | 2% |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Other receivables | 109 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Other receivables | 136,491 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Other receivables | 9,285 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Other receivables | 1,259,187 | Based on regular terms | 1% |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Prepayments | 138 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Other current assets | 79 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Short-term loans | 45,609 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Accounts payable | 20,335 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Accounts payable | 6 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Accounts payable | 40,923 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Accrued expenses | 1,026 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Accrued expenses | 162,405 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Accrued expenses | 97,207 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Accrued expenses | 1 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Accrued expenses | 5 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Accrued interest expenses | 177 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other payables | 239,391 | Based on regular terms | - |
| | | Taiwan Super Basketball Co., Ltd. | 1 | Other payables | 7 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Other payables | 87,755 | Based on regular terms | - |
| | | Tai Yi Digital Broadcasting Co., Ltd. | 1 | Advance receipts | 29 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Advance receipts | 90 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other current liabilities | 154,661 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Other current liabilities | 346,345 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Other current liabilities | 5 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Other current liabilities | 16 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Other current liabilities | 1 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 1 | Other current liabilities | 2 | Based on regular terms | - |
| Phoenix Cable TV Co., Ltd. | 1 | Other current liabilities | 11 | 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 |
| | | Globalview Cable TV Co., Ltd. | 1 | Other current liabilities | \$ 1 | Based on regular terms | - |
| | | Tai Yi Digital Broadcasting Co., Ltd. | 1 | Guarantee deposits | 15 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Guarantee deposits | 830 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Operating revenues | 178,617 | Based on regular terms | 1% |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Operating revenues | 481,177 | Based on regular terms | 3% |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Operating revenues | 157 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Operating revenues | 248 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating revenues | 110 | Based on regular terms | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Operating revenues | 30 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Operating revenues | 73 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 1 | Operating revenues | 86 | Based on regular terms | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Operating revenues | 25 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating revenues | 327 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating revenues | 124 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Operating costs | 101,970 | Based on regular terms | - |
| | | Tai Yi Digital Broadcasting Co., Ltd. | 1 | Operating costs | (5) | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Operating costs | 17 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Operating costs | 229,148 | Based on regular terms | 1% |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Operating expenses | 232,555 | Based on regular terms | 1% |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Operating expenses | 22,454 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Operating expenses | 1 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 1 | Operating expenses | 9 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Operating expenses | 5 | Based on regular terms | - |
| | | Tai Fu Media Technology Co., Ltd. | 1 | Interest income | 12,767 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Interest income | 5,910 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Rental income | 11 | Based on regular terms | - |
| | | Taiwan Cellular Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Wealth Media Technology Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Tai Fu Media Technology Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Tai Yi Digital Broadcasting Co., Ltd. | 1 | Rental income | 9 | Based on regular terms | - |
| | | Taiwan Digital Communications Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | TT&T Life Insurance Agency Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | TT&T Casualty & Property Insurance Agency Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Taiwan Super Basketball Co., Ltd. | 1 | Rental income | 34 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Rental income | 14,105 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Rental income | 2,660 | Based on regular terms | - |
| | | Fu Jia Leh Media Technology Co., Ltd. | 1 | Rental income | 14 | Based on regular terms | - |
| | | Fu Sin Media Technology Co., Ltd. | 1 | Rental income | 14 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Miscellaneous revenue | 1,490 | 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 | |
| | | TransAsia Telecommunications Inc. | 1 | Interest expenses | \$ 3,325 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Miscellaneous expense | 330 | Based on regular terms | - |
| 1 | TransAsia Telecommunications Inc. | The Corporation | 2 | Accounts receivable | 20,335 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Accounts receivable | 4,111 | Based on regular terms | - |
| | | Reach & Range Inc. | 3 | Accounts receivable | 108 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 440,890 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Other receivables | 4,147 | Based on regular terms | - |
| | | The Corporation | 2 | Prepayments | 105 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts payable | 71,688 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 343,371 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Accrued expenses | 4,002 | Based on regular terms | - |
| | | The Corporation | 2 | Other payables | 61,492 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Other payables | 1,290 | Based on regular terms | - |
| | | The Corporation | 2 | Other current liabilities | 62 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Other current liabilities | 3,432 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 101,898 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Operating revenues | 3 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Operating revenues | 11,246 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 178,617 | Based on regular terms | 1% |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Operating costs | 1 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Operating costs | 9,845 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 11 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Operating expenses | 161 | Based on regular terms | - |
| | | The Corporation | 2 | Interest income | 3,324 | Based on regular terms | - |
| | | Taiwan Cellular Co., Ltd. | 3 | Interest income | 2,199 | Based on regular terms | - |
| | | The Corporation | 2 | Rental income | 72 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Rental income | 101 | Based on regular terms | - |
| | | The Corporation | 2 | Miscellaneous revenue | 330 | Based on regular terms | - |
| 2 | Wealth Media Technology Co., Ltd. | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| 3 | Tai Fu Media Technology Co., Ltd. | The Corporation | 2 | Accrued interest expenses | 17,120 | Based on regular terms | - |
| | | The Corporation | 2 | Other payables | 2,005,000 | Based on regular terms | 2% |
| | | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| | | The Corporation | 2 | Interest expenses | 12,767 | Based on regular terms | - |
| 4 | Fu Jia Leh Media Technology Co., Ltd. | The Corporation | 2 | Operating expenses | 14 | Based on regular terms | - |
| 5 | Fu Sin Media Technology Co., Ltd. | The Corporation | 2 | Operating expenses | 14 | Based on regular terms | - |
| 6 | Global Wealth Media Technology Co., Ltd. | Globalview Cable TV Co., Ltd. | 1 | Prepayments | 26 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating expenses | 9 | 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 | |
| 7 | Taiwan Cellular Co., Ltd. (TCC) | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Other receivables | \$ 347 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 3 | Other receivables | 1,260,343 | Based on regular terms | 1% |
| | | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 1 | Interest income | 7,947 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 3 | Interest income | 7,910 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Interest expenses | 2,198 | Based on regular terms | - |
| 8 | Tai Yi Digital Broadcasting Co., Ltd. | The Corporation | 2 | Prepayments | 29 | Based on regular terms | - |
| | | The Corporation | 2 | Refundable deposits | 15 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 19 | Based on regular terms | - |
| 9 | Taiwan Digital Communications Co., Ltd. | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| 10 | Taiwan Teleservices & Technologies Co., Ltd. (TT&T) | The Corporation | 2 | Accounts receivable | 162,123 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Accounts receivable | 5,355 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 288 | Based on regular terms | - |
| | | Taiwan Super Basketball Co., Ltd. | 1 | Other receivables | 42 | Based on regular terms | - |
| | | Xiamen Taifu Teleservices & Technologies Ltd. | 1 | Other receivables | 100 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Other receivables | 453 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 109 | Based on regular terms | - |
| | | Taiwan Cellular Co., Ltd. | 2 | Accrued expenses | 347 | Based on regular terms | - |
| | | TT&T Holdings Co., Ltd. | 1 | Accrued expenses | (2,118) | Based on regular terms | - |
| | | Xiamen Taifu Teleservices & Technologies Ltd. | 1 | Accrued expenses | 13,451 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Accrued expenses | 138 | Based on regular terms | - |
| | | Taiwan Super Basketball Co., Ltd. | 1 | Other current liabilities | 42 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 232,379 | Based on regular terms | 1% |
| | | TransAsia Telecommunications Inc. | 3 | Operating revenues | 1 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 3 | Operating revenues | 7,875 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 345 | Based on regular terms | - |
| | | TT&T Holdings Co., Ltd. | 1 | Operating expenses | 2,853 | Based on regular terms | - |
| Xiamen Taifu Teleservices & Technologies Ltd. | 1 | Operating expenses | 13,451 | Based on regular terms | - | | |
| Taiwan Fixed Network Co., Ltd. | 3 | Operating expenses | 125 | Based on regular terms | - | | |
| The Corporation | 2 | Rental income | 502 | Based on regular terms | - | | |
| 11 | TT&T Life Insurance Agency Co., Ltd. | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| 12 | TT&T Casualty & Property Insurance Agency Co., Ltd. | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| 13 | Taiwan Super Basketball Co., Ltd. | The Corporation | 2 | Accounts receivable | 7 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 7 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 34 | Based on regular terms | - |
| 14 | TT&T Holdings Co., Ltd. | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Accounts receivable | 1,584 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Accounts payable | 3,462 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Operating revenues | 2,909 | 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 | |
| 15 | Xiamen Taifu Teleservices & Technologies Ltd. | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Accounts receivable | \$ 13,269 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Operating revenues | 13,606 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Operating expenses | 2 | Based on regular terms | - |
| 16 | Taiwan Fixed Network Co., Ltd. (TFN) | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Notes receivable | 3,449 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts receivable | 160,472 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Accounts receivable | 3,370 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Accounts receivable | 138 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Accounts receivable | 25,284 | Based on regular terms | - |
| | | Reach & Range Inc. | 1 | Accounts receivable | 9,559 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 1 | Accounts receivable | 9,175 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Accounts receivable | 11,662 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Accounts receivable | 125 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Accounts receivable | 179 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 1 | Accounts receivable | 274 | Based on regular terms | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Accounts receivable | 17 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Accounts receivable | 562 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accounts receivable | 195 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 166,869 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Other receivables | 775 | Based on regular terms | - |
| | | TFN Investment Co., Ltd. | 1 | Other receivables | 803,423 | Based on regular terms | 1% |
| | | TFN Media Co., Ltd. | 1 | Other receivables | 726 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Other receivables | 10 | Based on regular terms | - |
| | | The Corporation | 2 | Prepayments | 90 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Prepayments | 263 | Based on regular terms | - |
| | | The Corporation | 2 | Refundable deposits | 830 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts payable | 921 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Accounts payable | 3,679 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Accounts payable | 347 | Based on regular terms | - |
| | | Reach & Range Inc. | 1 | Accounts payable | 9,881 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Accounts payable | 15,394 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Accounts payable | 18 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Accounts payable | 476 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Accounts payable | 552 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accounts payable | 15 | Based on regular terms | - |
| | | TFNHK | 1 | Accounts payable | 455 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 108,297 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Accrued expenses | 5,808 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Accrued expenses | 415 | Based on regular terms | - |
| | | The Corporation | 2 | Advance receipts | 136 | Based on regular terms | - |
| TFN Media Co., Ltd. | 1 | Other liabilities | 6,974 | Based on regular terms | - | | |
| The Corporation | 2 | Operating revenues | 246,215 | Based on regular terms | 1% | | |
| TransAsia Telecommunications Inc. | 3 | Operating revenues | 10,007 | Based on regular terms | - | | |
| Taiwan Teleservices & Technologies Co., Ltd. | 3 | Operating revenues | 125 | Based on regular terms | - | | |
| Taiwan Telecommunication Network Services Co., Ltd. | 1 | Operating revenues | 9,940 | Based on regular terms | - | | |
| Reach & Range Inc. | 1 | Operating revenues | 120 | 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 | |
| | | Win TV Broadcasting Co., Ltd. | 1 | Operating revenues | \$ 119 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Operating revenues | 14,768 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating revenues | 331 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Operating revenues | 182 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 1 | Operating revenues | 1,288 | Based on regular terms | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Operating revenues | 14 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating revenues | 1,316 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating revenues | 265 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 480,993 | Based on regular terms | 3% |
| | | TransAsia Telecommunications Inc. | 3 | Operating costs | 11,349 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Operating costs | 363 | Based on regular terms | - |
| | | Reach & Range Inc. | 1 | Operating costs | 5,204 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Operating costs | 11,482 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating costs | 52 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Operating costs | 507 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating costs | 858 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating costs | 42 | Based on regular terms | - |
| | | TFNHK | 1 | Operating costs | 704 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 13,386 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Operating expenses | 7,883 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 1 | Operating expenses | 404 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Operating expenses | (13) | Based on regular terms | - |
| | | TFN Investment Co., Ltd. | 1 | Interest income | 3,963 | Based on regular terms | - |
| | | The Corporation | 2 | Rental income | 4,223 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Rental income | 10 | Based on regular terms | - |
| | | The Corporation | 2 | Miscellaneous revenue | 15 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 1 | Miscellaneous revenue | 3 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Miscellaneous revenue | 1,933 | Based on regular terms | - |
| | | Taiwan Cellular Co., Ltd. | 2 | Interest expenses | 7,948 | Based on regular terms | - |
| | | The Corporation | 2 | Miscellaneous expense | 1,492 | Based on regular terms | - |
| 17 | TFNHK | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 446 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 695 | Based on regular terms | - |
| 18 | Taiwan Telecommunication Network Services Co., Ltd. (TTN) | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 211 | Based on regular terms | - |
| | | Reach & Range Inc. | 3 | Accounts receivable | (10) | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 3 | Accounts receivable | 3 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other receivables | 761 | Based on regular terms | - |
| | | The Corporation | 2 | Other current assets | 7 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Notes payable | 3,449 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts payable | 9,287 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts payable | 25,314 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 164 | Based on regular terms | - |
| | | Reach & Range Inc. | 3 | Accrued expenses | 142 | Based on regular terms | - |
| | | Reach & Range Inc. | 3 | Operating revenues | 573 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 3 | Operating revenues | 9 | 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 |
| | | Globalview Cable TV Co., Ltd. | 3 | Operating revenues | \$ 9 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 13 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 10,311 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | (386) | Based on regular terms | - |
| 19 | TFN Investment Co., Ltd. | TFN Media Co., Ltd. | 1 | Other receivables | 4,684,121 | Based on regular terms | 5% |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Short-term loans | 800,000 | Based on regular terms | 1% |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued interest expenses | 3,423 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 1 | Interest income | 6,328 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Interest expenses | 3,963 | Based on regular terms | - |
| 20 | Reach & Range Inc. | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 9,934 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Accounts receivable | 432 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts payable | (4) | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Accounts payable | 197 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 9,560 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 5,057 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Operating revenues | 178 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Operating costs | 573 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 120 | Based on regular terms | - |
| 21 | Win TV Broadcasting Co., Ltd. | Union Cable TV Co., Ltd. | 3 | Accounts receivable | 315 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 3 | Accounts receivable | 315 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 3 | Accounts receivable | 315 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 3 | Accounts receivable | 315 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 3 | Accounts receivable | 315 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other payables | 5,399 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Long-term accounts payables | 3,327 | Based on regular terms | - |
| | | Union Cable TV Co., Ltd. | 3 | Operating revenues | 300 | Based on regular terms | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 3 | Operating revenues | 300 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 3 | Operating revenues | 300 | Based on regular terms | - |
| | | Phoenix Cable TV Co., Ltd. | 3 | Operating revenues | 300 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 3 | Operating revenues | 300 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 115 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 57 | Based on regular terms | - |
| 22 | TFN Media Co., Ltd. | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 14,960 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Accounts receivable | 62,196 | Payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Accounts receivable | 89,610 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Accounts receivable | 1,487 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Accounts receivable | 5,529 | 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 | |
| | | Phoenix Cable TV Co., Ltd. | 1 | Accounts receivable | \$ 119,752 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accounts receivable | 44,268 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other current assets | 192 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other intangible assets | 6,974 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Accounts payable | 4,686 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Accounts payable | 1,705 | Payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Accounts payable | 6,041 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Accounts payable | 1,398 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Accounts payable | 1,262 | Payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Accounts payable | 10,051 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accounts payable | 4,180 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Accrued expenses | 2,790 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 11,774 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Accrued expenses | 9,940 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Accrued expenses | 84 | Payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Accrued expenses | 6,521 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Accrued expenses | 791 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Accrued expenses | 25 | Payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Accrued expenses | 6,450 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accrued expenses | 961 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Accrued interest expenses | 6,397 | Payment terms varied depend on the agreements | - |
| | | Taiwan Cellular Co., Ltd. | 2 | Accrued interest expenses | 10,343 | Payment terms varied depend on the agreements | - |
| | | TFN Investment Co., Ltd. | 2 | Accrued interest expenses | 8,275 | Payment terms varied depend on the agreements | - |

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| 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. | 1 | Accrued interest expenses | \$ 8,282 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Accrued interest expenses | 3,448 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Accrued interest expenses | 1,045 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Accrued interest expenses | 3,399 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Accrued interest expenses | 5,453 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Other payables | 1,250,000 | Payment terms varied depend on the agreements | 1% |
| | | Taiwan Cellular Co., Ltd. | 2 | Other payables | 1,250,000 | Payment terms varied depend on the agreements | 1% |
| | | TFN Investment Co., Ltd. | 2 | Other payables | 4,675,846 | Payment terms varied depend on the agreements | 5% |
| | | Union Cable TV Co., Ltd. | 1 | Other payables | 460,003 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Other payables | 207,702 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Other payables | 3 | Based on regular terms | - |
| | | Mangrove Cable TV Corporation | 1 | Other payables | 43,001 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Other payables | 140,001 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Other payables | 4 | Based on regular terms | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Other payables | 290,002 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Other liabilities | 3,881 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Other liabilities | 3,770 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Other liabilities | 3,770 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Other liabilities | 4,741 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 11,048 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating revenues | 54,334 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Operating revenues | 1,190 | 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. | 1 | Operating revenues | \$ 90,881 | Payment terms varied depend on the agreements | 1% |
| | | Mangrove Cable TV Corporation | 1 | Operating revenues | 3,374 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Operating revenues | 6,783 | Payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating revenues | 119,208 | Payment terms varied depend on the agreements | 1% |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating revenues | 47,420 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 133 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 15,875 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating costs | 11,102 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Operating costs | 1,705 | Payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Operating costs | 9,995 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Operating costs | 1,883 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Operating costs | 1,262 | Payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating costs | 15,471 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating costs | 4,851 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 2,757 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 912 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Operating expenses | 800 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Operating expenses | 80 | Payment terms varied depend on the agreements | - |
| | | Yeong Jialeh Cable TV Co., Ltd. | 1 | Operating expenses | 473 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Operating expenses | 136 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Operating expenses | 24 | Payment terms varied depend on the agreements | - |
| | | Phoenix Cable TV Co., Ltd. | 1 | Operating expenses | 707 | 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 | |
| | | Globalview Cable TV Co., Ltd. | 1 | Operating expenses | \$ 147 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Interest expenses | 5,893 | Payment terms varied depend on the agreements | - |
| | | Taiwan Cellular Co., Ltd. | 2 | Interest expenses | 7,823 | Payment terms varied depend on the agreements | - |
| | | TFN Investment Co., Ltd. | 2 | Interest expenses | 6,258 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 1 | Interest expenses | 2,914 | Payment terms varied depend on the agreements | - |
| | | Shin Ho Cable TV Co., Ltd. | 1 | Interest expenses | 1,314 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 1 | Interest expenses | 273 | Payment terms varied depend on the agreements | - |
| | | North Coast Cable TV Co., Ltd. | 1 | Interest expenses | 887 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 1 | Interest expenses | 1,685 | Payment terms varied depend on the agreements | - |
| 23 | Union Cable TV Co., Ltd. | The Corporation | 2 | Accounts receivable | 16 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 18 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts receivable | 14,625 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 3 | Accounts receivable | 6 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 468,285 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Prepayments | 1 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Prepayments | 225 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts payable | 49,410 | Payment terms varied depend on the agreements | - |
| | | Globalview Cable TV Co., Ltd. | 3 | Accounts payable | 4 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts payable | 29 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Accounts payable | 315 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other payables | 12,785 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 52 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 11,782 | Payment terms varied depend on the agreements | - |
| | | Mangrove Cable TV Corporation | 3 | Operating revenues | 6 | 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 | Operating costs | \$ 71 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Operating costs | 75 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating costs | 49,410 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 53 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 436 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 4,924 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Interest income | 2,914 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 120 | Payment terms varied depend on the agreements | - |
| 24 | Shin Ho Cable TV Co., Ltd. | TFN Media Co., Ltd. | 2 | Accounts receivable | 1,789 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 211,150 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 1,705 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 15 | Based on regular terms | - |
| | | The Corporation | 2 | Operating expenses | 5 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 1,190 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Interest income | 1,314 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 80 | Payment terms varied depend on the agreements | - |
| 25 | Yeong Jialeh Cable TV Co., Ltd. | The Corporation | 2 | Accounts receivable | 1 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 16 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts receivable | 12,532 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 3 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Prepayments | 225 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other current assets | 56 | 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 | |
| | | TFN Media Co., Ltd. | 2 | Other intangible assets | \$ 3,881 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts payable | 90 | Payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Accounts payable | 315 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts payable | 81,331 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 58 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other payables | 8,280 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 47 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 10,376 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 55 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 65 | Payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Operating costs | 75 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating costs | 81,331 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 9 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 165 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 9,550 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 92 | Payment terms varied depend on the agreements | - |
| 26 | Mangrove Cable TV Corporation | The Corporation | 2 | Accounts receivable | 2 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts receivable | 2,090 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 44,145 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Prepayments | 225 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other intangible assets | 3,770 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts payable | 120 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 3 | Accounts payable | 6 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 55 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Accrued expenses | 3 | 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 | |
| | | Win TV Broadcasting Co., Ltd. | 3 | Accrued expenses | \$ 315 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other payables | 1,487 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 1,926 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 26 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 1,140 | Payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Operating costs | 75 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 20 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 182 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Operating expenses | 9 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 3,374 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Interest income | 273 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 94 | Payment terms varied depend on the agreements | - |
| 27 | North Coast Cable TV Co., Ltd. | TFN Media Co., Ltd. | 2 | Accounts receivable | 1,262 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 143,425 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other intangible assets | 3,770 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts payable | 5,529 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 12 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 1,262 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 15 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating costs | 5,529 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 4 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 39 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 1,255 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Interest income | 887 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 24 | 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 | |
| 28 | Phoenix Cable TV Co., Ltd. | The Corporation | 2 | Accounts receivable | \$ 11 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 115 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts receivable | 16,316 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 190 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Prepayments | 225 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other current assets | 408 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts payable | 108,422 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 464 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Accrued expenses | 315 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other payables | 81 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other payables | 11,331 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co. | 2 | Advance receipts | 263 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co. | 2 | Operating revenues | 416 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 16,017 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating costs | 83 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 897 | Payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Operating costs | 75 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating costs | 108,422 | Payment terms varied depend on the agreements | 1% |
| | | The Corporation | 2 | Operating expenses | 113 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 479 | Based on regular terms | - |
| TFN Media Co., Ltd. | 2 | Operating expenses | 10,786 | Payment terms varied depend on the agreements | - | | |
| The Corporation | 2 | Rental income | 43 | Payment terms varied depend on the agreements | - | | |
| TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 161 | 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 | |
| 29 | Globalview Cable TV Co., Ltd. | The Corporation | 2 | Accounts receivable | \$ 1 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts receivable | 15 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accounts receivable | 5,037 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 3 | Accounts receivable | 4 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other receivables | 295,552 | Based on regular terms and payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Prepayments | 225 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Other current assets | 7 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other intangible assets | 4,741 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accounts payable | 18 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Accounts payable | 42,136 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Accrued expenses | 82 | Based on regular terms | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Accrued expenses | 315 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Accrued expenses | - | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Other payables | - | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Other payables | 2,131 | Payment terms varied depend on the agreements | - |
| | | Global Wealth Media Technology Co., Ltd. | 2 | Advance receipts | 26 | Payment terms varied depend on the agreements | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating revenues | 42 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating revenues | 4,905 | Payment terms varied depend on the agreements | - |
| | | Union Cable TV Co., Ltd. | 3 | Operating revenues | 4 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 38 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating costs | 128 | Payment terms varied depend on the agreements | - |
| | | Win TV Broadcasting Co., Ltd. | 3 | Operating costs | 75 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Operating costs | 42,136 | Payment terms varied depend on the agreements | - |
| | | The Corporation | 2 | Operating expenses | 39 | Based on regular terms | - |
| | | Taiwan Fixed Network Co., Ltd. | 2 | Operating expenses | 215 | Based on regular terms | - |
| | | Taiwan Telecommunication Network Services Co., Ltd. | 3 | Operating expenses | 9 | Based on regular terms | - |
| | | TFN Media Co., Ltd. | 2 | Operating expenses | 5,284 | Payment terms varied depend on the agreements | - |
| TFN Media Co., Ltd. | 2 | Interest income | 1,685 | Payment terms varied depend on the agreements | - | | |

(Continued)

| Number | Company Name | Counterparty | Transaction Details | | | | |
|--------|--------------|--|-------------------------------|-----------------------|--------|---|---|
| | | | Nature of Relationship (Note) | Account | Amount | Transaction Terms | Percentage of Consolidated Total Operating Revenues or Total Assets |
| | | Global Wealth Media Technology Co., Ltd. | 2 | Rental income | \$ 9 | Payment terms varied depend on the agreements | - |
| | | TFN Media Co., Ltd. | 2 | Miscellaneous revenue | 93 | Payment terms varied depend on the agreements | - |

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
THREE MONTHS ENDED MARCH 31, 2007
(In Thousands of New Taiwan Dollars)

| Number | Company Name | Counterparty | Transaction Details | | | | |
|--|-----------------------------------|--|-------------------------------|---------------------------|-----------|------------------------|---|
| | | | Nature of Relationship (Note) | Account | Amount | Transaction Terms | Percentage of Consolidated Total Operating Revenues or Total Assets |
| 0 | Taiwan Mobile Co., Ltd. | TransAsia Telecommunications Inc. | 1 | Accounts receivable | \$ 65,523 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Accounts receivable | 17,993 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other receivables | 151,637 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Other receivables | 98,809 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Other receivables | 1,151 | Based on regular terms | - |
| | | Tai Yi Digital Broadcasting Co., Ltd. | 1 | Other receivables | 17 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Prepayments | 28 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Accounts payable | 19,380 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Accounts payable | 1,005 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Accounts payable | 5 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Accrued expenses | 4,330 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Accrued expenses | 153,842 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other payables | 335,397 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Other payables | 166,703 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Advance receipts | 473 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Advance receipts | 299 | 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 | - |
| | | Taihsing International Telecommunications Co., Ltd. | 1 | Advance receipts | 34 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Other current liabilities | 203,829 | Based on regular terms | - |
| | | Mobitai Communications | 1 | Other current liabilities | 102,507 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Other current liabilities | 31 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Operating revenues | 164,431 | Based on regular terms | 1% |
| | | Mobitai Communications | 1 | Operating revenues | 66,914 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 1 | Operating costs | 85,436 | Based on regular terms | 1% |
| | | Mobitai Communications | 1 | Operating costs | 41,529 | Based on regular terms | - |
| Taiwan Teleservices & Technologies Co., Ltd. | 1 | Marketing expenses | 201,922 | Based on regular terms | 1% | | |
| Taiwan Teleservices & Technologies Co., Ltd. | 1 | Administrative expenses | 18,312 | Based on regular terms | - | | |
| 1 | TransAsia Telecommunications Inc. | The Corporation | 2 | Notes receivable | 90 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts receivable | 19,380 | Based on regular terms | - |
| | | Mobitai Communications | 3 | Accounts receivable | 1,036 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 538,702 | Based on regular terms | - |
| | | Mobitai Communications | 3 | Other receivables | 10 | Based on regular terms | - |
| | | The Corporation | 2 | Prepayments | 473 | 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 | Accounts payable | \$ 67,092 | Based on regular terms | - |
| | | Mobitai Communications | 3 | Accounts payable | 63 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 3 | Accounts payable | 18 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 109,931 | Based on regular terms | - |
| | | The Corporation | 2 | Other payables | 39,638 | Based on regular terms | - |
| | | The Corporation | 2 | Advance receipts | 114 | Based on regular terms | - |
| | | The Corporation | 2 | Other current liabilities | 11 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 75,368 | Based on regular terms | 1% |
| | | Mobitai Communications | 3 | Operating revenues | 2,049 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 164,431 | Based on regular terms | 1% |
| | | Mobitai Communications | 3 | Operating costs | 1,106 | Based on regular terms | - |
| 2 | Mobitai Communications | The Corporation | 2 | Accounts receivable | 5,334 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Accounts receivable | 63 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 268,992 | Based on regular terms | - |
| | | The Corporation | 2 | Prepayments | 331 | Based on regular terms | - |
| | | The Corporation | 2 | Accounts payable | 19,452 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Accounts payable | 1,046 | Based on regular terms | - |
| | | The Corporation | 2 | Other payables | 32,569 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 64,562 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 51,596 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Operating revenues | 1,106 | Based on regular terms | - |
| | | The Corporation | 2 | Operating costs | 66,914 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Operating costs | 2049 | Based on regular terms | - |
| 3 | Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.) | The Corporation | 2 | Prepayments | 34 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 1 | Other receivables | 330 | Based on regular terms | - |
| 4 | Tai Yi Digital Broadcasting Co., Ltd. | The Corporation | 2 | Accrued expenses | 17 | Based on regular terms | - |
| 5 | Taihsing International Telecommunications Co., Ltd. | The Corporation | 2 | Prepayments | 34 | Based on regular terms | - |
| 6 | Taiwan Teleservices & Technologies Co., Ltd. | The Corporation | 2 | Accounts receivable | 153,333 | Based on regular terms | - |
| | | TransAsia Telecommunications Inc. | 3 | Accounts receivable | 18 | Based on regular terms | - |
| | | The Corporation | 2 | Other receivables | 545 | Based on regular terms | - |
| | | The Corporation | 2 | Prepayments | 34 | Based on regular terms | - |
| | | The Corporation | 2 | Accrued expenses | 1,151 | Based on regular terms | - |
| | | Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.) | 2 | Accrued expenses | 330 | Based on regular terms | - |
| | | TT&T Holdings Co., Ltd. | 1 | Accrued expenses | (2,362) | Based on regular terms | - |
| | | Xiamen Taifu Teleservices & Technologies Ltd. | 1 | Accrued expenses | 9,428 | Based on regular terms | - |
| | | The Corporation | 2 | Operating revenues | 219,296 | Based on regular terms | 2% |

(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 | Marketing expenses | \$ 1,570 | Based on regular terms | - |
| | | Xiamen Taifu Teleservices & Technologies Ltd. | 1 | Marketing expenses | 14,293 | Based on regular terms | - |
| | | TT&T Holdings Co., Ltd. | 1 | Marketing expenses | 1,274 | Based on regular terms | - |
| | | The Corporation | 2 | Rental income | 2,509 | Based on regular terms | - |
| 7 | TT&T Holdings Co., Ltd. | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Accounts receivable | 1,346 | 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 | 1,274 | Based on regular terms | - |
| 8 | Xiamen Taifu Teleservices & Technologies Ltd. | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Accounts receivable | 9,428 | Based on regular terms | - |
| | | Taiwan Teleservices & Technologies Co., Ltd. | 2 | Operating revenues | 14,293 | Based on regular terms | - |

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