

Taiwan Mobile Co., Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 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 September 30, 2008 and 2007, and the related consolidated statements of income and cash flows for the nine months then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to issue a report based on our reviews.

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

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

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

As stated in Note 2 to the financial statements, to position as an integrated telecom and media player down the road differentiating from competition and build growth momentum exposure to higher margin lines of business, the Corporation, acquired up to 84.03% of Taiwan Fixed Network, Ltd. (the former 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.

October 21, 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 consolidated financial statements are those generally accepted and applied in the Republic of China

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 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 27)	\$ 3,734,911	4	\$ 11,662,691	10	Short-term borrowing (Notes 15, 27 and 28)	\$ 12,400,000	13	\$ 21,580,000	19
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	-	-	131,422	-	Short-term notes and bills payable (Note 16)	2,843,224	3	1,998,970	2
Available-for-sale financial assets - current (Notes 2 and 6)	295,961	1	2,742,744	3	Notes payable	149,511	-	337,877	-
Notes receivable	45,668	-	57,842	-	Accounts payable (Note 27)	3,278,393	4	2,675,327	2
Accounts receivable - third parties (Notes 2 and 7)	7,015,095	8	6,975,704	6	Income taxes payable (Notes 2 and 23)	2,036,134	2	1,136,520	1
Accounts receivable - related parties (Notes 2 and 27)	237,637	-	108,875	-	Accrued expenses	5,101,110	6	4,694,906	4
Other receivables (Note 27)	331,246	1	241,261	-	Other payables	4,223,644	5	4,133,911	4
Inventories (Note 2)	244,257	-	174,631	-	Advance receipts (Note 17)	1,989,560	2	1,665,190	2
Prepayments (Note 27)	994,765	1	869,340	1	Current portion of long-term liabilities (Notes 2, 18, 19, 20 and 28)	2,500,000	3	6,905,589	6
Deferred income tax assets - current (Notes 2 and 23)	281,250	-	164,397	-	Guarantee deposits	80,999	-	90,586	-
Pledged time deposits (Notes 27 and 28)	51,630	-	47,618	-	Deferred income tax liability - current (Notes 2 and 23)	-	-	14,845	-
Other current assets	11,028	-	29,281	-	Other current liabilities (Note 27)	435,874	-	505,270	-
Total current assets	13,243,448	15	23,205,806	20	Total current liabilities	35,038,449	38	45,738,991	40
INVESTMENTS					LONG-TERM LIABILITIES				
Hedging derivative financial assets - non-current (Notes 2, 26 and 30)	22,707	-	-	-	Bonds payable (Notes 2, 18 and 26)	7,500,000	8	10,000,000	9
Financial assets carried at cost - non-current (Notes 2 and 9)	2,515,168	3	2,718,815	2	Long-term borrowing (Notes 19, 27 and 28)	-	-	4,174,931	3
Bonds investment with no active market - non-current (Notes 2 and 10)	500,000	-	500,000	1	Hedging derivative financial liabilities (Notes 2, 26 and 30)	-	-	182,840	-
Total investments	3,037,875	3	3,218,815	3	Total long-term liabilities	7,500,000	8	14,357,771	12
PROPERTY AND EQUIPMENT (Notes 2, 11 and 28)					OTHER LIABILITIES				
Cost					Accrued pension cost (Notes 2 and 21)	2,196	-	111,444	-
Land	6,087,548	7	5,759,047	5	Guarantee deposits	349,517	1	373,360	-
Buildings	3,918,788	4	3,708,194	3	Deferred income tax liability - non-current (Notes 2 and 23)	74,248	-	22,920	-
Telecommunication equipment	64,767,650	71	88,771,085	77	Other	19,744	-	15,561	-
Office equipment	229,630	-	366,827	-	Total other liabilities	445,705	1	523,285	-
Leased assets	1,276,190	1	1,276,190	1	Total liabilities	42,984,154	47	60,620,047	52
Miscellaneous equipment	2,545,622	3	2,818,779	3	SHAREHOLDERS' EQUITY (Notes 2 and 22)				
Total cost	78,825,428	86	102,700,122	89	Parent's shareholders' equity				
Less: Accumulated depreciation	(32,091,279)	(35)	(39,730,854)	(34)	Capital stock - NTS10 par value				
Accumulated impairment	-	-	(880,686)	(1)	Authorized: 6,000,000 thousand shares				
	46,734,149	51	62,088,582	54	Issued: 3,800,925 thousand shares in 2007 and 5,000,925 thousand shares in 2008	38,009,254	42	50,009,254	43
Construction in progress and advance payments	2,248,154	2	2,823,746	2	Capital surplus				
Net property and equipment	48,982,303	53	64,912,328	56	From convertible of bonds	8,775,819	9	8,775,819	8
INTANGIBLE ASSETS (Note 2)					From treasury stock transactions	3,493,759	4	4,127	-
3G concession	7,664,018	8	8,411,727	7	From long-term investments	1,166	-	-	-
Computer software cost	65,128	-	161,315	-	Retained earnings				
Goodwill (Note 12)	10,484,260	11	9,829,282	9	Legal reserve	12,406,775	13	11,745,475	10
Other intangible assets					Special reserve	3,406,744	4	3,493,563	3
Customer relationship (Note 12)	2,730,237	3	2,251,328	2	Unappropriated earnings	14,569,830	16	15,832,086	14
Operating rights (Note 12)	1,382,000	2	1,169,172	1	Other equity				
Other intangible assets	15,907	-	7,999	-	Cumulative translation adjustments	9,253	-	5,427	-
	4,128,144	5	3,428,499	3	Net loss not recognized as pension cost	1,604	-	-	-
Total intangible assets	22,341,550	24	21,830,823	19	Unrealized gains (losses) of financial instruments	8,520	-	(316,677)	-
OTHER ASSETS					Treasury stock	(31,889,100)	(35)	(38,491,844)	(34)
Assets leased to others (Notes 2 and 13)	545,675	1	406,575	1	Minority interest	48,793,624	53	51,057,230	44
Idle assets (Notes 2 and 13)	228,579	-	262,049	-		35,907	-	3,958,305	4
Refundable deposits	392,602	1	405,413	-	Total shareholders' equity	48,829,531	53	55,015,535	48
Deferred charges (Notes 2 and 14)	306,372	-	359,429	-					
Deferred income tax assets - non-current (Notes 2 and 23)	2,600,232	3	965,001	1					
Other (Notes 27 and 28)	135,049	-	69,343	-					
Total other assets	4,208,509	5	2,467,810	2					
TOTAL	\$ 91,813,685	100	\$ 115,635,582	100	TOTAL	\$ 91,813,685	100	\$ 115,635,582	100

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

(With Deloitte & Touche review report dated October 21, 2008)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 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 27)	\$52,357,201	100	\$48,779,927	100
OPERATING COSTS (Notes 2, 25 and 27)	<u>23,630,498</u>	<u>45</u>	<u>21,322,749</u>	<u>44</u>
GROSS PROFIT	<u>28,726,703</u>	<u>55</u>	<u>27,457,178</u>	<u>56</u>
OPERATING EXPENSES (Notes 2, 25 and 27)				
Marketing	8,179,165	16	7,437,460	15
Administrative	<u>3,647,743</u>	<u>7</u>	<u>3,683,777</u>	<u>7</u>
Total operating expenses	<u>11,826,908</u>	<u>23</u>	<u>11,121,237</u>	<u>22</u>
OPERATING INCOME	<u>16,899,795</u>	<u>32</u>	<u>16,335,941</u>	<u>34</u>
NON-OPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	262,759	1	190,461	-
Penalty income	154,912	-	153,622	-
Interest income (Note 2)	88,680	-	199,862	1
Rental income (Notes 2 and 27)	55,182	-	54,435	-
Gain on disposal of property and equipment (Note 2)	49,136	-	5,356	-
Valuation gain on financial instruments (Note 2)	519	-	47,680	-
Investment income recognized under equity method, net (Notes 2 and 8)	-	-	172,777	-
Dividend income (Note 2)	-	-	89,468	-
Exchange gain, net (Note 2)	-	-	20,125	-
Other (Notes 2 and 7)	<u>240,292</u>	<u>1</u>	<u>239,032</u>	<u>1</u>
Total non-operating income and gains	<u>851,480</u>	<u>2</u>	<u>1,172,818</u>	<u>2</u>
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Notes 2 and 27)	766,383	2	1,110,105	2
Interest expenses (Notes 2, 11 and 27)	534,404	1	655,971	2
Impairment loss (Notes 2 and 9)	11,532	-	8,105	-
Other (Note 2)	<u>91,977</u>	<u>-</u>	<u>68,151</u>	<u>-</u>
Total non-operating expenses and losses	<u>1,404,296</u>	<u>3</u>	<u>1,842,332</u>	<u>4</u>

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

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

(Reviewed, Not Audited)

	2008		2007	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 16,346,979	31	\$ 15,666,427	32
INCOME TAX EXPENSE (Notes 2 and 23)	<u>4,108,941</u>	<u>8</u>	<u>3,855,375</u>	<u>8</u>
CONSOLIDATED NET INCOME	<u>\$ 12,238,038</u>	<u>23</u>	<u>\$ 11,811,052</u>	<u>24</u>
ATTRIBUTED TO:				
Shareholders of the parent	\$ 12,225,203	23	\$ 11,724,853	24
Minority interest	<u>12,835</u>	<u>-</u>	<u>86,199</u>	<u>-</u>
	<u>\$ 12,238,038</u>	<u>23</u>	<u>\$ 11,811,052</u>	<u>24</u>
	2008		2007	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 5.26</u>	<u>\$ 4.12</u>	<u>\$ 3.65</u>	<u>\$ 2.84</u>
Diluted	<u>\$ 5.25</u>	<u>\$ 4.12</u>	<u>\$ 3.65</u>	<u>\$ 2.84</u>

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

(With Deloitte & Touche review report dated October 21, 2008)

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 12,238,038	\$ 11,811,052
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,310,322	5,674,069
Amortization	826,436	785,113
Loss on disposal and retirement of property and equipment, net	717,247	1,104,749
Bad debts	514,612	700,597
Gain on disposal of investments, net	(262,759)	(190,461)
Deferred income taxes	171,837	642,359
Provision for (recovery of) loss on inventories	22,910	(8,166)
Impairment loss	11,532	8,105
Amortization of long-term notes payable	9,660	51,518
Pension cost	(751)	(15,783)
Investment income recognized under equity method, net	-	(172,777)
Accrued interest compensation	-	(2,297)
Gain on disposal of idle assets, net	-	(2,151)
Other	3,774	336
Net changes in operating assets and liabilities		
Financial assets held for trading	131,973	14,086,857
Notes receivable	39,434	(22,800)
Accounts receivable - third parties	(753,677)	(481,751)
Accounts receivable - related parties	(117,003)	141,063
Other receivables	(88,729)	109,276
Long-term capital lease receivables	(62,516)	-
Inventories	(107,251)	36,821
Prepayments	(142,576)	91,268
Other current assets	11,894	85,008
Notes payable	(71,867)	147,624
Accounts payable	402,552	(396,746)
Income taxes payable	319,623	(2,095,332)
Accrued expenses	(212,059)	83,541
Other payables	694,811	721,330
Advance receipts	(4,099)	(184,420)
Other current liabilities	(68,843)	(310,205)
Net cash provided by operating activities	<u>19,534,525</u>	<u>32,397,797</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,727,139)	(5,139,872)
Proceeds from disposal of available-for-sale financial assets	2,089,511	11,263,117
Increase in goodwill	(1,222,018)	-
Proceeds from disposal of property and equipment	359,039	7,092
Acquisition of subsidiaries	(133,892)	(41,641,116)

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TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2008	2007
Increase in deferred charges	(97,829)	(64,498)
Decrease (increase) in refundable deposits	13,129	(1,432)
Decrease (increase) in other assets	(10,318)	22,362
Decrease (increase) in computer software cost and other intangible assets	(7,467)	3,139
Increase in pledged time deposits	(3,924)	(22,022)
Proceeds from investees' capital reduction	2,688	-
Acquisition of available-for-sale financial assets	-	(334,000)
Increase in financial assets carried at cost - non-current	-	(19,892)
Proceeds from disposal of idle assets	<u>-</u>	<u>2,151</u>
Net cash used in investing activities	<u>(3,738,220)</u>	<u>(35,924,971)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from disposal of treasury stock	13,509,828	-
Capital reduction	(9,434,444)	-
Cash dividends paid	(7,601,804)	(9,339,684)
Decrease in minority interest	(7,313,372)	(28,438)
Increase (decrease) in short-term borrowing	(6,940,000)	21,580,000
Repayment of long-term notes payable	(2,450,000)	-
Increase in short-term notes and bills payable	1,248,471	1,998,970
Bonus to employees	(181,155)	(432,303)
Remuneration to directors and supervisors	(18,116)	(34,863)
Decrease in guarantee deposits	(15,314)	(44,349)
Cash dividends paid to minority interest	(1,148)	-
Decrease in long-term borrowing	-	(15,785,069)
Transfer of treasury stock to employees	-	735,059
Decrease in bonds payable	<u>-</u>	<u>(18,900)</u>
Net cash used in financing activities	<u>(19,197,054)</u>	<u>(1,369,577)</u>
EFFECT OF EXCHANGE RATE CHANGES	<u>3,959</u>	<u>1,078</u>
ACQUISITION OF CASH AND CASH EQUIVALENT FROM SUBSIDIARIES	<u>103,610</u>	<u>4,142,639</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,293,180)	(753,034)
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>\$ 3,734,911</u>	<u>\$11,662,691</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2008	2007
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 597,911	\$ 454,829
Less capitalized interest	<u>8,596</u>	<u>21,347</u>
Interest paid - excluding capitalized interest	<u>\$ 589,315</u>	<u>\$ 433,482</u>
Income taxes paid	<u>\$ 3,193,272</u>	<u>\$ 4,675,890</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 2,500,000</u>	<u>\$ 6,905,589</u>
Conversion of convertible bonds to capital stock and entitlement certificates	<u>\$ -</u>	<u>\$ 43,251</u>
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	\$ 4,309,853	\$ 4,819,752
Decrease (increase) in notes payable	8,654	(8,575)
Decrease in other payables	<u>408,632</u>	<u>328,695</u>
Cash paid for acquisition of property and equipment	<u>\$ 4,727,139</u>	<u>\$ 5,139,872</u>
The Corporation acquired 100% of Hurray! Times Communications (Beijing) Ltd.'s shares on April 24, 2008. The fair values of the assets and liabilities upon acquisition were as follows:		
Cash		\$ 103,610
Accounts receivable		46,443
Prepayments		1,590
Other current assets		320
Property and equipment		2,727
Intangible assets		50
Other assets		<u>146</u>
		<u>154,886</u>
Accounts payable		7,841
Accrued expenses		844
Other payables		6,326
Advance receipts		16,595
Other current liabilities		<u>270</u>
		<u>31,876</u>
Net		123,010
Percentage of equity interest		<u>100%</u>
		123,010
Add goodwill		29,193
Less investment payable		<u>(21,955)</u>
Cash paid for acquisition of Hurray! Times Communications (Beijing) Ltd.		<u>\$ 130,248</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

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

Cash	\$ 3,919,950
Available-for-sale financial assets - current	13,363,247
Accounts receivable	896,662
Inventories	160,803
Other receivables	3,066,995
Other current assets	439,823
Investments accounted for using equity method	44,670,593
Financial assets carried at cost - non-current	2,239,242
Bonds measured at amortized cost - non-current	500,000
Property and equipment	5,229,013
Intangible assets	6,650,044
Other assets	<u>357,080</u>
	<u>81,493,452</u>
Accounts payable	1,327,269
Accrued expenses	567,354
Other payables	453,711
Current portion of long-term liabilities	15,748,972
Other current liabilities	928,479
Long-term borrowing and notes payables	7,315,099
Accrued pension costs	121,265
Other liabilities	<u>148,086</u>
	<u>26,610,235</u>
Net	54,883,217
Percentage of equity interest	<u>84.6%</u>
	46,431,202
Less fair value of 9.95% stake owned before tender offer (including investment income recognized under equity method from January 1, 2007 to April 16, 2007, and the difference between preceding and following fair market value of purchase price allocation.)	<u>(6,444,914)</u>
Cash paid for acquisition of the former TFN	<u>\$39,986,288</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

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

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

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

(With Deloitte & Touche review report dated October 21, 2008)

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 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 issued by the Directorate General of Telecommunications (DGT) of the ROC. The license allows the Corporation to provide services for 15 years from 1997 onwards. It also entails the payment of an annual license fee consisting of 2% of total wireless communication service revenues. On March 24, 2005, the Corporation received the third generation (3G) concession operation license issued by the DGT. The 3G license allows the Corporation to provide services from the issuance date of the license to December 31, 2018.

As of September 30, 2008 and 2007, the Corporation and subsidiaries had 4,535 and 4,588 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the ROC. In conformity with these guidelines and principles, the Corporation and subsidiaries (hereinafter referred to as the "Group") are required to make certain estimates and assumptions that could affect the amounts of allowance for doubtful accounts, provision for losses on decline in value of inventories, depreciation, pension, allowance for deferred income tax assets, bonus to employees, remuneration to directors and supervisors, impairment loss on assets, etc. Actual results may differ from these estimates.

For the convenience of readers, the accompanying 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 September 30		Note
			2008	2007	
Corporation	TransAsia Telecommunications Inc. (TAT)	Wireless service provider	-	100.00	Merged into the Corporation on September 2, 2008
Corporation	Wealth Media Technology Co., Ltd. (WMT)	Investment	100.00	100.00	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	-	-
FSMT	Phoenix Cable TV Co., Ltd. (PCTV)	Cable TV SO (System Operator)	3.34	-	-
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	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 September 30, 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	100.00	Established on June 6, 2007
TCC	TWM Holding Co. Ltd. (TWM Holding)	Investment	100.00	100.00	-
TWM Holding	Hurray! Times Communications (Beijing) Ltd.	Mobile application development and design	100.00	-	100% acquired by TWM Holding and consolidated into financial statements on April 24, 2008
TCC	Taiwan Teleservices & Technologies Co., Ltd. (the former TT&T)	Call center service	-	100.00	Merged into TT&T on September 1, 2008
The former TT&T	TT&T Casualty & Property Insurance Agency Co., Ltd. (TCPIA)	Insurance agency	-	100.00	Liquidated on March 15, 2008
The former TT&T	TT&T Life Insurance Agency Co., Ltd. (TLIA)	Insurance agency	-	100.00	Liquidated on May 15, 2008
TT&T	Taiwan Super Basketball Co., Ltd. (TSB)	Basketball team management and related business	100.00	100.00	Established on September 21, 2007 (Note 3)
TT&T	TT&T Holdings Co., Ltd. (TT&T Holding)	Investment	100.00	100.00	(Note 3)

(Continued)

Investor	Subsidiary	Main Businesses and Products	Percentage of Ownership as of September 30		Note
			2008	2007	
TT&T Holding	Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	100.00	100.00	-
TFN	Taiwan United Communication Co., Ltd. (TUC)	Communication service	-	100.00	Established on April 14, 2007, and acquired minority interests of TTN through share swap on December 31, 2007 and merged into TFN on January 1, 2008
TUC	Taiwan Telecommunication Network Services Co., Ltd. (TTN)	Telecommunications	-	52.35	a. TUC acquired more than 50% equity and consolidated TTN into financial statements since September, 2007. TUC acquired minority interest of TTN through share swap on December 31, 2007. b. Merged into TFN on August 1, 2008.
TFN	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Call center service and international simple resale (ISR)	100.00	100.00	Formerly VoPier Communications (Taiwan) Co., Ltd. (VoPier) merged the former TT&T on September 1, 2008 with VoPier as the remaining company and renamed as Taiwan Teleservices & Technologies Co., Ltd. (Note 4)
TFN	Taiwan Fixed Network Co., Ltd. (the former TFN)	Fixed network service	-	86.22	Acquired the former TFN more than 50% equity on April 17, 2007 and consolidated it and its subsidiary into financial statement. The former TFN was merged into TFN on December 28, 2007.
TFN	TFN Investment Co., Ltd. (TFNI)	Investment	100.00	100.00	(Note 1)
TFN	TFN HK Ltd.	Telecommunications	100.00	99.99	(Note 1)
The former TFN	Hong Yuan Investment Co., Ltd. (HYI)	Investment	-	-	Merged into TFNI on June 5, 2007
The former TFN	TFN US Ltd.	Telecommunications	-	-	Liquidated on June 8, 2007
TFNI	Reach & Range Inc. (R&R)	Telecom equipment sales and maintenance	100.00	100.00	-
TFNI	TFN Digital Co., Ltd. (TFND)	Telecom equipment sales and maintenance	-	-	Merged into TFNI on June 30, 2007
TFNI	Win TV Broadcasting Co., Ltd. (WTVB)	TV program producing	98.50	98.50	-
TFNI	Fu Yuan Media Co., Ltd. (FYM)	Cable TV MSO (Multi System Operator)	-	29.40	Merged into TFNM on December 1, 2007
TFNI	TFN Media Co., Ltd. (TFNM)	Cable broadband service	100.00	93.06	-
TFNM	FYM	Cable TV MSO (Multi System Operator)	-	70.60	Merged into TFNM on December 1, 2007
TFNM	Union Cable TV Co., Ltd. (UCTV)	Cable TV SO (System Operator)	99.99	99.99	(Note 2)
TFNM	Shin Ho Cable TV Co., Ltd. (SHCTV)	Cable TV SO (System Operator)	100.00	100.00	Some shares held under trustee accounts (Note 2)
TFNM	Yeong Jialeh Cable TV Co., Ltd. (YJCTV)	Cable TV SO (System Operator)	100.00	100.00	(Note 2)
TFNM	Mangrove Cable TV Corporation (MCTV)	Cable TV SO (System Operator)	100.00	100.00	Some shares held under trustee accounts (Note 2)
TFNM	North Coast Cable TV Co., Ltd. (NCCTV)	Cable TV SO (System Operator)	100.00	100.00	(Note 2)
TFNM	PCTV	Cable TV SO (System Operator)	96.66	70.00	(Note 2)
TFNM	GCTV	Cable TV SO (System Operator)	92.38	92.38	(Note 2)

(Concluded)

Note 1: Became a subsidiary of TFN, which merged the former TFN on December 28, 2007.

Note 2: Became a subsidiary of TFNM, which merged FYM on December 1, 2007.

Note 3: Became a subsidiary of TT&T, which merged the former TT&T on September 1, 2008.

Note 4: Became a subsidiary of TFN, which merged TTN on August 1, 2008.

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 statements 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, the financial instruments are recognized at fair value plus transaction costs and are subsequently measured at fair value with fair value changes recognized in profit or loss. The purchase or sale of the financial instruments is recognized and derecognized using trade date accounting.

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

Available-for-sale Financial Assets

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

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

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

The fair value of listed securities is based on the closing price on the balance sheet date. 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 Group owns 20% or more of an investee's outstanding voting shares or exercise significant influence on an investee are accounted for under equity method.

Starting 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. If the fair value of identifiable net assets acquired exceeds the cost of investments, the excess should be assigned to non-current assets (except for financial assets not under equity method, assets for disposal, deferred income tax assets and prepaid pension costs or other retirement benefit costs). If these assets are all reduced to zero, the remaining excess should be recognized as extraordinary gain. Starting January 1, 2006, the unamortized balance of the excess of the acquisition cost of the long-term investment by the equity method over the equity in the investee's net assets value is also no longer amortized and applies the same accounting treatment as goodwill.

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

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

Financial Assets Carried at Cost

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

Bonds Investment With NO Active Market

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 - 20 to 55 years; telecommunication equipment - 2 to 15 years; office equipment - 3 to 8 years; leased assets - 20 years and miscellaneous equipment - 2 to 10 years.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is credited or charged to non-operating gain or loss in the period of disposal.

Accounting for Leases

In accordance with SFAS No. 2, "Accounting for Leases," a lease is identified as either an operating lease or a capital lease based on the lease contract terms, the collectability of the leasehold and the un-reimbursable costs to be incurred by the lessor.

The asset held under an operating lease is stated at cost, and depreciated on the straight-line basis over the estimated useful life. Receivables collected are periodically recognized as rental income during the lease contract.

The accounting treatment for a lessor shall be as follows: At the inception date of a capital lease, total leasehold receivables shall be recognized as all rental receivables plus the pre-determined bargain purchase price offered to the lessee upon maturity or estimated residual value. For a sales-type capital lease, sales revenue should be recognized as the sum of present value derived from each future rental receivable based on an implicit interest rate of the lease. The excess of total leasehold receivables over sales revenue should be deferred as unrealized interest income, and amortized as interest income by the effective interest method upon each collection. For a financing lease, leasehold receivables should be recognized as the sum of present value derived from each future rental receivable based on an implicit interest rate of the lease. The excess of total leasehold receivables over the present value of leasehold receivables should be deferred as unrealized interest income, and amortized as interest income by the effective interest method upon each collection.

Intangible Assets

a. Franchise

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

b. Computer software

Computer software cost is amortized by the straight-line method over 2 to 5 years.

c. Goodwill

Goodwill is the unidentifiable difference between the cost of acquisition and the equity in the investee's net asset value. 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 the straight-line method over 6 to 20 years. Operating rights is based on a license issued by the Ministry of Transportation and Communications. Although the license has a statutory period, the subsidiary can file for license renewal. Furthermore, it does not have a definite useful life in light of future competition from IPTV. Thus, this intangible asset should be tested annually for impairment instead of being amortized in accordance with SFAS No. 37. An impairment test is also required if there is evidence of goodwill impairment due to certain circumstances.

Idle Assets

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

Deferred Charges

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

Asset Impairment

If the carrying value of an asset (including property and equipment, intangible assets, idle assets, assets leased to others and investments accounted for using equity method and deferred charges) is more than its recoverable amount, which indicates that an impairment exists, an impairment loss should be recognized. Any subsequent reversal of the impairment loss for the increase in recoverable amount is recognized as income. The reversal of impairment loss on goodwill is not allowed.

Pension Costs

The pension costs under the defined benefit pension plan are recognized on the basis of actuarial calculations. The contribution amounts of the pension costs under the defined contribution pension plan are recognized as current expenses during the employees' service years.

Bonds Payable

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

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

Income Taxes

The inter-period and intra-period allocation method is used for income taxes. Deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused tax credits and net operating loss carryforwards. Valuation allowance is provided for deferred income tax assets to the extent that more likely than not such assets will not be realized. Deferred tax assets or liabilities are classified as current or non-current according to the classification of related assets or liabilities for financial reporting. However, if deferred tax assets or liabilities do not relate to assets or liabilities in the financial statements, they are classified as current or non-current on the basis of the expected length of time before realized.

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

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

Income tax of 10% on unappropriated earnings generated is expensed in the year when the shareholders resolve the retention of the earnings.

Treasury Stock

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

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

Foreign-currency Transactions

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

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

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

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

Revenue Recognition

Revenues are recognized when the service rendering process is completed or virtually completed, and earnings are realizable and measurable. Related costs of providing services are concurrently recognized as incurred.

Service revenues from wireless services, value-added services, and fixed network services, net of any applicable discount, are billed at predetermined rates; the fixed-monthly fees on basic cable TV services are accrued; prepaid card service are recognized on the basis of minutes of usage.

Promotion Expenses

Commissions and cellular phone subsidy costs pertaining to the Corporation's promotions are recognized as marketing expenses on an accrual basis in the current period.

Hedging Derivative Financial Instruments

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

Hedge Accounting

When hedge accounting is applied, gain or loss from changes in the fair value of the derivatives (hedging instruments) shall be offset by that of financial assets/liabilities (hedged position).

The Corporation entered into interest rate swaps (IRS) contracts to hedge against cash flow risk from inverse floating interest rates of liabilities, thus was qualified to apply hedge accounting. The accounting treatment is as follows: Gain or loss from changes in the fair value of the derivatives, which is recognized in shareholder's equity, shall be reclassified in earnings, if gain or loss from the expected transaction of the hedged position occurs. When there is objective evidence that the net loss recognized in shareholders' equity is expected to be not recoverable, the mentioned net loss should be reclassified in earnings as well.

Reclassification

Certain accounts in the financial statements as of and for the nine months ended September 30, 2007 have been reclassified to conform to the presentation of financial statements as of and for the nine months ended September 30, 2008.

3. REASONS AND EFFECT 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 those bonuses to employees and remunerations to directors and supervisors as expenses starting from January 1, 2008. The mentioned bonuses and remunerations were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in a decrease of \$277,465 thousand in net income and a decrease in basic earnings per share of \$0.09 for the nine months ended September 30, 2008.

4. CASH AND CASH EQUIVALENTS

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Government bonds with repurchase rights	\$ 1,479,963	\$ 1,863,637
Cash in banks	1,113,367	1,915,716
Short-term notes and bills with repurchase rights	821,272	6,995,241
Time deposits	290,149	857,320
Cash on hand	23,185	26,405
Revolving funds	<u>6,975</u>	<u>4,372</u>
	<u>\$ 3,734,911</u>	<u>\$ 11,662,691</u>

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

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

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
<u>Financial assets held for trading</u>		
Beneficiary certificates		
Open-end mutual funds	\$ -	\$ 131,422

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Domestic listed stocks		
Chunghwa Telecom Co., Ltd.	\$ 200,794	\$ 180,365
Fubon Financial Holding Company.	-	2,112,569
Overseas listed stocks		
Hurray! Holding Co., Ltd. (NASDAQ listed company)	95,167	181,549
Mutual funds		
Open-end mutual bonds funds	<u>-</u>	<u>268,261</u>
	<u>\$ 295,961</u>	<u>\$ 2,742,744</u>

7. ACCOUNTS RECEIVABLE - THIRD PARTIES

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Accounts receivable	\$ 7,497,935	\$ 7,538,607
Less allowance for doubtful accounts	<u>(482,840)</u>	<u>(562,903)</u>
	<u>\$ 7,015,095</u>	<u>\$ 6,975,704</u>

In 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. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

TFN reclassified investments in the former TFN from "financial assets carried at cost" account to "investments accounted for using equity method" account effective on April 17, 2007. The investment income of \$172,290 thousand from the former TFN for the period from January 1, 2007 to April 16, 2007 should be therefore accrued retroactively.

9. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Domestic emerging stocks		
Taiwan High Speed Rail Corporation	\$ 2,120,829	\$ 2,173,274
Domestic unlisted stocks		
Arcoa Communication Co., Ltd.	67,731	67,731
Great Taipei Broadband Co., Ltd.	50,527	52,563
Parawin Venture Capital Corp.	22,202	22,202
WEB Point Co., Ltd.	6,773	6,773
Sunnet Technologies Co., Ltd.	-	11,820
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	60,064	52,052
Domestic unlisted preferred stock		
New Century Information Tech. Co., Ltd.	<u>187,042</u>	<u>332,400</u>
	<u>\$ 2,515,168</u>	<u>\$ 2,718,815</u>

Because there is no active market quotation, a fair value is not available. Thus, the above investments are measured at cost. For the nine months ended September 30, 2008 and 2007, the Corporation recognized an impairment loss of \$11,532 thousand and \$8,105 thousand, respectively.

10. BONDS INVESTMENT WITH NO ACTIVE MARKET - NON-CURRENT

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Taiwan High Speed Rail Corporation - unlisted convertible preferred stock - series A	<u>\$ 500,000</u>	<u>\$ 500,000</u>

11. PROPERTY AND EQUIPMENT - ACCUMULATED DEPRECIATION

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Accumulated depreciation		
Buildings	\$ 495,102	\$ 469,040
Telecommunication equipment	29,769,785	37,382,301
Office equipment	138,678	195,460
Leased assets	404,127	340,317
Miscellaneous equipment	<u>1,283,587</u>	<u>1,343,736</u>
	<u>\$ 32,091,279</u>	<u>\$ 39,730,854</u>
Accumulated impairment		
Land	\$ -	\$ 12,202
Buildings	-	12,826
Telecommunication equipment	-	838,039
Office equipment	-	1,497
Miscellaneous equipment	<u>-</u>	<u>16,122</u>
	<u>\$ -</u>	<u>\$ 880,686</u>

Capitalized interest for the nine months ended September 30, 2008 and 2007 were \$8,596 thousand and \$21,347 thousand, respectively, with capitalization rates ranging from 2.40% to 2.64% and from 2.4% to 3.0%, respectively.

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

12. INTANGIBLE ASSETS

	<u>Nine Months Ended September 30, 2008</u>		
	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Operating Rights</u>
<u>Cost</u>			
Beginning balance	\$ 9,231,478	\$ 2,861,323	\$ 1,382,000
Acquired from merger	1,252,782	-	-
Amortization	<u>-</u>	<u>(131,086)</u>	<u>-</u>
Ending balance	<u>\$ 10,484,260</u>	<u>\$ 2,730,237</u>	<u>\$ 1,382,000</u>
	<u>Nine Months Ended September 30, 2007</u>		
	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Operating Rights</u>
<u>Cost</u>			
Beginning balance	\$ 6,835,370	\$ -	\$ -
Acquired from merger	<u>2,993,912</u>	<u>2,251,328</u>	<u>1,169,172</u>
Ending balance	<u>\$ 9,829,282</u>	<u>\$ 2,251,328</u>	<u>\$ 1,169,172</u>

a. Customer relationship and operating rights

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

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

b. Goodwill

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

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

1) Wireless service

a) Assumptions on operating revenues

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

b) Assumptions on operating costs and expenses

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

13. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	<u>September 30</u>	
	2008	2007
Assets leased to others		
Cost	\$ 639,696	\$ 500,276
Less accumulated depreciation	(39,528)	(40,159)
Less accumulated impairment	<u>(54,493)</u>	<u>(53,542)</u>
	<u>\$ 545,675</u>	<u>\$ 406,575</u>
Idle assets		
Cost	\$ 594,989	\$ 1,959,186
Less accumulated depreciation	(94,297)	(410,011)
Less accumulated impairment	(84,594)	(361,995)
Less allowance for value decline	<u>(187,519)</u>	<u>(925,131)</u>
	<u>\$ 228,579</u>	<u>\$ 262,049</u>

14. DEFERRED CHARGES

	<u>September 30</u>	
	2008	2007
Interior decoration costs	\$ 264,458	\$ 282,688
Arrangement fee for syndicated bank loans	17,790	59,000
Other	<u>24,124</u>	<u>17,741</u>
	<u>\$ 306,372</u>	<u>\$ 359,429</u>

15. SHORT-TERM BORROWING

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Unsecured loans (interest rates were 2.46%-2.66% in 2008 and 2.034%-2.5065% in 2007)	\$ 12,400,000	\$ 20,420,000
Secured loans (interest rates were 2.1131%-2.5729% in 2007)	<u>-</u>	<u>1,160,000</u>
	<u>\$ 12,400,000</u>	<u>\$ 21,580,000</u>

Please see Note 28 for the assets that were pledged as collaterals for the above short-term borrowing.

16. SHORT-TERM NOTES AND BILLS PAYABLE

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Commercial paper payable		
Shanghai Commercial and Savings Bank	\$ 1,450,000	\$ 2,000,000
China Bills Finance Corporation	500,000	-
International Bills Finance Corporation	500,000	-
Mega Bills Finance Corporation	400,000	-
Less discount on short-term notes and bills payable	<u>(6,776)</u>	<u>(1,030)</u>
Net carrying value	<u>\$ 2,843,224</u>	<u>\$ 1,998,970</u>
Interest rate	<u>2.494%-2.5%</u>	<u>2.012%</u>
Period	2008.7.23- 2008.11.17	2007.8.9- 2007.10.8

17. ADVANCE RECEIPTS

The Corporation entered into a contract with Mega International Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from prepaid card customers in accordance with NCC's new policy effective on April 1, 2007. The guaranteed advance receipts from prepaid card customers were \$118,128 thousand as of September 30, 2008.

TFN, the Corporation's subsidiary, entered into a contract with Mega International Commercial Bank Co., Ltd., which provided performance guarantee for advance receipts from IDD calling card customers in accordance with NCC's new policy effective on April 1, 2007. The Corporation also bears the repayment liability with respect to TFN's drawdown from its credit line with Mega Bank. The guaranteed advance receipts from above-mentioned IDD calling card customers were \$40,604 thousand as of September 30, 2008.

18. BONDS PAYABLE

	<u>September 30</u>			
	<u>2008</u>		<u>2007</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Domestic unsecured bonds	<u>\$ 2,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 3,750,000</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
The 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 (due date), 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%.

19. LONG-TERM BORROWING

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Secured loans	\$ -	\$ 4,918,931
Less current portion of long-term liabilities	<u>-</u>	<u>(744,000)</u>
	<u>\$ -</u>	<u>\$ 4,174,931</u>

a. Unsecured loans

To replenish medium-term working capital, the Corporation and its subsidiary, TFN, entered into a syndicated loan with a joint credit line of \$13,500,000 thousand with 9 banks led by Chinatrust Commercial Bank on February 21, 2008. The tenor is three years starting from May 20, 2008. Based on contract term, interests are payable monthly and the principal is due upon maturity. Upon maturity, the loan is allowed to revolve within its credit limits. The contract requires the Corporation to maintain certain financial ratio including debt ratios, interest coverage, and tangible net asset ratio based on semi-annual financials. The first drawdown amount was fully repaid on August 18, 2008. The Corporation also bears the repayment liability with respect to TFN's borrowing. Please refer to Note 29 for further information.

b. Secured loans

TFNM and its subsidiaries entered into an agreement of \$7,000,000 thousand 7-year syndicated bank loan with 18 financial institutions, led by Chinatrust Commercial Bank on August 9, 2005 for the needs of capital expenditure and operations. The \$7,000,000 thousand of credit line is available from September 2, 2005 to September 2, 2012, with interest payable quarterly. The interest rate was based on "Moneyline Telerate page 51328 in 30, 60, 90 and 180 days short-term rate" plus 0.65% to 1.5% mark-up. The syndicated loan was fully repaid in December, 2007 with contract early terminated.

The assets provided as collaterals for loans to financial institutions are listed in Note 28.

20. LONG-TERM NOTES PAYABLE

	<u>September 30</u>	
	<u>2008</u>	<u>2007</u>
Long-term notes payable	\$ -	\$ 2,450,000
Less discount on long-term notes payable	-	(38,411)
current portion of long-term liabilities	<u>-</u>	<u>(2,411,589)</u>
	<u>\$ -</u>	<u>\$ -</u>

TFNI had \$2,450,000 thousand notes payable with net present value of \$2,263,875 thousand, based on 4.75% discount rate to Pacific Construction Co., Ltd. for the purchase of FYM in May 2006 with repayment date of 20 months from the transaction date. The note payable was fully repaid on January 31, 2008, the settlement date of this purchase transaction.

21. PENSION PLAN

The Labor Pension Act (LPA) provides for a defined contribution pension plan. Starting from July 1, 2005, the Group should contribute monthly an amount equal to 6% of the employees' monthly wages to the employees' individual pension accounts. The contributed amount was \$130,260 thousand and \$108,982 thousand for the nine months ended September 30, 2008 and 2007, respectively.

The Labor Standards Act (LSA) provides for a defined benefit pension plan. Benefits are based on the length of service and average basic pay of the nine months before retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly wages to a pension fund. The pension fund is managed by an independently administered pension fund committee and deposited in the committee's name in the Bank of Taiwan (formerly the Central Trust of China, which was merged into the Bank of Taiwan in July 2007.) Approved by Department of Labor, Taipei City Government on April 13, 2007 and January 22, 2008, the Corporation suspended contributing from February 2007 to January 2009.

22. SHAREHOLDERS' EQUITY

a. Capital surplus

Under the Company Law, capital surplus may only be used to offset a deficit. However, capital surplus generated from the excess of the issue price over the par value of capital stock, including the stock issued for new capital and the buyback of treasury stock, may be transferred to capital as stock dividends, and this transfer is restricted to a certain percentage of the capital and may be made only within prescribed limits each time. Also, the capital surplus from long-term investments may not be used for any purpose.

b. Appropriation of earnings and dividend policy

The Corporation's Articles of Incorporation provide that a 10% legal reserve should be set aside from the annual net income after the reduction of accumulated deficit. The remainder, less special reserve based on relevant laws or regulations or business requirements, should be distributed as follows:

- 1) Dividends and bonus to preferred shareholders
- 2) Remuneration to directors and supervisors - up to 0.3%
- 3) Bonus to employees - 1%-3%
- 4) Remainder, to be appropriated as dividends as determined in the shareholders' meeting.

The Corporation's dividend distribution is based on the availability of excess funds. That is, the Corporation first projects future capital needs through a capital budgeting process and then provides for the projected capital needs by using retained earnings. Any remainder is available for dividend distribution. However, the amount of stock dividends should not be more than 80% of the total dividends to be distributed in a single year. The final amount, type and percentage of the dividends are subject to the approval by the Board of Directors and shareholders based on actual earnings and capital requirements of the Corporation in a particular year.

A regulation issued by the Securities and Futures Bureau requires a special reserve be made from the unappropriated earnings, equivalent to the debit balance of any account shown in shareholders' equity. The special reserve appropriated will be reversed to the extent that the net debit balance reverses.

The appropriation of earnings should be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

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

For the nine months ended September 30, 2008, the bonuses to employees and remuneration to directors and supervisors were accrued based on a respective 3% and 0.3% of net income (net of the bonus to employees and remuneration to directors and supervisors) after setting aside 10% net income as legal reserves. The significant difference between annual accruals and the amount approved by the Board shall be adjusted in the current year. If the board's approval differs from the amount ratified at the annual general shareholders' meeting, the difference will be treated as changes in accounting estimation and will be adjusted in 2009's P&L. If employee bonuses are paid in the form of company shares, the number of employee bonus shares shall be derived from dividing the approved bonus amount by its closing price one day prior to the AGM, adjusted for cash and/or stock dividends if any.

The 2007 and 2006 earnings appropriations resolved by the AGMs on June 13, 2008 and June 15, 2007 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share (NT\$)</u>	
	<u>For Fiscal Year 2007</u>	<u>For Fiscal Year 2006</u>	<u>For Fiscal Year 2007</u>	<u>For Fiscal 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>	\$2.54326	\$2.58757
	<u>\$ 8,375,603</u>	<u>\$ 15,116,322</u>		

Information about the bonus to employees, directors and supervisors 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 Shares</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Shares</u>
<u>Nine months ended September 30, 2008</u>				
Shares held by subsidiaries	1,368,250 (Note)	-	556,332	811,918
<u>Nine months ended September 30, 2007</u>				
To be transferred to employees	46,537	-	23,824	22,713
Shares held by subsidiaries	-	1,368,250	-	1,368,250

Note: Shares held before capital reduction.

1) Transfer of stock

For the nine months ended September 30, 2007, the Corporation transferred the treasury stocks through various tranches to employees of 23,824 thousand shares at \$28.17 and \$31.16 per share, resulting in a reduction of retained earnings by \$4,869 thousand and an increase of capital surplus by \$4,127 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 September 30, 2008, TFN and TFNI, its subsidiary, held the carrying and market value of the treasury stocks, amounting to \$41,407,798 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 excise their rights on these shares, except for participation in capital injection by cash. In addition, based on the ROC Company Law, the shareholders of treasury stocks can not exercise the voting right.

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

e. Unrealized gains (losses) on financial instruments

Unrealized gains or losses on financial instruments for the nine months ended September 30, 2008 and 2007 were summarized as follows:

	Nine Months Ended	
	September 30	
	2008	2007
Available-for-sale financial assets		
Balance, beginning of period	\$ 57,560	\$ 40,652
Fair value changes recognized in equity	<u>23,681</u>	<u>17,472</u>
	<u>81,241</u>	<u>58,124</u>
Unrealized gains (losses) of cash flow hedge		
Balance, beginning of period	(38,749)	(218,284)
Fair value changes recognized in equity	<u>55,779</u>	<u>81,154</u>
	<u>17,030</u>	<u>(137,130)</u>
Recognition of investees' changes in unrealized gains or losses by the equity method		
Balance, beginning of period	(82,854)	30,209
Fair value changes recognized in equity	<u>(6,897)</u>	<u>(267,880)</u>
	<u>(89,751)</u>	<u>(237,671)</u>
Unrealized gains (losses) on financial instruments	<u>\$ 8,520</u>	<u>\$ (316,677)</u>

23. INCOME TAX EXPENSE

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

	Nine Months Ended	
	September 30	
	2008	2007
Tax on pretax income at statutory tax rate (25%)	\$ 5,955,520	\$ 4,955,416
Add (deduct) tax effects of		
Permanent differences		
Investment income from domestic investees accounted for using equity method	(2,255,425)	(1,232,737)
Tax-exempt dividend income	-	(2,406)
Gain on disposal of marketable securities	(3,067)	(22,598)
Other	96,505	170,052
Temporary differences	(402,430)	(699,526)
Tax-exempt income	(26,001)	-
Income tax (10%) on unappropriated earnings	195,172	106,400
Investment tax credits	(273,236)	(262,741)
Prior years' loss carryforward	(31,020)	(41,160)
Deferred income taxes	171,837	642,359
Prior years' adjustment	552,550	201,316
Tax on short-term bills	10,970	22,308
Income basic tax	<u>117,566</u>	<u>18,692</u>
Income tax expense	<u>\$ 4,108,941</u>	<u>\$ 3,855,375</u>

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

	September 30	
	2008	2007
Unrealized loss on retirement of property and equipment	\$ 2,227,063	\$ 482,457
Provision for doubtful accounts	691,561	873,727
Investment tax credits	655,211	1,437,519
Prior years' loss carryforward	94,831	133,297
Amortization of goodwill	(90,462)	(169,974)
Provision for impairment losses on idle assets	61,660	1,309,967
Unrealized loss (gain) on financial instruments	(5,677)	30,865
Accrued pension cost	2,854	11,719
Other	39,624	74,963
	<u>3,676,665</u>	<u>4,184,540</u>
Less valuation allowance	<u>(869,431)</u>	<u>(3,092,907)</u>
	<u>\$ 2,807,234</u>	<u>\$ 1,091,633</u>
Deferred income tax assets		
Current	\$ 281,250	\$ 164,397
Non-current	<u>2,600,232</u>	<u>965,001</u>
	<u>\$ 2,881,482</u>	<u>\$ 1,129,398</u>

(Continued)

	<u>September 30</u>	
	2008	2007
Deferred income tax liabilities		
Current	\$ -	\$ (14,845)
Non-current	<u>(74,248)</u>	<u>(22,920)</u>
	<u>\$ (74,248)</u>	<u>\$ (37,765)</u>
		(Concluded)

- c. As of September 30, 2008, the Corporation, TFN and WTVB's investment tax credits consisted of the following:

Regulatory Basis of Tax Credits	Item	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
Statute for Upgrading Industries	Purchase of machinery and equipment	\$ 917,216	\$ 651,309	2012
	Personnel training	<u>3,902</u>	<u>3,902</u>	2010
		<u>\$ 921,118</u>	<u>\$ 655,211</u>	

- d. Following were the net operating loss carryforwards of TCC, TYDB, TDC, WTVB, R&R and TT&T as of September 30, 2008:

Year	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
2003	\$ 51,501	\$ 36,410	2008
2004	9,168	9,168	2009
2005	24,333	22,558	2010
2006	191,121	185,500	2011
2007	<u>143,300</u>	<u>129,233</u>	2012
	<u>\$ 419,423</u>	<u>\$ 382,869</u>	

- e. Integrated income tax information was as follows:

	<u>September 30</u>	
	2008	2007
Balance of imputation credit account (ICA)		
The Corporation	\$ 1,510,840	\$ 795,755
TAT	Not applicable	341,021
Mobitai	Not applicable	260,489
TCC	1,143	2,479
WMT	-	-
TFMT	-	Not applicable
FJLMT	-	Not applicable
GWMT	-	Not applicable
FSMT	-	Not applicable
TYDB	97	97

(Continued)

	September 30	
	2008	2007
TDC	\$ -	\$ -
The former TT&T	Not applicable	28,112
TCPIA	Not applicable	-
TLIA	Not applicable	8
TSB	10	-
TFN	1,609,686	-
The former TFN	Not applicable	709,984
TUC	Not applicable	-
TTN	Not applicable	619
TT&T	29	-
TFNI	113,697	284,106
HYI	Not applicable	Not applicable
R&R	-	217
WTVB	-	-
TFND	Not applicable	Not applicable
TFNM	181,070	316,154
FYM	Not applicable	484,356
UCTV	34,936	50,511
SHCTV	9,634	171
YJCTV	26,747	5,528
MCTV	3,064	2,124
NCCTV	1,234	1,751
PCTV	326	2,611
GCTV	19,752	22,845
		(Concluded)

As of September 30, 2008, there were no unappropriated earnings generated before January 1, 1998. The actual creditable ratio for the 2007 and 2006 earnings appropriation were as follows:

	2007	2006
The Corporation	38.96%	18.49%
TAT	28.76%	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
The former TT&T	-	-
TCPIA	-	-
TLIA	33.33%	33.33%
TSB	1.85%	Not applicable
TFN	33.33%	Not applicable
The former TFN	Not applicable	-
TUC	Not applicable	Not applicable

(Continued)

	2007	2006
TTN	-	-
TT&T	-	-
TFNI	33.35%	33.35%
HYI	Not applicable	-
R&R	0.01%	9.79%
WTVB	-	-
TFND	Not applicable	-
TFNM	25.51%	22.40%
FYM	Not applicable	33.33%
UCTV	33.33%	-
SHCTV	6.25%	25.10%
YJCTV	21.06%	33.34%
MCTV	28.37%	33.41%
NCCTV	34.52%	33.46%
PCTV	33.32%	33.33%
GCTV	33.34%	33.34%
		(Concluded)

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

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

	Year
The Corporation	2005
The former TAT	2006
TAT	Not applicable
Mobitai	2005
TCC	2005
WMT	Not applicable
TFMT	Not applicable
FJLMT	Not applicable
GWMT	Not applicable
FSMT	Not applicable
TYDB	2006
TDC	Not applicable
The former TT&T	2005
TCPIA	Only 2007 not applicable
TLIA	Only 2007 not applicable
TSB	Not applicable
TFN	Not applicable
The former TFN	2006, only 2005 not applicable
TUC	Not applicable
TTN	2006
TT&T	2006

(Continued)

	Year
TFNI	2006
HYI	2006
R&R	2006
WTVB	2006
TFND	2007
TFNM	2005
FYM	2006
UCTV	2005
SHCTV	2006
YJCTV	2006
MCTV	2006
NCCTV	2006
PCTV	2005
GCTV	2006

(Concluded)

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

The former TAT's income tax returns through 2006 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.

24. EARNINGS PER SHARE

	<u>Amounts (Numerator)</u>		Shares (Denominator) (Thousands)	<u>EPS (NT\$)</u>	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>Nine months ended September 30, 2008</u>					
Basic EPS					
Income of common shareholders	\$ 15,598,776	\$ 12,225,203	2,964,875	<u>\$ 5.26</u>	<u>\$ 4.12</u>
Add effect of potentially dilutive common stock Bonus to employees	-	-	5,279		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 15,598,776</u>	<u>\$ 12,225,203</u>	<u>2,970,154</u>	<u>\$ 5.25</u>	<u>\$ 4.12</u>
<u>Nine months ended September 30, 2007</u>					
Basic EPS					
Income of common shareholders	\$ 15,072,665	\$ 11,724,853	4,130,643	<u>\$ 3.65</u>	<u>\$ 2.84</u>
Add effect of potentially dilutive convertible bonds 2nd convertible bonds (with implied yield rate of 3.3%)	1,034	776	1,582		
Diluted EPS					
Income of common shareholders with dilutive effect of potential common shares	<u>\$ 15,073,699</u>	<u>\$ 11,725,629</u>	<u>4,132,225</u>	<u>\$ 3.65</u>	<u>\$ 2.84</u>

When calculating fully diluted EPS, employee bonus shares to be granted should be included in the calculation of weighted average number of outstanding shares. The share count shall be derived from dividing the estimated bonus amount by its closing price on the balance sheet date. The dilutive effect should be continuously evaluated till the AGM actually resolves stock bonuses to employees.

25. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	Nine Months Ended September 30					
	2008			2007		
	Classified as Operating Cost	Classified as Operating Expenses	Total	Classified as Operating Cost	Classified as Operating Expenses	Total
Labor cost						
Salary	\$ 994,431	\$ 2,497,653	\$ 3,492,084	\$ 694,756	\$ 2,096,071	\$ 2,790,827
Labor and health insurance	57,785	129,881	187,666	42,109	116,016	158,125
Pension	41,078	93,724	134,802	32,154	82,072	114,226
Other	47,598	110,151	157,749	36,031	90,676	126,707
	<u>\$ 1,140,892</u>	<u>\$ 2,831,409</u>	<u>\$ 3,972,301</u>	<u>\$ 805,050</u>	<u>\$ 2,384,835</u>	<u>\$ 3,189,885</u>
Depreciation	\$ 4,883,622	\$ 420,520	\$ 5,304,142	\$ 5,207,276	\$ 456,321	\$ 5,663,597
Amortization	732,250	94,186	826,436	609,102	173,190	782,292

26. FINANCIAL INSTRUMENT TRANSACTIONS

a. Fair value information

	September 30			
	2008		2007	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Non-derivative financial instruments</u>				
Liabilities				
Bonds payable (including current portion)	\$ 10,000,000	\$ 9,979,941	\$ 13,750,000	\$ 13,670,537

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

- 1) Available-for-sale financial assets - based on quoted prices in an active market on the balance sheet date.
- 2) Because there is no active market and a reliable fair value could only be verified at a more than reasonable cost, the fair value of investments in unlisted stocks carried at cost or bonds investment with no active market can be measured by the net worth of the investees' or the estimated book value.
- 3) Bonds payable - based on the over-the-counter quotations in September.
- 4) Fair value of long-term loans - based on the present value of future cash flows discounted by the interest rates the Company may obtain for similar loans (e.g., similar maturities).

- 5) Derivative financial instruments - based on valuation results provided by banks. As of September 30, the financial instrument held by the Corporation turned into financial asset, evaluated by the bid price of counter party.
 - 6) The above financial instruments do not include cash and cash equivalents, notes and accounts receivables, pledged time deposits, refundable deposits, short-term borrowing, short-term notes and bills payable, notes and accounts payable and guarantee deposits. Because of the short maturities of these instruments, the carrying values represent a reasonable basis to estimate fair values.
- c. The fair values of financial assets and liabilities were not simultaneously determined by quoted prices in active markets and by estimations using valuation technique.
- d. The financial assets exposed to fair value interest rate risk amounted to \$2,449,145 thousand and \$9,780,677 thousand as of September 30, 2008 and 2007, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$20,243,224 thousand and \$29,828,970 thousand as of September 30, 2008 and 2007, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$1,095,006 thousand and \$1,895,816 thousand as of September 30, 2008 and 2007, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$5,000,000 thousand and \$11,857,771 thousand as of September 30, 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 September 30, 2008 and 2007 were both zero because all of counter-parties are reputable financial institutions with good credit ratings.

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

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

3) Liquidity risk

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

- 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 inverse 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.

27. 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. (FLA)	Same chairman
Fubon Securities Investment Trust Co., Ltd.	Related party in substance
Chung Hsing Constructions Co., Ltd.	Related party in substance
Fubon Land Development Co., Ltd.	Related party in substance
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. (FPM)	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
Taiwan Sport Lottery Corporation (TSL)	Related party in substance

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

- 1) Operating revenues

	<u>Nine Months Ended September 30</u>			
	<u>2008</u>		<u>2007</u>	
	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>
TFCB	\$ 128,469	-	\$ 30,378	-
TSL	94,563	-	-	-
FMT	46,853	-	25,726	-
FSC	45,273	-	1,987	-
FLA	14,645	-	2,605	-
Fubon Ins.	13,351	-	6,574	-
The former TFN	-	-	454,567	1
	<u>\$ 343,154</u>		<u>\$ 521,837</u>	

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

2) Operating costs

	Nine Months Ended September 30			
	2008		2007	
	Amount	% of Total Costs	Amount	% of Total Costs
DKL	\$ 116,399	1	\$ 65,268	-
Fubon Ins.	62,761	-	81,558	-
The former TFN	<u>-</u>	-	<u>254,127</u>	1
	<u>\$ 179,160</u>		<u>\$ 400,953</u>	

The above companies mainly rendered telecommunication, maintenance, insurance and TV programs licensing services to the Group. The average payment term for notes and accounts payable was based on regular terms.

3) Property transactions

Disposal of property and equipment

	Description	Nine Months Ended September 30	
		Amount	Loss
FMT	Telecommunication equipment and miscellaneous equipment	<u>\$ 62,807</u>	<u>\$ 7,038</u>

The transaction amount of WTVB's sale of equipment to FMT was negotiated based on the value appraised by an independent third party. WTVB's uncollected receivables of \$51,943 thousand on the sale proceeds were classified as "Other receivables" as of September 30, 2008.

4) Operating lease income

	Leased Sites /Equipment	Nine Months Ended September 30	
		2008	2007
FMT	Offices appliance, etc.	\$ 21,974	\$ -
The former TFN	Offices and BTS, etc.	<u>-</u>	<u>22,523</u>
		<u>\$ 21,974</u>	<u>\$ 22,523</u>

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

5) Cash in banks and borrowing

	September 30			
	2008		2007	
	Amount	%	Amount	%
a) Cash in banks				
TFCB	<u>\$ 388,041</u>	10	<u>\$ 482,301</u>	4

	September 30			
	2008		2007	
	Amount	%	Amount	%
b) Pledged time deposits				
TFCB	\$ 37,965	74	\$ 29,105	61
			Nine Months Ended September 30, 2007	
c) Secured loans				
<u>TFCB</u>				
Short-term secured loans				
Maximum balance for the period			\$ 2,180,000	
Ending balance			\$ 1,160,000	
Rate				2.1131%-2.5729%
Interest expenses			\$ 15,652	
Long-term secured loans				
Maximum balance for the period			\$ 2,500,000	
Ending balance			\$ -	
Rate				2.3568%-2.4516%
Interest expenses			\$ 19,293	

6) Receivables and payables

	September 30			
	2008		2007	
	Amount	%	Amount	%
a) Accounts receivable				
TFCB	\$ 115,569	2	\$ 60,801	1
TSL (Note)	43,372	1	-	-
FSC (Note)	30,373	-	22,724	-
FLA	15,704	-	9,030	-
Fubon Ins.	14,781	-	11,857	-
Other	17,838	-	4,463	-
	<u>\$ 237,637</u>		<u>\$ 108,875</u>	

Note: Information about TSL leasehold receivable was as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
<u>September 30, 2008</u>			
Leasehold receivable	\$ 26,952	\$ 75,988	\$ 102,940
Less unrealized interest income	(4,834)	(8,182)	(13,016)
	<u>\$ 22,118</u>	<u>\$ 67,806</u>	<u>\$ 89,924</u>

Note: Information about FSC leasehold receivable was as follows:

	Current Portion	Maturities of Over One Year (Classified Under Other Assets)	Total
<u>September 30, 2008</u>			
Leasehold receivable	\$ 4,536	\$ 13,607	\$ 18,143
Less unrealized interest income	<u>(914)</u>	<u>(1,624)</u>	<u>(2,538)</u>
	<u>\$ 3,622</u>	<u>\$ 11,983</u>	<u>\$ 15,605</u>
September 30			
	2008	2007	
	Amount	%	Amount %
b) Other receivables			
FMT	<u>\$ 62,787</u>	19	<u>\$ -</u> -
c) Prepayments			
Fubon Ins.	<u>\$ 13,146</u>	1	<u>\$ 9,660</u> 1
d) Accounts payable			
DKL	<u>\$ 39,446</u>	1	<u>\$ 12,536</u> -
e) Other current liabilities - collections and temporary credits for the following			
TFCB	\$ 1,109	-	\$ 17,742 4
FDMC	<u>-</u>	-	<u>22,841</u> 5
	<u>\$ 1,109</u>		<u>\$ 40,583</u>
Nine Months Ended September 30			
	2008	2007	
7) Telecommunication service expenses			
The former TFN			<u>\$ -</u> <u>\$ 28,182</u>
8) Insurance expenses			
Fubon Ins.			<u>\$ 11,061</u> <u>\$ 16,803</u>
9) Donation			
TWM Foundation			<u>\$ 22,000</u> <u>\$ 18,000</u>

	Nine Months Ended	
	September 30	
	2008	2007
10) Repairs and maintenance		
FPM	\$ 13,992	\$ 8,036
11) Other expenses		
FPM	\$ 20,866	\$ 14,136
12) Endorsement/guarantee provided		

The Corporation and its subsidiaries provide guarantee contracts for related party. Please see Note 29.

28. ASSETS PLEDGED

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

	September 30	
	2008	2007
Current assets - time deposits	\$ 51,630	\$ 47,618
Other assets - time deposits and impound account	-	16,861
Fixed assets, net carrying value	-	1,471,402
	<u>\$ 51,630</u>	<u>\$ 1,535,881</u>

The fixed assets, which TFNM and its subsidiaries had pledged or mortgaged as collaterals for syndicated loan, amount to \$1,341,935 thousand. Since the loan was totally repaid in December 2007, these assets were redeemed on January 7, 2008.

29. COMMITMENTS AND CONTINGENT EVENTS

- a. To enhance 3G mobile communications, expand network coverage and increase the service functions, the Corporation entered into a 3G expansion contract with Nokia for \$4,800,000 thousand in September 2006. As of September 30, 2008, the purchase amount was \$2,523,983 thousand.
- b. The Corporation provided an \$18,000,000 thousand guarantee for TFN's bank loan. As of September 30, 2008, TFN had not made any drawdown on this loan. The Corporation also provide TFN \$10,122,700 thousand in promissory notes outstanding for its borrowings with banks.
- c. The Corporation and its subsidiary, TFN, obtained \$13,500,000 thousand of syndicated loan from 9 banks led by Chinatrust Commercial Bank. The Corporation provided a guarantee for TFN's bank loan. As of September 30, 2008, TFN had not made any drawdown on this loan.
- d. As of September 30, 2008, the Corporation had provided TFN \$50,000 thousand as performance guarantee for IDD calling card issued by July 31, 2008, in accordance with NCC's new policy effective on April 1, 2007.

- e. As of September 30, 2008, TFNI provided a \$50,000 thousand guarantee for WTVB's bank loan.
- f. As of September 30, 2008, TT&T provided an \$146 thousand guarantee for TFN's obligation of construction and equipment sales.
- g. Future minimum rental payments as of September 30, 2008 for significant operating lease agreements were summarized as follows:

	Amount
The fourth quarter 2008	\$ 8,067
2009	32,514
2010	27,976
2011	11,642
2012	5,367

30. 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 inverse floating interest rates of bonds, which are settled semiannually. Please refer to Note 26 for the related information.

Financial Instrument	Term	Contract Amount	Due Date
Interest rate swap contracts	Inverse floating interest rate in exchange for fixed interest rate of 2.25%	\$ 2,500,000	December 2007
	Inverse floating interest rate in exchange for fixed interest rate of 2.45%	5,000,000	December 2009

The Corporation entered into IRS contracts to hedge inverse floating interest rate fluctuation. For the nine months ended September 30, 2008 and 2007, the Corporation recognized losses of \$33,595 thousand and \$119,873 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 floating interest rate fluctuation. TFN recognized gains \$894 thousand in 2007.

k. Investment in Mainland China:

- 1) The name of the investee company in Mainland China, the main businesses and products, issued capital, method of investment, information on inflow or outflow of capital, ownership, investment gain or loss, ending balance, amount received as earnings distributions from the investment, and the limitation on investment: Table 8 (attached)
- 2) Significant direct or indirect transactions with the investee company, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: None
- l. Business relationships and significant intercompany transactions: Table 9 and Table 10 (attached).

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 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	\$ -	-	-	\$ 19,517,449 (Note 1)	\$ 19,517,449 (Note 1)
		TFN Media Co., Ltd.	Other receivables	1,250,000	-	2.538%-2.548%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	19,517,449 (Note 1)	19,517,449 (Note 1)
		Taiwan Cellular Co., Ltd.	Other receivables	900,000	-	2.477%	Short-term financing	-	To meet its financing needs in setting up subsidiaries	-	-	-	19,517,449 (Notes 1 and 2)	19,517,449 (Note 1)
1	Taiwan Cellular Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Other receivables	2,500,000	-	2.558%	Short-term financing	-	To pay off bank loan	-	-	-	21,528,192 (Note 1)	21,528,192 (Note 1)
		TFN Media Co., Ltd.	Other receivables	1,250,000	250,000	2.538%	Short-term financing	-	To meet its financing needs in acquiring minorities	-	-	-	21,528,192 (Note 1)	21,528,192 (Note 1)
2	Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd.	Other receivables	1,150,000	-	2.56%	Short-term financing	-	Operating capital	-	-	-	21,190,212 (Note 1)	21,190,212 (Note 1)
		TFN Media Co., Ltd.	Other receivables	1,500,000	1,500,000	2.574%-2.604%	Short-term financing	-	Operating capital	-	-	-	21,190,212 (Note 1)	21,190,212 (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	-	-	-	10,472,002 (Note 1)	10,472,002 (Note 1)
		TFN Media Co., Ltd.	Other receivables	3,000,000	2,900,000	2.602%	Short-term financing	-	Operating capital	-	-	-	10,472,002 (Note 1)	10,472,002 (Note 1)
4	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	560,000	560,000	2.538%-2.604%	Transactions	199,662	Business requirements	-	-	-	13,500,000 (Note 3)	13,500,000 (Note 3)
5	North Coast Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	205,000	-	2.538%-2.597%	Transactions	7,239	Business requirements	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
6	Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Other receivables - related parties	98,000	68,000	2.538%-2.594%	Transactions	16,832	Business requirements	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
7	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	400,000	320,000	2.538%-2.604%	Transactions	155,047	Business requirements	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
8	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	500,000	430,000	2.591%-2.594%	Transactions	408,451	Business requirements	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
9	Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	247,700	207,700	2.538%-2.604%	Transactions	6,701	Business requirements	-	-	-	12,000,000 (Note 3)	12,000,000 (Note 3)
10	Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	180,000	130,000	2.591%-2.594%	Transactions	301,968	Business requirements	-	-	-	24,000,000 (Note 3)	24,000,000 (Note 3)

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

Note 3: Where funds are loaned for reasons of business dealings, the individual lending amount and the aggregate amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the financing company's capital, or 2) the amount of business dealing.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

**ENDORSEMENT/GUARANTEE PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 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 1)	Ending Balance (Note 1)	Value of Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Worth of the Guarantor (Note 1)	Maximum Guarantee/ Endorsement Can Be Provided by the Guarantor/Endorser
		Name (B)	Nature of Relationship (B is A's)						
0	The Corporation	Taiwan Fixed Network Co., Ltd. (TFN)	(Note 2)	\$ 80,000,000 (Note 3)	\$ 23,672,700	\$ 23,672,700	\$ -	48.52%	\$ 48,793,624
1	TFN Investment Co., Ltd.	WinTV Broadcasting Co., Ltd.	(Note 4)	252,141 (Note 5)	50,000	50,000	-	0.19%	26,180,005 (Note 5)
2	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Taiwan Fixed Network Co., Ltd.	(Note 6)	20,000 (Note 7)	223	146	-	0.40%	36,538 (Note 7)

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

Note 2: Direct/Indirect subsidiary

Note 3: For over 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 4: Direct subsidiary

Note 5: 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 after deducting accumulated deficit from TFNI.

Note 6: Parent company

Note 7: The endorsement/guarantee amount provided by TT&T, shall be limited within the net worth of TT&T, and not over double of the investment amount after deducting accumulated deficit from TT&T.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 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	September 30, 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	\$ 200,794	0.028	\$ 200,794 (Note 2)	
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	60,064	10.00	55,488	
	Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	-	0.19	-	
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,200	235,449	100.00	235,449	(Note 4)
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	149,958	14,318,804 (Note 5)	100.00	53,820,479	
Wealth Media Technology Co., Ltd.	<u>Stock</u> Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	233,792	100.00	233,792	
Tai Fu Media Technology Co., Ltd.	<u>Stock</u> Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	87,302	100.00	87,302	
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	117,100	2,001,113	100.00	2,001,113	
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	138,069	100.00	138,069	
Global Wealth Media Technology Co., Ltd.	<u>Stock</u> Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,460	82,504	6.179	39,177	
Fu Sin Media Technology Co., Ltd.	<u>Stock</u> Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	130,838	3.34	30,559	
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	-	12.00	- (Note 4)	
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773	3.17	- (Note 4)	
	Tai Yi Digital Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	2,495	23,318	49.90	23,318	
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	US\$ 7,638	100.00	US\$ 7,638	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	4,000,000	52,975,530	100.00	52,975,530	
Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	11,079	100.00	11,079		

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	September 30, 2008				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
TWM Holding Co. Ltd.	<u>ADS</u> Hurray! Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,080	US\$ 2,970	4.94	US\$ 2,970 (Note 2)	
	<u>Stock</u> Hurray! Times Communications, Beijing	Subsidiary	Long-term investments - equity method	-	US\$ 4,551	100.00	US\$ 3,591	
Taiwan Fixed Network Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd.	Ultimate parent	Available-for-sale financial assets - non-current	456,295	23,271,033	12.00	23,271,033 (Note 2)	
	TFN Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,061,939	23,714,892	100.00	26,180,005	
	TFN HK Limited	Subsidiary	Long-term investments - equity method	1,300	2,796	100.00	2,796	
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	36,538	100.00	36,538	
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.82	- (Note 4)	
	<u>Preferred stock</u> New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	33,684	187,042	0.84	- (Note 4)	
Taiwan Teleservices & Technologies Co., Ltd.	<u>Stock</u> TT&T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US\$ 1,383	100.00	US\$ 1,383	
	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	(779)	100.00	(779)	
TT&T Holdings Co., Ltd.	<u>Stock</u> Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 1,381	100.00	US\$ 1,381	
TFN Investment Co., Ltd.	<u>Stock</u> Taiwan Mobile Co., Ltd.	Ultimate parent	Available-for-sale financial assets - non-current	355,623	18,136,765	9.36	18,136,765 (Note 2)	
	Reach & Range Inc.	Subsidiary	Long-term investments - equity method	2,400	34,128	100.00	27,057	
	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	25,214	208,353	98.50	205,535	
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	3,445,846	100.00	3,136,884	
	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	1.08	-	
TFN Media Co., Ltd.	<u>Stock</u> Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	33,940	2,065,285	100.00	540,805	
	Shin Ho Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	20,000	701,417	100.00	214,528	Note 6
	Mangrove Cable TV Corporation	Subsidiary	Long-term investments - equity method	21,160	543,536	100.00	280,361	Note 6

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	September 30, 2008				Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	Market Value (Note 1)	
	North Coast Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	21,160	\$ 220,412	100.00	\$ 220,412	
	Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	65,818	3,109,823	96.66	885,318	
	Union Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	170,441	1,997,044	99.99	1,792,296	
	Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	51,733	1,208,281	92.38	585,761	

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 September 30, 2008.

Note 3: Impairment loss recognized in 2004 reduced the value to zero.

Note 4: As of October 21, 2008, the independent auditors' report date, the investee's net worth was not available.

Note 5: Taiwan Mobile shares held indirectly by TFN and TFNI (both are subsidiaries of TCC) are classified as treasury shares. Therefore, TWM's carrying cost of \$53,820,479 on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$7,615,218 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$2,643 thousand.

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
NINE MONTHS ENDED SEPTEMBER 30, 2008
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance (Note 1)		
					Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Shares/Units (Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (Thousands)	Amount
Taiwan Mobile Co., Ltd.	<u>Beneficiary certificate</u> Fubon Chi-Hsiang Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	13,497	\$ 200,000	13,497	\$ 200,036	\$ 200,036	\$ -	-	\$ -
	<u>Stock</u> Wealth Media Technology Co., Ltd.	Long-term investments-equity method.	-	-	8,700	82,715	18,500	185,000	-	-	-	-	27,200	235,449 (Note 2)
TransAsia Telecommunications Inc.	<u>Beneficiary certificate</u> Fubon Chi-Hsiang Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	13,497	200,000	13,497	200,036	200,036	-	-	-
Wealth Media Technology Co., Ltd.	<u>Stock</u> Tai Fu Media Technology Co., Ltd.	Long-term investments - equity method	-	-	8,500	80,876	18,500	185,000	-	-	-	-	27,000	233,792 (Note 3)
Tai Fu Media Technology Co., Ltd.	<u>Stock</u> Fu Sin Media Technology Co., Ltd.	Long-term investments - equity method	-	-	100	900	13,400	134,000	-	-	-	-	13,500	138,069 (Note 4)
Fu Sin Media Technology Co., Ltd.	<u>Stock</u> Phoenix Cable TV Co., Ltd.	Long-term investments - equity method	-	-	-	-	2,272	133,358	-	-	-	-	2,272	130,838 (Note 5)
TWM Holding Co. Ltd.	<u>Stock</u> Hurray! Times Communications, Beijing	Long-term investments - equity method	-	-	-	-	-	US\$ 5,005	-	-	-	-	-	US\$ 4,551 (Note 6)
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 7)	23,271,033 (Note 7)
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	3,445,846 (Note 8)
TFN Media Co., Ltd.	<u>Stock</u> Phoenix Cable TV Co., Ltd.	Long-term investments - equity method	-	-	47,663	2,069,063	18,155	1,065,710	-	-	-	-	65,818	3,009,823 (Note 9)

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

Note 2: The amount included the investment loss adjustment of \$32,266 thousand.

Note 3: The amount included the investment loss adjustment of \$32,084 thousand.

Note 4: The amount included the investment income adjustment of \$3,169 thousand.

Note 5: The amount included the cash dividends adjustment of \$5,854 thousand and the investment income adjustment of \$3,334 thousand.

Note 6: The amount included the investment loss adjustment of US\$549 thousand and the recognition of cumulative translation adjustments of US\$95 thousand.

Note 7: 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 \$4,431,054 thousand.

Note 8: The amount included the cash dividends adjustment of \$675,846 thousand, the investment income adjustment of \$634,084 thousand and net loss not recognized as pension cost adjustment of 70 thousand.

Note 9: The amount included the cash dividends adjustment of \$169,589 thousand and the investment income adjustment of \$144,639 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
 NINE MONTHS ENDED SEPTEMBER 30, 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	\$ (459,338)	(1)	Based on contract terms	-	-	\$ -	-	
			Purchase	257,796	1	Based on contract terms	-	-	-	-	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Sale	(1,523,819)	(4)	Based on contract terms	-	-	229,563	4	
			Purchase	717,100	4	Based on contract terms	-	-	(11,725)	(1)	
	Taiwan Teleservices & Technologies Co., Ltd. (including the former TT&T)	Subsidiary	Purchase	675,614	(Note 1)	Based on contract terms	-	-	(78,528)	(Note 2)	
TransAsia Telecommunications Inc.	The Corporation	Parent	Sale	(257,796)	(6)	Based on contract terms	-	-	-	-	
			Purchase	459,338	20	Based on contract terms	-	-	-	-	
Taiwan Teleservices & Technologies Co., Ltd. (including the former TT&T)	The Corporation	Ultimate parent	Sale	(675,698)	(82)	Based on contract terms	-	-	78,494	70	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(774,062)	(11)	Based on contract terms	-	-	105,487	10	
			Purchase	1,518,308	31	Based on contract terms	-	-	(2,853)	-	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Sale	(325,265)	(20)	Based on contract terms	(Note 3)	(Note 3)	72,281	27	
			Sale	(243,993)	(15)	Based on contract terms	(Note 3)	(Note 3)	54,221	20	
	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Sale	(148,230)	(9)	Based on contract terms	(Note 3)	(Note 3)	32,940	12	
			Sale	(126,409)	(8)	Based on contract terms	(Note 3)	(Note 3)	28,091	10	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty	243,993	60	Based on contract terms	(Note 3)	(Note 3)	(54,221)	(74)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty	325,265	63	Based on contract terms	(Note 3)	(Note 3)	(72,281)	(76)	
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty	126,409	58	Based on contract terms	(Note 3)	(Note 3)	(28,091)	(84)	
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty	148,230	64	Based on contract terms	(Note 3)	(Note 3)	(32,940)	(76)	
Mangrove Cable TV Corporation	Dai-Ka Ltd.	Related party in substance	Royalty	80,017	59	Based on contract terms	(Note 3)	(Note 3)	(27,117)	(89)	

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
 SEPTEMBER 30, 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")	Taiwan Fixed Network Co., Ltd.	Subsidiary	Accounts receivable \$ 229,563	9.06	\$ -	-	\$ 37	\$ -				
			Other receivables 64,731						-	-	68	-
	Taiwan Cellular Co., Ltd.	Subsidiary	Other receivables 350,000						-	-	350,000	-
	Tai Fu Media Technology Co., Ltd.	Subsidiary	Other receivables 2,022,541		-	-	-	-				
Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 252,121		-	-	-	-				
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Other receivables 283,244		-	-	-	-				
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 78,494	7.59	-	-	-	-				
			Other receivables 75						-	-	-	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 105,487	4.49	-	-	625	-				
			Other receivables 209,868						-	-	81,237	-
	TFN Media Co., Ltd.	Subsidiary	Accounts receivable 20,004	2.81	-	-	-	-				
			Other receivables 1,509,283		-	-	-	-				
TFN Investment Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 3,909,103		-	-	-	-				
Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 421		-	-	-	-				
			Other receivables 211,676		-	-	-	-				
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 6,203		-	-	-	-				
			Other receivables 433,563		-	-	-	-				
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 6,852		-	-	-	-				
			Other receivables 568,932		-	-	100,000	-				
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 2,120		-	-	-	-				
			Other receivables 325,733		-	-	-	-				
Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Parent	Accounts receivable 1,248		-	-	-	-				
			Other receivables 69,138		-	-	-	-				
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 4,406		-	-	-	-				
			Other receivable 130,628		-	-	-	-				

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
NINE MONTHS ENDED SEPTEMBER 30, 2008
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2008			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 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	\$ 41,058,330	\$ 43,208,330	149,958	100.00	\$ 14,318,804 (Note 1)	\$ 5,314,825	\$ 2,179,356	
	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	272,000	87,000	27,200	100.00	235,449	(32,266)	(32,266)	
Wealth Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	85,000	27,000	100.00	233,792	(32,084)	NA	
Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Taipei Country, Taiwan	Investment	84,000	84,000	8,400	100.00	87,302	3,204	NA	
	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	2,001,700	2,001,700	117,100	100.00	2,001,113	(97)	NA	
	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	1,000	13,500	100.00	138,069	3,169	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	82,504	54,083	NA	
Fu Sin Media Technology Co., Ltd.	Phoenix Cable TV Co., Ltd.	Kaohsiung County	Cable TV service provider	133,358	-	2,272	3.34	130,838	154,319	NA	
Taiwan Cellular Co., Ltd.	Tai Yi Digital Broadcasting Co., Ltd.	Taipei, Taiwan	Broadcasting business and agency of telecom service subscription	24,950	24,950	2,495	49.9	23,318	(378)	NA	
	TWM Holding Co. Ltd.	British Virgin Islands	Investment	US\$ 10,800	US\$ 9,000	1 share	100.00	US\$ 7,638	US\$ (567)	NA	
	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	40,000,000	40,000,000	4,000,000	100.00	52,975,530	5,265,425	NA	
	Taiwan Digital Communications Co., Ltd.	Taipei, Taiwan	Equipment installation and IT service	12,000	12,000	1,200	100.00	11,079	(93)	NA	
TWM Holding Co., Ltd.	Hurray! Times Communications, Beijing	Beijing	Telecom product innovation and design	US\$ 5,005	-	-	100.00	US\$ 4,551	US\$ (366)	NA	
Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd.	Taipei, Taiwan	Investment	17,897,639	17,897,639	2,061,939	100.00	23,714,892	1,069,230	NA	
	TFN HK Limited	Hong Kong	Telecommunications service provider	5,816	5,816	1,300	100.00	2,796	(240)	NA	
	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and ISR (international simple resales)	117,553	120,000	1,000	100.00	36,538	16,193	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samoa	Investment	US\$ 1,300	US\$ 1,300	1,300	100.00	US\$ 1,383	US\$ (26)	NA	
	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100.00	(779)	(20,783)	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Ltd.	Xiamen	Call center service	US\$ 1,300	US\$ 1,300	-	100.00	US\$ 1,381	US\$ (25)	NA	
TFN Investment Co., Ltd.	Reach & Range Inc.	Taipei, Taiwan	Telecommunications equipment installment and IT service provider	31,764	31,764	2,400	100.00	34,128	2,693	NA	
	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	591,000	591,000	25,214	98.50	208,353	(47,316)	NA	
	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	1,500,000	230,526	100.00	3,445,846	643,233	NA	
TFN Media Co., Ltd.	Yeong Jialeh Cable TV Co., Ltd.	Sinhuangshih Township	Cable TV service provider	1,616,824	1,616,824	33,940	100.00	2,065,285	131,800	NA	
	Shin Ho Cable TV Co., Ltd.	Sinhuangshih Township	Cable TV service provider	661,781	661,781	20,000	100.00	701,417	4,685	NA	
	Mangrove Cable TV Corporation	Danshueijhen Township	Cable TV service provider	397,703	397,703	(Note 2)	(Note 2)	543,536	52,245	NA	
	North Coast Cable TV Co., Ltd.	Danshueijhen Township	Cable TV service provider	399,193	399,193	(Note 2)	(Note 2)	220,412	(4,290)	NA	
	Phoenix Cable TV Co., Ltd.	Kaohsiung County	Cable TV service provider	2,294,967	1,229,257	65,818	96.66	3,109,823	154,319	NA	
	Union Cable TV Co., Ltd.	Yilan City	Cable TV service provider	1,904,440	1,904,440	170,441	99.99	1,997,044	77,311	NA	
	Globalview Cable TV Co., Ltd.	Sijhih Township	Cable TV service provider	841,413	841,413	51,733	92.38	1,208,281	54,083	NA	

Note 1: Taiwan Mobile shares held indirectly by TFN and TFNI (both are subsidiaries of TCC) are classified as treasury shares. Therefore, TWM's carrying cost of \$53,820,479 thousand on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$7,615,218 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$2,643 thousand.

Note 2: Some shares are held under trustee accounts.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
 NINE MONTHS ENDED SEPTEMBER 30, 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 September 30, 2008	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of September 30, 2008	Accumulated Inward Remittance of Earnings as of September 30, 2008
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US\$ 1,300 (NT\$ 41,659)	Indirect investment in the Companies in Mainland China through a third place by the Corporation's subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 41,659)	\$ -	\$ -	US\$ 1,300 (NT\$ 41,659)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ (25) (NT\$ (801))	US\$ 1,381 (NT\$ 44,254)	\$ -
Hurray! Times Communications, (Beijing) Ltd.	Mobile application development and design	US\$ 3,000 (NT\$ 96,135)	Indirect investment in the Companies in Mainland China through a third place by the Corporation's subsidiary, Taiwan Cellular Co., Ltd.	-	US\$ 4,403 (NT\$ 141,094)	-	US\$ 4,403 (NT\$ 141,094)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ (549) (NT\$ (17,593))	US\$ 4,551 (NT\$ 145,837)	-

Accumulated Investment in Mainland China as of September 30, 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\$ 41,659)	US\$ 1,300 (NT\$ 41,659)	\$ 80,000
US\$ 4,403 (NT\$ 141,094)	US\$ 5,300 (NT\$ 169,839)	53,820,479

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.045 and RMB1=NT\$4.6999 as of September 30, 2008.

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

Note 3: Calculation was based on unreviewed financial statements.

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
NINE MONTHS ENDED SEPTEMBER 30, 2008
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	Taiwan Mobile Co., Ltd.	Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	\$ 229,563	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	106	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Other receivables	350,000	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,022,541	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	64,731	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,184	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	331	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	107	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current assets	79	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	11,725	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	41	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	78,053	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	3	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	78,528	Based on regular terms	-
		Hurray! Times Communications (Beijing) Ltd.	1	Other payables	8,390	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	103,899	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	426	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	24	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	739	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	105	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	802	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	261	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	148	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	356,616	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other current liabilities	92	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	50	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other current liabilities	13	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	187	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other current liabilities	38	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	174	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	63	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	459,338	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	1,523,819	Based on regular terms	3%
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	171	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	633	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	370	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	\$ 113	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	281	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	265	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	34	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	844	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	335	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	63	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating costs	257,989	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	361	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	729,774	Based on regular terms	1%
		Phoenix Cable TV Co., Ltd.	1	Operating costs	157	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	76	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	601,090	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	61,834	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating expenses	1	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating expenses	9	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(888)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(2)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(3)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(3)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(1)	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	74,743	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	38,441	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	10,793	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Rental income	23	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	34	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-
		TT&T Life Insurance Agency Co., Ltd.	1	Rental income	34	Based on regular terms	-
		TT&T Casualty & Property Insurance Agency Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Rental income	48,086	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Rental income	31	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Rental income	31	Based on regular terms	-
		Reach & Range Inc.	1	Rental income	31	Based on regular terms	-
		TFN Media Co., Ltd.	1	Rental income	7,980	Based on regular terms	-
		Fu Jia Leh Media Technology Co., Ltd.	1	Rental income	31	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	31	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	1,564	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Miscellaneous revenue	1,557	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	5	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TransAsia Telecommunications Inc.	1	Interest expenses	\$ 15,205	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Miscellaneous expense	1,244	Based on regular terms	-
1	TransAsia Telecommunications Inc.	The Corporation	2	Operating revenues	257,796	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	29,632	Based on regular terms	-
		The Corporation	2	Operating costs	459,338	Based on regular terms	1%
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	21,543	Based on regular terms	-
		The Corporation	2	Operating expenses	23	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	329	Based on regular terms	-
		The Corporation	2	Interest income	15,205	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	3	Interest income	2,199	Based on regular terms	-
		The Corporation	2	Rental income	192	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Rental income	268	Based on regular terms	-
		The Corporation	2	Miscellaneous revenue	1,244	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	17,541	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	38,441	Based on regular terms	-
4	Fu Jia Leh Media Technology Co., Ltd.	The Corporation	2	Operating expenses	31	Based on regular terms	-
5	Fu Sin Media Technology Co., Ltd.	The Corporation	2	Operating expenses	31	Based on regular terms	-
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Prepayments	9	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	26	Based on regular terms	-
7	Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	1	Other receivables	252,121	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Other receivables	283,244	Based on regular terms	-
		The Corporation	2	Other payables	350,000	Based on regular terms	-
		The Corporation	2	Operating expenses	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest income	7,947	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	19,630	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Interest expenses	2,199	Based on regular terms	-
8	Tai Yi Digital Broadcasting Co., Ltd.	The Corporation	2	Operating expenses	34	Based on regular terms	-
9	Taiwan Digital Communications Co., Ltd.	The Corporation	2	Operating expenses	34	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
10	The former Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Operating revenues	\$ 600,942	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	2	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	20,648	Based on regular terms	-
		The Corporation	2	Operating expenses	863	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	8,338	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	37,686	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	243	Based on regular terms	-
		The Corporation	2	Rental income	1,338	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	Operating expenses	34	Based on regular terms	-
14	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	1,188	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,649	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	8,431	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	959	Based on regular terms	-
15	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	12,555	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	37,857	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	5,241	Based on regular terms	-
16	Hurray! Times Communications (Beijing) Ltd.	The Corporation	2	Accounts receivable	8,389	Based on regular terms	-
17	Taiwan Fixed Network Co., Ltd.	The Corporation	2	Accounts receivable	105,487	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	449	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Accounts receivable	5,405	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts receivable	20,004	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	50	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	96	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	191	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	484	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	113	Based on regular terms	-
		TFN HK	1	Accounts receivable	2	Based on regular terms	-
		The Corporation	2	Other receivables	209,868	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	1,509,283	Based on regular terms	2%
		Globalview Cable TV Co., Ltd.	1	Other receivables	3	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	1,697	Based on regular terms	-
		The Corporation	2	Prepayments	165	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Prepayments	105	Based on regular terms	-
		The Corporation	2	Refundable deposits	830	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		The Corporation	2	Accounts payable	\$ 2,853	Based on regular terms	-
		Reach & Range Inc.	1	Accounts payable	6,832	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accounts payable	34,053	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	16	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	115	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	31	Based on regular terms	-
		TFN HK	1	Accounts payable	2,170	Based on regular terms	-
		The Corporation	2	Accrued expenses	56,688	Based on regular terms	-
		Reach & Range Inc.	1	Accrued expenses	36	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	32,892	Based on regular terms	-
		The Corporation	2	Other payables	37	Based on regular terms	-
		The Corporation	2	Advance receipts	112	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other liabilities	3,170	Based on regular terms	-
		The Corporation	2	Operating revenues	774,062	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	21,901	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	243	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	24,925	Based on regular terms	-
		Reach & Range Inc.	1	Operating revenues	450	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Operating revenues	371	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	38,372	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	991	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	551	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	2,190	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	22	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	3,919	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	697	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	(13)	Based on regular terms	-
		The Corporation	2	Operating costs	1,518,769	Based on regular terms	3%
		TransAsia Telecommunications Inc.	3	Operating costs	29,932	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating costs	374	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	9,580	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating costs	33,766	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	155	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	3,913	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	5,058	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	569	Based on regular terms	-
		TFN HK	1	Operating costs	3,339	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	(168)	Based on regular terms	-
		The Corporation	2	Operating expenses	48,942	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	20,655	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating expenses	763	Based on regular terms	-
		Reach & Range Inc.	1	Operating expenses	134	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(13)	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	\$ 122,850	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Interest income	8,732	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	9,185	Based on regular terms	-
		The Corporation	2	Rental income	12,773	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Rental income	130	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Rental income	26	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	3,360	Based on regular terms	-
		The Corporation	2	Miscellaneous revenue	141	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Miscellaneous revenue	3	Based on regular terms	-
		TFN Media Co., Ltd.	1	Miscellaneous revenue	5,743	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Interest expenses	7,947	Based on regular terms	-
		The Corporation	2	Miscellaneous expense	1,559	Based on regular terms	-
18	TFN HK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	1,774	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	2,851	Based on regular terms	-
19	Taiwan Telecommunication Network Services Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Operating revenues	374	Based on regular terms	-
		Reach & Range Inc.	3	Operating revenues	1,036	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	22	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	22	Based on regular terms	-
		The Corporation	2	Operating costs	69	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating costs	24,977	Based on regular terms	-
		The Corporation	2	Operating expenses	132	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	(815)	Based on regular terms	-
20	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Accounts receivable	78,494	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	32,892	Based on regular terms	-
		The Corporation	2	Other receivables	75	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	43	Based on regular terms	-
		The Corporation	2	Accrued expenses	331	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	3	Accrued expenses	344	Based on regular terms	-
		TT&T Holdings Co., Ltd.	2	Accrued expenses	(2,521)	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	2	Accrued expenses	12,415	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	1,697	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	3	Other payables	282,900	Based on regular terms	-
		The Corporation	2	Operating revenues	74,756	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	124,113	Based on regular terms	-
		The Corporation	2	Operating expenses	1,724	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating expenses	1,004	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	5,540	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	4,778	Based on regular terms	-
		The Corporation	2	Rental income	167	Based on regular terms	-
21	TFN Investment Co., Ltd.	TFN Media Co., Ltd.	1	Other receivables	3,909,103	Based on regular terms	4%
		The Corporation	2	Operating expenses	33	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	57,491	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	8,732	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
22	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	\$ 6,870	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	450	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	9,676	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating revenues	355	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	(2)	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating costs	1,036	Based on regular terms	-
		The Corporation	2	Operating expenses	31	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating expenses	449	Based on regular terms	-
23	WinTV Broadcasting Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other payables	3,898	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Advance receipts	75	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Advance receipts	75	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Advance receipts	75	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Advance receipts	75	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Advance receipts	75	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Long-term accounts payable	1,237	Based on regular terms	-
		Union Cable TV Co., Ltd.	3	Operating revenues	225	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	225	Based on regular terms	-
		Mangrove Cable TV Corporation	3	Operating revenues	225	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	225	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	225	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	429	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	204	Based on regular terms	-
24	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	34,053	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	46,827	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	63,345	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts receivable	2,485	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	84,767	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	30,673	Payment terms varied depend on the agreements	-
		The Corporation	2	Other receivables	3	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other current assets	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other intangible assets	3,170	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	1,745	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Accounts payable	365	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts payable	2,172	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Mangrove Cable TV Corporation	1	Accounts payable	\$ 744	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	3,635	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	1,475	Payment terms varied depend on the agreements	-
		The Corporation	2	Accrued expenses	2,093	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	19,837	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,233	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	56	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	2,236	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	588	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,771	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	703	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued interest expenses	2,121	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued interest expenses	9,185	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Accrued interest expenses	9,103	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accrued interest expenses	8,805	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued interest expenses	3,976	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued interest expenses	628	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accrued interest expenses	1,055	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accrued interest expenses	3,357	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accrued interest expenses	5,680	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Cellular Co., Ltd.	2	Other payables	\$ 250,000	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	1,500,000	Payment terms varied depend on the agreements	2%
		TFN Investment Co., Ltd.	2	Other payables	3,900,000	Payment terms varied depend on the agreements	4%
		Union Cable TV Co., Ltd.	1	Other payables	560,000	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	207,700	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	130,000	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Other payables	68,000	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	430,003	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Other payables	320,001	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other liabilities	970	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Other liabilities	4,713	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Other liabilities	2,553	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	33,766	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Operating revenues	163,002	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	3,571	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	272,644	Payment terms varied depend on the agreements	1%
		Mangrove Cable TV Corporation	1	Operating revenues	11,299	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	7,630	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	357,622	Payment terms varied depend on the agreements	1%
		Globalview Cable TV Co., Ltd.	1	Operating revenues	142,262	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	277	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	42,130	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	34,548	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	\$ 3,129	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	32,391	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	8,638	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating costs	551	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	49,033	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	15,823	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	9,491	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	2,205	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	2,556	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	354	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	1,653	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	618	Payment terms varied depend on the agreements and based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	68	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	2,664	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	501	Payment terms varied depend on the agreements and based on regular terms	-
		The Corporation	2	Miscellaneous revenue	164	Based on regular terms	-
		The Corporation	2	Interest expenses	10,775	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	19,543	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	9,185	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	57,421	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	8,968	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	4,004	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	\$ 873	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	1,076	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Interest expenses	3,258	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	3,635	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	5,810	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Miscellaneous expense	36	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Miscellaneous expense	6	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Miscellaneous expense	18	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Miscellaneous expense	10	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Miscellaneous expense	4	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Miscellaneous expense	30	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Miscellaneous expense	17	Based on regular terms	-
25	Union Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	476	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	6,852	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	568,932	Payment terms varied depend on the agreements and based on regular terms	1%
		WinTV Broadcasting Co., Ltd.	3	Prepayments	75	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts payable	32,940	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts payable	24	Based on regular terms	-
		The Corporation	2	Accrued expenses	13	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	13,887	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	155	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	36,660	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	6	Based on regular terms	-
		The Corporation	2	Operating costs	205	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	225	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	148,230	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Mangrove Cable TV Corporation	3	Operating costs	\$ 23	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	5	Based on regular terms	-
		The Corporation	2	Operating expenses	180	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,320	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	14,771	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	8,968	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	480	Based on regular terms	-
26	Shin Ho Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	37	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	421	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	211,676	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	3,129	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	25	Based on regular terms	-
		The Corporation	2	Operating expenses	103	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	3,571	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	4,004	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	360	Based on regular terms	-
27	Yeong Jialeh Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	926	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	4,406	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	130,628	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	75	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current assets	1	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	970	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	\$ 22	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	54,221	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	62	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	9,124	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	3,913	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	33,689	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	268	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	192	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	225	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	243,993	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	83	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	508	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	28,652	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	873	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	374	Based on regular terms	-
28	Mangrove Cable TV Corporation	The Corporation	2	Accounts receivable	144	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,248	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	24	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	69,138	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	75	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other intangible assets	4,713	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	120	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	61	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Co., Ltd.	2	Other payables	\$ 2,485	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	8,832	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	23	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	11	Based on regular terms	-
		The Corporation	2	Operating costs	118	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	1,825	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	225	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	6	Based on regular terms	-
		The Corporation	2	Operating expenses	100	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	501	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	22	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	11,299	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	1,076	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	434	Based on regular terms	-
29	North Coast Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	551	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	20	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating costs	5,775	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	13	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	63	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	1,855	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	3,258	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	71	Based on regular terms	-
30	Phoenix Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	977	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	6,203	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	433,563	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	75	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Co., Ltd.	2	Accounts payable	\$ 72,281	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	471	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	12,486	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Advance receipts	105	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	5,058	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	50,829	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	266	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	2,691	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	225	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	325,265	Payment terms varied depend on the agreements	1%
		The Corporation	2	Operating expenses	390	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,415	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	32,357	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	3,635	Payment terms varied depend on the agreements	-
		The Corporation	2	Rental income	129	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	898	Based on regular terms	-
31	Globalview Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	325	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	31	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	2,120	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	325,733	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Prepayments	75	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	2,553	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	\$ 28	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	28,091	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	70	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	2,582	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Advance receipts	9	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	569	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	16,067	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	5	Based on regular terms	-
		The Corporation	2	Operating costs	149	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	298	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	225	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	126,409	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	11	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	123	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	635	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	22	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating expenses	15,853	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Interest income	5,810	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Rental income	26	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	275	Based on regular terms	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 NINE MONTHS ENDED SEPTEMBER 30, 2007
 (In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	Taiwan Mobile Co., Ltd.	TransAsia Telecommunications Inc.	1	Accounts receivable	\$ 60,805	Based on regular terms	-
		Mobitai Communications	1	Accounts receivable	15,950	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	214,724	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts receivable	(20)	Based on regular terms	-
		TFN Media Ltd.	1	Accounts receivable	(27)	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Accounts receivable	3	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	110	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other receivables	120,068	Based on regular terms	-
		Mobitai Communications	1	Other receivables	97,282	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	594	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	36,641	Based on regular terms	-
		Taihsing International Telecommunications Co., Ltd.	1	Other receivables	12,645,729	Based on regular terms	11%
		TransAsia Telecommunications Inc.	1	Prepayments	107	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	322	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accounts payable	19,105	Based on regular terms	-
		Mobitai Communications	1	Accounts payable	941	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	5	Based on regular terms	-
		Mobitai Communications	1	Accrued expenses	1,680	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	156,836	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	177,619	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	1	Accrued expenses	19,203	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other payables	173,612	Based on regular terms	-
		Mobitai Communications	1	Other payables	94,835	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	61,304	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Advance receipts	366	Based on regular terms	-
		Mobitai Communications	1	Advance receipts	362	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	1	Advance receipts	34	Based on regular terms	-
		Taiwan United Communication Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		TT&T Life Insurance Agency Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taihsing International Telecommunications Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		TT&T Casualty & Property Insurance Agency Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	38	Based on regular terms	-

(Continued)

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

(Continued)

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

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
5	Taiwan United Communication Co., Ltd.	The Corporation	2	Prepayments	\$ 34	Based on regular terms	-
6	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	2	Accounts receivable	156,562	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accounts receivable	5,105	Based on regular terms	-
		The Corporation	2	Other receivables	299	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Other receivables	431	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Other receivables	10,000	Based on regular terms	-
		The Corporation	2	Prepayments	34	Based on regular terms	-
		The Corporation	2	Accrued expenses	594	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Accrued expenses	302	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Accrued expenses	9,256	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Accrued expenses	(143)	Based on regular terms	-
		Taiwan Cellular Co., Ltd. (formerly Taihsing Den Syun Co., Ltd.)	2	Accrued expenses	233	Based on regular terms	-
		The Corporation	2	Operating revenues	650,275	Based on regular terms	1%
		TransAsia Telecommunications Inc.	3	Operating revenues	(149)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	3	Operating revenues	6,773	Based on regular terms	-
		TT&T Holdings Co., Ltd.	1	Operating costs	7,406	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating costs	41,459	Based on regular terms	-
		The Corporation	2	Marketing expenses	4,816	Based on regular terms	-
		The Corporation	2	Administrative expenses	34	Based on regular terms	-
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Administrative expenses	794	Based on regular terms	-
		The Corporation	2	Rental income	3,513	Based on regular terms	-
7	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	3,564	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,708	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	7,406	Based on regular terms	-
8	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	9,256	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	42,253	Based on regular terms	-
9	Taiwan Fixed Network Co., Ltd.	The Corporation	2	Accounts receivable	326,885	Based on regular terms	-
		The Corporation	2	Other receivables	2,305	Based on regular terms	-
		The Corporation	2	Prepayments	38	Based on regular terms	-
		The Corporation	2	Refundable deposits	1,330	Based on regular terms	-
		The Corporation	2	Accounts payable	3,109	Based on regular terms	-
		The Corporation	2	Accrued expenses	49,937	Based on regular terms	-
		The Corporation	2	Advance receipts	110	Based on regular terms	-
		The Corporation	2	Operating revenues	445,259	Based on regular terms	1%
		Mobitai Communications	3	Operating revenues	2,294	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenues	19,418	Based on regular terms	-
		The Corporation	2	Operating costs	749,181	Based on regular terms	2%
		Mobitai Communications	3	Operating costs	4,550	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating costs	20,557	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating costs	6,773	Based on regular terms	-
		The Corporation	2	Marketing expenses	22,555	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		The Corporation	2	Administrative expenses	\$ 13,905	Based on regular terms	-
		Mobitai Communications	3	Administrative expenses	1	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Administrative expenses	(7)	Based on regular terms	-
		The Corporation	2	Rental income	4,023	Based on regular terms	-
		The Corporation	2	Interest income	5	Based on regular terms	-
10	TT&T Casualty & Property Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
11	TT&T Life Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
12	Taiwan Super Basketball Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Other payables	10,000	Based on regular terms	-
13	Taiwan Fixed Network Co., Ltd.	WinTV Broadcasting Co., Ltd.	1	Accounts receivable	12,347	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	11,877	Based on regular terms	-
		TFN Media Ltd.	1	Accounts receivable	32,043	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	6,000	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Short-term loans	1,200,000	Based on regular terms	1%
		Reach & Range Inc.	1	Accounts payable	10,116	Based on regular terms	-
		TFN Media Ltd.	1	Accounts payable	11,270	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Accrued expenses	12,245	Based on regular terms	-
		TFN Media Ltd.	1	Other liabilities - other	10,777	Based on regular terms	-
		Reach & Range Inc.	1	Operating revenues	4,100	Based on regular terms	-
		TFN Media Ltd.	1	Operating revenues	37,194	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	6,000	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating revenues	1,350	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	15,010	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating costs	12,245	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Interest expenses	3,618	Based on regular terms	-
		TFN Media Ltd.	1	Miscellaneous revenue	5,706	Based on regular terms	-
14	TFN Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other receivables	1,200,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	2	Interest income	3,618	Based on regular terms	-
15	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	10,116	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	108	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	11,769	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	15,010	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	4,100	Based on regular terms	-
16	WinTV Broadcasting Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Other payables	5,126	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Long-term notes and accounts payables	7,221	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
17	TFN Media Ltd.	Globalview Cable TV Co., Ltd.	3	Accounts receivable	\$ 15,458	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	31,260	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accounts receivable	4,221	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	30,568	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts receivable	46,749	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts receivable	968	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	11,270	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Other receivables	73	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other receivables	28	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other receivables	48	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Other receivables	24	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other receivables	30	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Other receivables	169	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Other receivables	10	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other intangible assets	10,777	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	32,043	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	420	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accrued expenses	2,602	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accrued expenses	80	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accrued expenses	260	Payment terms varied depend on the agreements	-
North Coast Cable TV Co., Ltd.	3	Accrued expenses	22	Payment terms varied depend on the agreements	-		
Phoenix Cable TV Co., Ltd.	3	Accrued expenses	3,889	Payment terms varied depend on the agreements	-		
Union Cable TV Co., Ltd.	3	Accrued expenses	7,597	Payment terms varied depend on the agreements	-		
Globalview Cable TV Co., Ltd.	3	Operating revenues	124,242	Payment terms varied depend on the agreements	-		

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Union Cable TV Co., Ltd.	3	Operating revenues	\$ 143,642	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	211,622	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating revenues	37,990	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	320,541	Payment terms varied depend on the agreements	1%
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	37,828	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	791	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	8,843	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	510	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	18,064	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	13,160	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	5,072	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating expenses	254	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating expenses	1,091	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Operating expenses	378	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating expenses	145	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating expenses	59	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating expenses	2,122	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating expenses	2,394	Payment terms varied depend on the agreements	-
18	Fu Yang Multimedia Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	12,245	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Accounts receivable	1,492	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts receivable	2,542	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accounts receivable	603	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts receivable	683	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accounts payable	1,463	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Yeong Jialeh Cable TV Co., Ltd.	3	Accounts payable	\$ 2,114	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accounts payable	597	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accounts payable	489	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accounts payable	442	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Accounts payable	3,518	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts payable	1,640	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Accrued expenses	16,251	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Accrued expenses	8,520	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Accrued expenses	6,207	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accrued expenses	7,314	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accrued expenses	7,448	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Other payables	210,000	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Other payables	107,700	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other payables	43,000	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other payables	140,000	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Other payables	360,000	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Other liabilities - other	6,929	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other liabilities - other	6,791	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Other liabilities - other	5,184	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other liabilities - other	5,184	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	12,245	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	16,068	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	26,152	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Shin Ho Cable TV Co., Ltd.	3	Operating revenues	\$ 5,164	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	7,978	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating revenues	6,028	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	32,957	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	14,743	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	12,539	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	18,122	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Operating costs	5,116	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating costs	4,194	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Operating costs	3,786	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	3	Operating costs	30,153	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	14,057	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,350	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	3	Operating expenses	19	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	3	Other revenues	3,750	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Other revenues	3,750	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Interest expense	5,020	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Interest expense	2,574	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Interest expense	1,028	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Interest expense	3,086	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Interest expense	4,407	Payment terms varied depend on the agreements	-
19	Globalview Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	309	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	1,463	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Other receivables	\$ 111	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	210,000	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	16,251	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	6,929	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	13,805	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	1,492	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	1,726	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	846	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	12,539	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	124,242	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	16,068	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	5,020	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	199	Payment terms varied depend on the agreements	-
20	Yeong Jialeh Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	2,114	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	2,556	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	46	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	6,791	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	23,514	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	2,542	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	7,747	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	6,000	Based on regular terms	-
		TFN Media Ltd.	2	Accrued expenses	48	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	9,633	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	\$ 18,122	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	211,622	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	29,902	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	301	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous expense	6,000	Based on regular terms	-
21	Shin Ho Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	597	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	116,220	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	80	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	24	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	603	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	5,116	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	5,164	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	2,574	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	378	Payment terms varied depend on the agreements	-
22	Mangrove Cable TV Corporation	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	489	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	236	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	43,000	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	23	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	6,207	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	5,184	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts payable	683	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	968	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Accrued expenses	\$ 28	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	542	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	4,194	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	7,978	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	1,028	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	113	Payment terms varied depend on the agreements	-
23	North Coast Cable TV Co., Ltd.	Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	442	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	140,000	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	22	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other intangible assets	5,184	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	7,314	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	4,221	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	30	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	3,786	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	37,990	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	9,778	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	3,086	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	59	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Non-operating income	19	Payment terms varied depend on the agreements	-
24	Phoenix Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	3,748	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	3,518	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	141	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Nature of Relationship (Note)	Transaction Details			Percentage of Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Accounts payable	\$ 35,616	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	11,133	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	10	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	14,427	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	30,153	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	320,541	Payment terms varied depend on the agreements	1%
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	32,957	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	856	Payment terms varied depend on the agreements	-
25	Union Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	7,597	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Accounts receivable	1,640	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Other receivables	367,448	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	15,960	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other payables	14,606	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accrued expenses	169	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	19,906	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating revenues	14,057	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	143,643	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Operating expenses	14,743	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	2	Interest income	4,407	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Non-operating income	552	Payment terms varied depend on the agreements	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)