

## 2008 Consolidated Financial Statements

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 Taishing International Telecommunications Co., Ltd. (TIT), the subsidiary of the Corporation, since April 17, 2007. Because TFN is controlled by the Corporation, TIT and its subsidiaries have been included in the consolidated entities.

January 20, 2009

### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of Taiwan Mobile Co., Ltd. (the "Corporation") and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taiwan Mobile Co., Ltd. and subsidiaries as of December 31, 2008 and 2007, and the consolidated results of its operations and its consolidated cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As stated in Note 3 to the 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.

### Notice to Readers

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

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

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2008 AND 2007  
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2008		2007	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 2, 4 and 27)	\$ 3,868,062	4	\$ 7,028,091	7
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	-	-	131,973	2
Available-for-sale financial assets - current (Notes 2 and 6)	241,442	-	2,103,403	2
Notes receivable	66,589	-	85,103	7
Accounts receivable - third parties (Notes 2 and 7)	6,411,711	7	6,759,589	7
Accounts receivable - related parties (Notes 2 and 27)	233,029	-	120,634	1
Other receivables	426,418	1	246,695	1
Inventories (Note 2)	359,119	1	159,843	1
Prepayments (Note 27)	1,077,167	1	850,600	1
Deferred income tax assets - current (Notes 2 and 23)	134,055	-	134,055	-
Pledged time deposits (Notes 27 and 28)	38,015	-	47,706	-
Other current assets	12,653	-	22,603	-
Total current assets	12,883,739	14	17,690,295	18
<b>INVESTMENTS</b>				
Prepayment for long-term investments (Note 8)	249,500	-	-	-
Hedging derivative financial assets - non-current (Notes 2, 26 and 30)	82,485	-	-	-
Financial assets carried at cost - non-current (Notes 2 and 9)	2,515,169	3	2,526,701	3
Bonds measured at amortized cost - non-current (Notes 2 and 10)	500,000	-	500,000	-
Total investments	3,347,154	4	3,026,701	3
<b>PROPERTY AND EQUIPMENT (Notes 2, 11, 27 and 28)</b>				
Cost				
Buildings	6,087,548	7	6,102,661	6
Telecommunication equipment	3,918,908	4	4,032,291	4
Office equipment	63,278,297	71	63,490,049	65
Lease assets	1,288,848	-	1,270,719	1
Miscellaneous equipment	1,285,071	1	1,270,109	1
Total cost	78,999,655	86	77,539,799	70
Less: Accumulated depreciation	(32,281,352)	(35)	(28,871,155)	(29)
Accumulated impairment	-	-	(928)	-
Construction in progress and advance payments	46,738,103	51	48,661,610	50
Net property and equipment	2,728,652	3	2,296,595	2
Intangible assets	49,466,761	54	50,958,205	52
<b>INTANGIBLE ASSETS (Note 2)</b>				
3G concession	7,477,091	8	8,224,800	8
Computer software cost	61,577	-	130,520	-
Goodwill (Note 12)	10,485,048	11	9,231,478	10
Other intangible assets	2,686,541	3	2,861,323	3
Customer relationship (Note 12)	1,382,000	2	1,382,000	1
Operating rights (Note 12)	30,112	-	18,924	-
Other intangible assets	4,098,653	5	4,259,257	4
Total intangible assets	22,122,369	24	21,846,055	22
<b>OTHER ASSETS</b>				
Assets leased to others (Notes 2 and 13)	543,924	1	547,295	1
Idle assets (Notes 2 and 13)	228,269	-	315,583	-
Refundable deposits	393,438	-	405,585	-
Deferred charges (Notes 2 and 14)	338,150	-	282,488	-
Deferred income tax assets - non-current (Notes 2 and 23)	2,478,484	3	2,898,598	3
Other (Notes 2, 21 and 27)	136,821	-	59,451	-
Total other assets	4,119,086	4	4,509,000	5
<b>TOTAL</b>	<b>\$ 91,939,109</b>	<b>100</b>	<b>\$ 98,030,256</b>	<b>100</b>

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

(With Deloitte & Touche audit report dated January 20, 2009)

LIABILITIES AND SHAREHOLDERS' EQUITY	2008		2007	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowing (Notes 15, 27 and 28)	-	-	\$ 19,340,000	20
Short-term notes and bills payable (Note 16)	-	-	1,594,753	2
Notes payable	186,506	-	230,032	-
Accounts payable (Note 27)	3,255,406	4	2,868,000	3
Income taxes payable (Notes 2 and 23)	2,798,352	3	1,346,836	1
Accrued expenses	5,448,846	6	5,312,326	5
Other payables (Note 2)	4,769,548	5	19,441,195	20
Advance receipts (Note 17)	2,284,294	3	1,977,063	2
Current portion of long-term liabilities (Notes 2, 18, 20 and 28)	7,500,000	8	4,940,340	5
Guarantee deposits - current	68,096	-	84,017	-
Deferred income tax liability - current (Notes 2 and 23)	431,101	-	503,568	1
Other current liabilities	26,735,149	29	57,653,936	59
Total current liabilities	8,000,000	9	7,500,000	8
<b>LONG-TERM LIABILITIES</b>				
Bonds payable (Notes 2, 18 and 26)	5,200,000	6	-	-
Long-term borrowing (Notes 19, 27 and 28)	-	-	51,665	-
Hedging derivative financial liabilities - non-current (Notes 2, 26 and 30)	-	-	-	-
Total long-term liabilities	13,200,000	15	7,551,665	8
<b>OTHER LIABILITIES</b>				
Accrued pension cost (Notes 2 and 21)	-	-	2,948	-
Guarantee deposits	346,316	-	361,813	-
Deferred income tax liability - non-current (Notes 2 and 23)	90,388	-	34,989	-
Other (Note 2)	630,723	1	19,244	-
Total other liabilities	1,067,427	1	419,494	-
Total liabilities	41,002,526	45	65,625,095	67
<b>SHAREHOLDERS' EQUITY (Notes 2, 3 and 22)</b>				
Parent's shareholders' equity				
Capital stock - \$10 par value	38,009,254	41	38,009,254	39
Authorized: 6000,000 thousand shares				
Issued: 3,800,925 thousand shares				
Capital surplus	8,775,819	9	8,775,819	9
From treasury stock transactions	3,493,759	4	8,027	-
From long-term investments	1,166	-	1,313	-
From employee stock options	27,095	-	-	-
Retained earnings	12,406,775	14	11,745,475	12
Legal reserve	3,406,744	4	3,493,563	3
Special reserve	17,716,013	19	10,720,230	11
Unappropriated earnings	17,840	-	5,764	-
Other equity	2,862	-	1,534	-
Cumulative translation adjustments	(5,897)	-	(64,043)	-
Net loss not recognized as pension cost	(32,948,832)	(66)	(40,844,007)	(42)
Unrealized losses on financial instruments	50,902,598	55	31,852,929	32
Treasury stock	33,935	-	55,232	-
Minority interests	50,926,533	55	32,405,161	33
Total shareholders' equity	\$ 91,939,109	100	\$ 98,030,256	100
<b>TOTAL</b>	<b>\$ 91,939,109</b>	<b>100</b>	<b>\$ 98,030,256</b>	<b>100</b>

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2008 AND 2007

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

	2008		2007	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 27)	\$ 69,296,096	100	\$ 66,095,161	100
OPERATING COSTS (Notes 2, 25 and 27)	<u>31,687,024</u>	<u>46</u>	<u>29,245,642</u>	<u>44</u>
GROSS PROFIT	<u>37,609,072</u>	<u>54</u>	<u>36,849,519</u>	<u>56</u>
OPERATING EXPENSES (Notes 2, 25 and 27)				
Marketing	10,956,669	16	10,355,431	16
Administrative	4,869,912	7	5,193,886	8
Total operating expenses	<u>15,826,581</u>	<u>23</u>	<u>15,549,317</u>	<u>24</u>
OPERATING INCOME	<u>21,782,491</u>	<u>31</u>	<u>21,300,202</u>	<u>32</u>
NON-OPERATING INCOME AND GAINS				
Gain on disposal of investments, net (Note 2)	262,759	1	75,336	-
Penalty income	212,756	-	206,873	-
Interest income (Notes 2 and 30)	103,583	-	258,123	1
Rental income (Notes 2 and 27)	74,935	-	65,293	-
Gain on disposal of property and equipment (Note 2)	49,859	-	6,109	-
Dividend income (Note 2)	11,451	-	89,468	-
Valuation gain on financial assets (Note 2)	519	-	48,231	-
Investment income recognized under the equity method, net (Notes 2 and 8)	-	-	172,777	-
Exchange gain, net (Note 2)	-	-	21,461	-
Other (Notes 2 and 7)	<u>317,164</u>	<u>1</u>	<u>300,818</u>	<u>1</u>
Total non-operating income and gain	<u>1,033,026</u>	<u>2</u>	<u>1,244,489</u>	<u>2</u>
NON-OPERATING EXPENSES AND LOSSES				
Loss on disposal and retirement of property and equipment (Notes 2 and 27)	1,461,851	2	12,446,046	19
Interest expenses (Notes 2, 11, 27 and 30)	689,043	1	943,585	2
Impairment loss (Notes 2, 9 and 13)	23,656	-	10,139	-
Financial expenses	18,837	-	88,425	-
Other (Note 2)	<u>85,420</u>	<u>-</u>	<u>106,769</u>	<u>-</u>
Total non-operating expenses and losses	<u>2,278,807</u>	<u>3</u>	<u>13,594,964</u>	<u>21</u>

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2008 AND 2007

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

	2008		2007	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 20,536,710	30	\$ 8,949,727	13
INCOME TAX EXPENSE (Notes 2 and 23)	<u>5,154,461</u>	<u>8</u>	<u>2,178,358</u>	<u>3</u>
CONSOLIDATED NET INCOME	<u>\$ 15,382,249</u>	<u>22</u>	<u>\$ 6,771,369</u>	<u>10</u>
ATTRIBUTED TO				
Shareholders of the parent	\$ 15,371,386	22	\$ 6,612,997	10
Minority interests	<u>10,863</u>	<u>-</u>	<u>158,372</u>	<u>-</u>
	<u>\$ 15,382,249</u>	<u>22</u>	<u>\$ 6,771,369</u>	<u>10</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 6.67</u>	<u>\$ 5.18</u>	<u>\$ 2.05</u>	<u>\$ 1.68</u>
Diluted	<u>\$ 6.65</u>	<u>\$ 5.17</u>	<u>\$ 2.05</u>	<u>\$ 1.68</u>

The accompanying notes are an integral part of the consolidated financial statements  
(With Deloitte & Touche audit report dated January 20, 2009)

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2008 AND 2007  
(In Thousands of New Taiwan Dollars)

	Authorized and Outstanding Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings	Total	Cumulative Transition Adjustments	Net Loss Not Recognized As Pension Cost	Unrealized Losses on Financial Instruments	Treasury Stock	Minority Interests	Total Shareholders' Equity
BALANCE, JANUARY 1, 2007	\$ 49,993,251	\$ 8,748,571	\$ 10,128,401	\$ 3,350,000	\$ 19,228,424	\$ 32,706,825	\$ 3,860	\$ -	\$ (147,423)	\$ (1,437,290)	\$ 24,508	\$ 89,892,302
Appropriation of the 2006 earnings	-	-	-	-	(1,617,074)	-	-	-	-	-	-	-
Legal reserve	-	-	1,617,074	-	(143,563)	-	-	-	-	-	-	-
Special reserve	-	-	-	143,563	(43,231)	-	-	-	-	-	-	(43,231)
Remuneration to directors and supervisors	-	-	-	-	(432,303)	-	-	-	-	-	-	(432,303)
Bonus to employees - cash	-	-	-	-	(12,880,151)	-	-	-	-	-	-	(12,880,151)
Cash dividends - NT\$2.58757 per share	-	-	-	-	-	-	-	-	-	-	-	-
Balance after appropriation	49,993,251	8,748,571	11,745,475	3,493,563	4,112,102	19,351,140	3,860	-	(147,423)	(1,437,290)	24,508	76,536,617
Consolidated net income in 2007	-	-	-	-	6,612,997	6,612,997	-	-	-	-	158,372	6,771,369
Adjustments on change of equity in equity-method investments	-	1,313	-	-	-	-	1,904	1,534	(113,063)	-	-	(108,312)
Transfer of treasury stock to employees	-	8,027	-	-	(4,869)	(4,869)	-	-	-	1,437,290	-	1,440,448
Conversion of convertible bonds to capital stock	16,003	27,248	-	-	-	-	-	-	-	-	-	43,251
Adjustments of treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	-	(40,844,007)	-	(40,844,007)
Capital reduction by cash (Note 22)	(12,000,000)	-	-	-	-	-	-	-	-	-	-	(12,000,000)
Unrealized gains on financial instruments, net	-	-	-	-	-	-	-	-	196,443	-	-	196,443
Effect of acquisition the subsidiaries	-	-	-	-	-	-	-	-	-	-	472,417	472,417
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,819)	(13,819)
Decrease in minority interests	-	-	-	-	-	-	-	-	-	-	(89,246)	(89,246)
BALANCE, DECEMBER 31, 2007	38,009,254	8,785,159	11,745,475	3,493,563	10,720,230	25,999,268	5,764	1,534	(64,043)	(40,844,007)	552,232	32,405,161
Appropriation of the 2007 earnings	-	-	661,300	-	(661,300)	-	-	-	-	-	-	-
Legal reserve	-	-	661,300	-	86,819	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(86,819)	(18,116)	-	-	-	-	-	-	(18,116)
Remuneration to directors and supervisors	-	-	-	-	(181,155)	-	-	-	-	-	-	(181,155)
Bonus to employees - cash	-	-	-	-	(7,601,851)	-	-	-	-	-	-	(7,601,851)
Cash dividends - NT\$2.54226 per share	-	-	-	-	-	-	-	-	-	-	-	-
Balance after appropriation	38,009,254	8,785,159	12,406,775	3,406,744	2,344,627	18,188,146	5,764	1,534	(64,043)	(40,844,007)	552,232	24,604,039
Consolidated net income in 2008	-	-	-	-	15,371,386	15,371,386	-	-	-	-	10,863	15,382,249
Buyback of issued shares	-	-	-	-	-	-	-	-	-	(1,059,732)	-	(1,059,732)
Compensation cost recognized from employee stock options	-	27,095	-	-	-	-	-	-	-	-	-	27,095
Adjustments on change of equity in equity-method investments	-	(147)	-	-	-	-	12,076	1,328	(39,362)	-	-	(26,105)
Disposal of the Corporation's shares held by subsidiaries	-	3,485,732	-	-	-	-	-	-	-	8,954,907	-	12,440,639
Unrealized gains on financial instruments, net	-	-	-	-	-	-	-	-	97,508	-	-	97,508
Cash dividends paid to minority interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,148)	(1,148)
Decrease in minority interests	-	-	-	-	-	-	-	-	-	-	(528,012)	(528,012)
BALANCE, DECEMBER 31, 2008	38,009,254	12,297,839	12,406,775	3,406,744	17,716,013	33,526,532	17,840	2,862	(5,897)	(39,948,832)	33,935	50,936,533

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

(With Deloitte &amp; Touche audit report dated January 20, 2009)

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007

(In Thousands of New Taiwan Dollars)

	2008	2007
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	\$ (6,538,106)	\$ (7,057,863)
Proceeds from disposal of available-for-sale financial assets	2,089,511	11,936,213
Increase in goodwill	(1,222,018)	-
Proceeds from disposal of property and equipment	362,894	14,583
Increase in long-term investments accounted for using equity method	(249,500)	-
Increase in deferred charges	(149,644)	(21,793)
Increase in acquiring subsidiaries	(140,919)	(42,913,002)
Decrease (increase) in computer software cost and other intangible assets	(15,376)	38,260
Decrease (increase) in refundable deposits	12,292	(1,603)
Decrease (increase) in pledged time deposits	9,691	(5,249)
Decrease (increase) in other assets	(9,617)	2,129
Proceeds from investees' capital return	2,688	63,158
Acquisition of available-for-sale financial assets	-	(334,000)
Increase in financial assets carried at cost - non-current	-	(39,436)
Proceeds from disposal of financial assets carried at cost - non-current	-	13,249
Proceeds from disposal of idle assets	-	2,151
Net cash used in investing activities	<u>(5,848,104)</u>	<u>(38,303,203)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term bank loans	(19,340,000)	19,340,000
Proceeds from the disposal of treasury stock	13,509,828	-
Capital reduction	(9,434,461)	-
Issuance of bonds payable	8,000,000	-
Cash dividends paid	(7,601,804)	(9,339,685)
Decrease in minority interests	(7,313,488)	(89,246)
Increase in long-term borrowing	6,100,000	-
Decrease in bonds payable	(2,500,000)	(3,768,900)
Repayment of long-term notes payable	(2,450,000)	-
Increase (decrease) in short-term notes and bills payable	(1,594,753)	1,594,753
Buyback of treasury stock	(1,059,732)	-
Decrease in long-term loans	(900,000)	(20,704,000)
Bonus to employees	(181,155)	(432,303)
Decrease in guarantee deposits	(31,418)	(62,466)
Remuneration to directors and supervisors	(18,116)	(34,863)
Cash dividends paid to minority interests	(1,148)	(13,819)
Transfer of treasury stock to employees	-	1,440,448
Decrease in other liabilities	-	19,744
Net cash used in financing activities	<u>(24,816,247)</u>	<u>(12,050,337)</u>

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007

(In Thousands of New Taiwan Dollars)

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 15,382,249	\$ 6,771,369
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,188,030	7,763,722
Loss on disposal and retirement of property and equipment, net	1,411,992	12,439,937
Amortization	1,095,670	1,062,602
Bad debts	675,057	907,566
Deferred income taxes	426,497	(1,281,621)
Gain on disposal of available-for-sale financial assets	(262,759)	(75,336)
Compensation cost recognized from employee stock options	27,095	-
Impairment loss	23,656	10,139
Pension cost	(23,543)	(132,459)
Provision for loss on inventories	19,126	10,056
Amortization of long-term notes payable	9,660	80,269
Investment income recognized under the equity method, net	-	(172,777)
Accrued interest compensation	-	(2,297)
Gain on disposal of idle assets, net	-	(2,151)
Other	10,863	15,338
Net changes in operating assets and liabilities	131,973	14,086,306
Financial asset held for trading	18,514	(50,060)
Notes receivable	(325,236)	(473,142)
Accounts receivable - third parties	(112,395)	129,304
Accounts receivable - related parties	(184,026)	105,377
Other receivables	(58,497)	-
Long-term capital lease receivables	(218,254)	33,399
Inventories	(224,978)	110,008
Prepayments	10,270	124,642
Other current assets	(36,714)	47,279
Notes payable	379,565	(204,073)
Accounts payable	1,081,841	(1,885,015)
Income taxes payable	135,677	702,703
Accrued expenses	588,409	885,048
Other payables	290,635	127,453
Advance receipts	(68,105)	(311,906)
Other current liabilities	-	-
Net cash provided by operating activities	<u>27,392,272</u>	<u>40,821,680</u>

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007  
(In Thousands of New Taiwan Dollars)

	2008	2007
EFFECT OF EXCHANGE RATE CHANGES	\$ 8,440	\$ 1,587
ACQUISITION OF CASH AND CASH EQUIVALENT FOR SUBSIDIARIES	103,610	4,142,639
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,160,029)	(5,387,634)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,028,091	12,415,725
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,868,062</u>	<u>\$ 7,028,091</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 849,930	\$ 1,014,951
Less interest capitalized	11,296	25,981
Interest paid - excluding interest capitalized	<u>\$ 838,634</u>	<u>\$ 988,970</u>
Income tax paid	<u>\$ 3,259,187</u>	<u>\$ 4,708,894</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	\$ 7,500,000	\$ 4,940,340
Conversion of convertible bonds to capital stock	<u>\$ -</u>	<u>\$ 43,251</u>
Refundable capital reduction	<u>\$ -</u>	<u>\$ 12,000,000</u>
CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment	\$ 7,394,665	\$ 6,284,450
Decrease (increase) in notes payable	6,812	(1,073)
Decrease (increase) in other payables	(252,392)	774,486
Increase in other liabilities-other	<u>(610,979)</u>	<u>-</u>
Cash paid for acquisition of property and equipment	<u>\$ 6,538,106</u>	<u>\$ 7,057,863</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>

(Continued)

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007  
(In Thousands of New Taiwan Dollars)

Accounts payable	\$ 7,841
Accrued expenses	844
Other payables	6,326
Advance receipts	16,595
Other current liabilities	<u>270</u>
Net	<u>31,876</u>
Percentage of equity interest	123,010
	100%
Add goodwill	123,010
Less investment payable	29,193
	<u>(21,955)</u>
Cash paid for acquisition of Hurray! Times Communications (Beijing) Ltd.	<u>\$ 130,248</u>

The Corporation acquired 74.65% of Taiwan Fixed Network Co., Ltd.'s shares (the former TFN) 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 bank loans and notes payable	7,315,099
Accrued pension cost	121,265
Other liabilities	<u>148,086</u>
Net	<u>26,610,235</u>
Percentage of equity interest	54,883,217
	<u>84.6%</u>
Less Fair value of 9.95% stake owned before tender offer (including investment income recognized under the equity method from January 1, 2007 to April 16, 2007, and the difference between preceding and following fair market value of purchase price allocation.)	<u>(6,444,914)</u>

Cash paid for acquisition of the former TFN

\$ 39,986,288  
(Continued)

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## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

#### 1. ORGANIZATION AND OPERATIONS

Taiwan Mobile Co., Ltd. was incorporated in the Republic of China (ROC) on February 25, 1997. The Corporation's shares began 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 December 31, 2008 and 2007, the Corporation and subsidiaries had 4,552 and 4,586 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.

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2008 AND 2007 (In Thousands of New Taiwan Dollars)

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	41,843
	<u>1,771,887</u>
Accounts payable	116,329
Accrued expenses	34,364
Other payables	4,796
Other current liabilities	76,632
Accrued pension cost	31,080
Other liabilities	3,968
	<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 audit report dated January 20, 2009)

(Concluded)

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

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

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

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of		Note
			2008	2007	
Corporation	TransAsia Telecommunications Inc. (TAT)	Wireless service provider	-	100.00	Merged into the Corporation on September 2, 2008
Corporation	Wentai 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	100.00	Established on October 18, 2007
TFMT	Global Wealth Media Technology Co., Ltd. (GWMT)	Investment	100.00	100.00	Established on October 26, 2007
TFMT	Fu Jia Ltd. (GJIA Technology Co., Ltd. (FJLMT))	Investment	100.00	100.00	Established on November 23, 2007
TFMT	Fu Sin Media Technology Co., Ltd. (FSMT)	Investment	100.00	100.00	Established on November 23, 2007
TFMT	Global Forest Media Technology Co., Ltd. (GFMT)	Investment	100.00	-	Established on December 26, 2008
GWMT	Globalview Cable TV Co., Ltd. (GGTV)	Cable TV SO (System Operator)	6.179	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) Ltd. (TYDB)	Wireless service provider	-	-	Merged into TAT on December 15, 2007
TCC	Tai Yi Digital Broadcasting Co., Ltd. (TYDB)	Broadcasts business and 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 Taishan International Telecommunications Co., Ltd., merged with the former TFN on December 28, 2007 and renamed as Taiwan Fixed Network Co., Ltd. b. As of December 31, 2008, the TFN and TFNM own the Corporation's 811,918 thousand shares representing 21.36%
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 Telecommunications & 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)

(Continued)

Investor	Subsidiary	Nature of Business	Percentage of Ownership as of		Note
			2008	2007	
TT&T	TT&T Holdings Co., Ltd. (TT&T Holding)	Investment	100.00	100.00	(Note 3)
TT&T Holding	Xiamen Taifu Telecommunications & Technologies Ltd.	Call center service	100.00	100.00	
TFN	Taiwan United Communication Co., Ltd. (TUC)	Communication service	-	98.93	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	-	99.53	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 Telecommunications & Technologies Co., Ltd. (TT&T)	Call center service and international simple resale (ISR)	100.00	100.00	Formerly VoPer Communications (Taiwan) Co., Ltd. (VoPer) merged the former TT&T on September 1, 2008 with VoPer as the remaining company and renamed as Taiwan Telecommunications & Technologies Co., Ltd. (Note 4)
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	Retech & 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)	-	-	Merged into TFNM on December 1, 2007
TFNM	TFN Media Co., Ltd. (TFNM)	Cable broadband service	100.00	93.06	
TFNM	Union Cable TV Co., Ltd. (UCTV)	Cable TV MSO (Multi System Operator)	99.99	99.99	Merged into TFNM on December 1, 2007 (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	Yong Jiah Cable TV Co., Ltd. (YJCTV)	Cable TV SO (System Operator)	100.00	100.00	
TFNM	Mangrove Cable TV Corporation (MCTV)	Cable TV SO (System Operator)	100.00	100.00	Some shares held under trustee accounts (Note 2)
TFNM	North Coast Cable TV Co., Ltd. (NCCCTV)	Cable TV SO (System Operator)	-	100.00	Liquidated on October 1, 2008
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 TTT 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, TTT's Board of Directors resolved on June 29, 2007 to fully merge the former TFN at \$8.3 per share, with TTT as the surviving company. TTT 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.

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

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

#### **Classification of Current and Non-current Assets and Liabilities**

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

#### **Cash Equivalents**

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

#### **Financial Instruments at Fair Value through Profit or Loss**

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

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

#### **Available-for-sale Financial Assets**

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

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

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

The fair value of listed stocks 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 is 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 Measured at Amortized Cost

Bond portfolios with fixed or determinable payments and with no quoted prices in an active market are carried at amortized cost using the effective interest method. These bond portfolios are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or the issuance of the financial assets. Profit or loss is recognized at the time of de-recognition, impairment or amortization. A regular purchase or sale of financial assets is recognized and de-recognized using trade date accounting.

If there is objective evidence of impairment loss as of the balance sheet date, impairment loss should be recognized. If the impairment loss decreases and the decrease can be related objectively to an event occurring after impairment loss recognition, the impairment loss should be reversed. This reversal should not result in the carrying amount of the financial asset exceeding the amortized cost that would have been determined had no impairment loss been recognized.

### Property and Equipment and Assets Leased to Others

Property and equipment and assets leased to others are stated at cost less accumulated depreciation and accumulated impairment. Significant additions, renewals, betterments, and interest expenses incurred during the construction period are capitalized, while maintenance and repairs are expensed. Leased property and equipment from others covered by agreements qualifying as capital leases are carried at the lower of the present value of future minimum lease payments or the market value of the property on the starting dates of the leases.

For cost associated with dismantling and relocating fixed assets and restoring the leased premises housing our fixed assets to the previous state should be recognized as an addition to the fixed assets and accrued as a potential liability accordingly, according to the Accounting Research and Development Foundation (ARDFF) issued the Interpretation No. 2008-340 in November 2008.

Depreciation is calculated using the straight-line method over the estimated service lives, which range as follows: buildings - 20 to 55 years; telecommunication equipment - 2 to 15 years; office equipment - 3 to 8 years; leased assets - 20 years; and miscellaneous equipment - 2 to 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.

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

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### 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

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

### Deferred Charges

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

### Asset Impairment

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

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### Share-based Compensation

For the grant date of the employee stock options which falls on or after January 1, 2008 should apply SFAS No. 39 - "Accounting for Share-based Payment". The value of stock option granted, the product of the number of vested stock options multiplies by the fair value of the option on grant date, shall be expensed over the vesting period, and to increase "capital surplus - employee stock options" by the same amount accordingly.

### Pension Costs

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

### 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 provided for as income tax in the year when the shareholders resolve the retention of the earnings.

### Treasury Stock

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

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

### Foreign-currency Transactions

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

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

Non-monetary assets or liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date when the fair value was determined, and the resulting exchange differences are included in profit or loss for the current 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 major banks.

### Revenue Recognition

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

Service revenues from wireless services, 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 services are recognized on the basis of minutes of usage.

### Promotion Expenses

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

### Hedging Derivative Financial Instruments

Derivatives that qualify as effective hedging instruments are measured at fair value, with subsequent changes in fair value recognized either in 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.

**6. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT**

	<u>December 31</u>	<u>2007</u>
	<u>2008</u>	
Domestic listed stocks	\$ 174,008	\$ 177,112
Chunghwa Telecom Co., Ltd.	-	1,786,256
Fubon Financial Holding Company		
Overseas listed stocks	<u>67,434</u>	<u>140,035</u>
Hurray <sup>1</sup> Holding Co., Ltd. (NASDAQ listed company)	<u>241,442</u>	<u>2,103,403</u>

**7. ACCOUNTS RECEIVABLE - THIRD PARTIES**

	<u>December 31</u>	<u>2007</u>
	<u>2008</u>	
Accounts receivable	\$ 6,876,210	\$ 7,313,340
Less allowance for doubtful accounts	<u>(464,499)</u>	<u>(553,751)</u>
	<u>6,411,711</u>	<u>6,759,589</u>

For the year ended December 31, 2008, the Corporation and its subsidiaries entered into an accounts receivable factoring contract with HC Second Asset Management Co., Ltd. The Corporation and its subsidiaries sold \$5,188,398 thousand of the overdue accounts receivable, which had been written off, to HC Second Asset Management Co., Ltd. The aggregate selling price was \$60,525 thousand. Under this contract, the Corporation and its subsidiaries would no longer assume the risk on this receivable.

**8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

- a. 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 (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.
- b. Prepayment for long-term investments
 

Taipei New Horizons Co., Ltd. (TNH) is established to invest in a property development project located in the old Songshan Tobacco Factory site. On January 15, 2009, TNH signed a 50-year BOT contract with Taipei City Government.

The Corporation established TNH on December 31, 2008 with initial investment of \$249,500 thousand, representing 49.9% ownership.

**Reclassification**

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2007 have been reclassified to conform to the presentation of consolidated financial statements as of and for the year ended December 31, 2008.

**3. REASONS AND EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES**

**Accounting for Bonuses to Employees, Directors and Supervisors**

In March 2007, the ARDF issued an interpretation that requires companies and their subsidiaries to recognize those bonuses to employees and remunerations to directors and supervisors as expenses starting from January 1, 2008. The mentioned bonuses and remunerations were previously recorded as appropriations from earnings. The adoption of this interpretation resulted in a decrease of \$343,629 thousand in net income and a decrease in basic earnings per share of NT\$0.12 for the year ended December 31, 2008.

**Accounting for Employee Stock Options**

On January 1, 2008, the Corporation adopted the newly released SFAS No. 39 - "Accounting for Share-based Payment" to account for treasury stock transferred to employees. The adoption resulted in decreases of \$20,799 thousand in net income and of NT\$0.007 in basic earnings per share for 2008.

**4. CASH AND CASH EQUIVALENTS**

	<u>December 31</u>	<u>2007</u>
	<u>2008</u>	
Government bonds with repurchase rights	\$ 2,176,133	\$ 1,239,543
Cash in banks	996,349	1,067,351
Short-term notes and bills with repurchase rights	391,879	4,060,621
Time deposits	270,108	632,506
Cash on hand	26,124	22,348
Revolving funds	<u>7,469</u>	<u>5,722</u>
	<u>3,868,062</u>	<u>7,028,091</u>

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

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

	<u>December 31</u>	<u>2007</u>
	<u>2008</u>	
Financial assets held for trading	-	-
Beneficiary certificates	-	-
Open-end mutual funds	<u>131,973</u>	<u>131,973</u>

### 9. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	<u>December 31</u>	<u>2007</u>
Domestic emerging stocks		
Taiwan High Speed Rail Corporation	\$ 2,120,829	\$ 2,120,829
Domestic unlisted stocks		
Arcoa Communication Co., Ltd.	67,731	67,731
Great Taipei Broadband Co., Ltd.	50,528	50,528
Parawin Venture Capital Corp.	22,202	22,202
WEB Point Co., Ltd.	6,773	6,773
Foreign unlisted stocks		
Bridge Mobile Pte Ltd.	60,064	71,596
Domestic unlisted preferred stock		
New Century Information Tech. Co., Ltd.	<u>187,042</u>	<u>187,042</u>
	<u>\$ 2,515,169</u>	<u>\$ 2,526,701</u>

Because there is no active market quotation and a reliable fair value can not be estimated, the above investments are measured at cost. For the years ended December 31, 2008 and 2007, the Group recognized an impairment loss of \$11,532 thousand and \$10,139 thousand, respectively.

### 10. BONDS MEASURED AT AMORTIZED COST - NON-CURRENT

	<u>December 31</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>December 31</u>	<u>2007</u>
Accumulated depreciation		
Buildings	\$ 515,681	\$ 459,774
Telecommunication equipment	30,199,884	26,866,772
Office equipment	108,525	162,377
Leased assets	420,303	356,270
Miscellaneous equipment	<u>1,017,139</u>	<u>1,031,962</u>
	<u>\$ 32,261,532</u>	<u>\$ 28,877,155</u>
Accumulated impairment		
Telecommunication equipment	<u>\$ -</u>	<u>\$ 998</u>

Capitalized interest for the years ended December 31, 2008 and 2007 amounted to \$11,296 thousand and \$25,981 thousand, respectively, with capitalization rates ranging from 2.4% to 2.76% 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>Year Ended December 31, 2008</u>	
	<u>Customer Relationship</u>	<u>Operating Rights</u>
<b>Goodwill</b>	<b>\$ 9,231,478</b>	<b>\$ 1,382,000</b>
<u>Cost</u>		
Beginning balance	-	-
Add		
Acquired from merger	1,251,211	-
Effect of exchange rate changes	2,359	-
Amortization	-	(174,782)
Ending balance	<u>\$ 10,485,048</u>	<u>\$ 1,382,000</u>
	<u>\$ 2,686,541</u>	<u>\$ 1,382,000</u>
	<u>Year Ended December 31, 2007</u>	
	<u>Customer Relationship</u>	<u>Operating Rights</u>
<b>Goodwill</b>	<b>\$ 6,835,370</b>	<b>\$ -</b>
<u>Cost</u>		
Beginning balance	-	-
Add		
Acquired from merger	2,396,108	2,861,323
Ending balance	<u>\$ 9,231,478</u>	<u>\$ 1,382,000</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 are identified as major intangible assets.

2) On September 2007, TUC, the Corporation's 100%-owned subsidiary, acquired more than 50% of TTN's shares at NT\$13,843 per share. The Corporation measured the fair value of the acquired assets, and viewed TTN's ISP services as one cash-generating unit. Accordingly, customer relationship is identified as major intangible asset.

b. Goodwill

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

In 2006, the Group was engaged in mobile service only and identified the Corporation, TAT and Mobitai as 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 2008 and 2007 financial statements.
  - c) Assumptions on discount rate
 

In 2008, the Corporation used the discount rate of 7.48% in calculating the asset recoverable amounts. In 2007, the Group used the discount rate of 6.78% in calculating the consolidated asset recoverable amounts of the Corporation, TAT and the Mobitai.
- 2) Fixed network service
  - a) Assumptions on operating revenues
 

After taking changes in the telecom industry and competitive landscape into consideration, operating revenues were estimated on the basis of the projected changes in subscriber numbers, the types of data transmission, bandwidth on demand, minutes of incoming and outgoing calls and average revenue per minute.
  - b) Assumptions on operating costs and expenses.
 

The costs and expenses were based on the proportion of the actual costs and expenses to operating revenues in the 2008 financial statements.
  - c) Assumptions on discount rate
 

In 2008, the discount rate is 7.60% in calculating the asset recoverable amounts of TFN.

3) Cable television business

- a) Assumptions on operating revenues
 

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

The estimates of copyright costs, network maintenance costs, customer service costs and bill processing costs were based on the projected changes in subscriber numbers. The estimates of remaining costs and expenses were based on the proportion of the actual costs and expenses to operating revenues in the 2008 and 2007 financial statements.
- c) Assumptions on discount rate
 

The discount rate used to calculate the asset recoverable amounts was ranging 3.21% to 5.92% and 3.86% to 4.64% in 2008 and 2007, respectively.

Based on the key assumptions of each cash-generating unit, the Group's management believes that the carrying amounts of these assets for operating and goodwill will not exceed their recoverable amounts even if there are changes in the critical assumptions used to estimate recoverable amounts as long as these changes are reasonable for the years ended December 31, 2008 and 2007.

13. ASSETS LEASED TO OTHERS AND IDLE ASSETS

	<u>2008</u>	<u>December 31</u>	<u>2007</u>
Assets leased to others			
Cost	\$ 639,696	\$	580,268
Less accumulated depreciation	(41,279)	(22,382)	
Less accumulated impairment	(54,493)	(10,591)	
	<u>\$ 543,924</u>	<u>\$</u>	<u>547,295</u>
Idle assets			
Cost	\$ 612,975	\$	733,483
Less allowance for value decline	(187,519)	(187,424)	
Less accumulated depreciation	(100,616)	(101,705)	
Less accumulated impairment	(96,571)	(128,771)	
	<u>\$ 228,269</u>	<u>\$</u>	<u>315,583</u>

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

**14. DEFERRED CHARGES**

	December 31	
	2008	2007
Interior decoration	\$ 289,524	\$ 271,312
Bonds issuing cost	17,664	6,698
Arrangement fee for syndicated bank loans	16,089	-
Other	14,873	4,478
	<u>\$ 338,150</u>	<u>\$ 282,488</u>

**15. SHORT-TERM BANK LOANS**

	December 31	
	2008	2007
Unsecured loans	\$ -	\$ 19,340,000
Interest rate	-	2.365%-2.6%

**16. SHORT-TERM NOTES AND BILLS PAYABLE**

	December 31	
	2008	2007
Commercial paper payable		
China Bills Finance Corporation	\$ -	\$ 850,000
International Bills financial Corporation	-	750,000
Less discount on short-term notes and bills payable	-	(5,247)
Net carrying value	<u>\$ -</u>	<u>\$ 1,594,753</u>
Interest rate	-	2.0%-2.121%
Period	-	2007.12.7- 2008.2.19

**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 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 \$65,046 thousand as of December 31, 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 \$65,046 thousand as of December 31, 2008.

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**18. BONDS PAYABLE**

	December 31	
	2008	2007
	Current	Non-current
Domestic unsecured bonds	\$ 7,500,000	\$ 8,000,000
	<u>\$ 7,500,000</u>	<u>\$ 2,500,000</u>
		<u>\$ 7,500,000</u>

## a. 1st domestic unsecured bonds

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

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

## b. 2nd domestic unsecured bonds

On November 14, 2008, the Corporation issued \$8,000,000 thousand five-year domestic unsecured bonds, with each bond having a face value of \$10,000 thousand and a coupon rate of 2.88% per annum, simple interest due annually. Repayment will be made in the fourth and fifth year with equal installments, i.e. \$4,000,000 thousand, respectively.

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

Year	Amount
2009	\$ 7,500,000
2012	4,000,000
2013	4,000,000
	<u>\$ 15,500,000</u>

## c. 2nd domestic convertible bonds

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

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**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 \$174,989 thousand and \$158,543 thousand for the years ended December 31, 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 six months before retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly wages to a pension fund. The pension fund is managed by an independently administered pension fund committee and deposited in the committee's name in the Bank of Taiwan (formerly the Central Trust of China, which was merged into the Bank of Taiwan in July 2007.) Approved by Department of Labor, Taipei City Government on April 13, 2007 and January 22, 2008, the Corporation suspended contributing from February 2007 to January 2009.

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

a. Pension cost

	Years Ended December 31	2007
	2008	
Service cost	\$ 4,386	\$ 5,967
Interest cost	13,920	16,771
Projected return of pension assets	(14,851)	(15,992)
Amortization	213	(1,313)
Gain on settlement	(1,087)	(106,056)
Pension cost	<u>\$ 2,581</u>	<u>\$ (100,623)</u>

b. Changes in the prepaid pension cost

	December 31	2007
	2008	
Benefit obligation		
Vested	\$ (3,878)	\$ (5,002)
Non-vested	(358,040)	(330,434)
Accumulated	(361,918)	(335,436)
Additional benefits based on future salaries	(295,360)	(227,841)
Projected benefit obligation	(657,278)	(563,277)
Fair value of plan assets	657,784	631,830
Funded status	(506)	68,553
Unrecognized net transition obligation	20,900	24,386
Unrecognized prior service cost	28,056	20,934
Unamortized net gain or loss	50,984	20,839
Unrecognized net gain	(64,247)	(120,728)
Additional liability	(29,694)	(16,932)
Prepaid pension cost (accrued pension liability)	<u>\$ 6,505</u>	<u>\$ (2,948)</u>
Vested benefit	<u>\$ (4,523)</u>	<u>\$ (5,604)</u>

c. Vested benefit

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**

	December 31	2007
	2008	
Unsecured loans	\$ 5,200,000	\$ -
Interest rate	2.5916%	-

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

**20. LONG-TERM NOTES PAYABLE**

	December 31	2007
	2008	
Long-term notes payable	\$ -	\$ 2,450,000
Less: Discount on long-term notes payable	-	(9,660)
Current portion of long-term liabilities	<u>(2,440,340)</u>	<u>-</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.



## d. Actuarial assumptions

	<u>Years Ended December 31</u>	
	<u>2008</u>	<u>2007</u>
Discount rate used in determining present values	2.50%-2.75%	2.75%-3.5%
Future salary increase rate	3.00%	2.5-3.5%
Expected rate of return on plan assets	2.50%-2.75%	2.5%-2.75%

**22. SHAREHOLDERS' EQUITY**

## a. Capital surplus

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

## b. Appropriation of earnings and dividend policy

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

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

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

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

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

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

For the year ended December 31, 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 (AGM), 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</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 proposed by the Board of Directors and resolved by the shareholders can be accessed through the Market Observation Post System website of the Taiwan Stock Exchange.

## c. Capital reduction by cash

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

## d. Treasury stock

(Shares in Thousands)

<u>Purpose of Buyback</u>	<u>Beginning Shares</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Shares</u>
<u>Year ended December 31, 2008</u>				
To be transferred to employees	-	24,193	-	24,193
Shares held by subsidiaries	1,368,250 (Note)	-	556,332	811,918

(Continued)

e. Unrealized losses on financial instruments  
 Unrealized gains or losses on financial instruments for the years ended December 31, 2008 and 2007 were summarized as follows:

	Years Ended December 31	2008	2007
Available-for-sale financial assets	\$	57,560	\$ 40,652
Balance, beginning of year		(3,105)	16,908
Fair value changes recognized directly in equity		54,455	57,560
Changes in unrealized gains (losses) of cash flow hedge			
Balance, beginning of year		(38,749)	(218,284)
Fair value changes recognized directly in equity		100,613	179,535
		61,864	(38,749)
Recognition of investees' changes in unrealized gains or losses by the equity method			
Balance, beginning of year		(82,854)	30,209
Fair value changes recognized directly in equity		(39,362)	(113,063)
		(122,216)	(82,854)
Unrealized losses of financial instruments	\$	(5,897)	\$ (64,043)

**23. INCOME TAX EXPENSE**

	Years Ended December 31	2008	2007
a. The reconciliation of imputed income taxes on pretax income at statutory tax rate to income tax expense was as follows:			
Tax on pretax income at statutory tax rate (25%)	\$	7,351,511	\$ 4,214,392
Add (deduct) tax effects of			
Permanent differences			
Investment income from domestic investees accounted for using equity method		(2,705,374)	(2,339,132)
Tax-exempt dividend income		(2,863)	(2,406)
Gain on disposal of marketable securities		(3,067)	(24,771)
Other		97,168	424,182
Temporary differences		(507,231)	1,159,015
Tax-exempt income		(26,001)	-
Income tax (10%) on unappropriated earnings		195,172	106,553
Investment tax credits		(316,878)	(283,705)
Prior years' loss carryforward		(39,901)	(52,856)
Deferred income taxes		426,497	(1,281,621)
Prior years' adjustment		509,901	200,264
Tax on short-term bills		11,601	32,711
Income basic tax		163,926	25,732
Income tax expense	\$	5,154,461	\$ 2,178,358

	Beginning Shares	Increase	Decrease	Ending Shares
<b>Purpose of Buyback</b>				
Year ended December 31, 2007				
To be transferred to employees	46,537	-	46,537	-
Shares held by subsidiaries	-	1,368,250	-	1,368,250
				(Note)
				(Concluded)

Note: Shares held before capital reduction.

1) Transfer of stock to employees

For the year ended December 31, 2007, the Corporation transferred the bought-back treasury stocks through various tranches to employees of 46,537 thousand shares at \$28.17, \$31.16 and \$31.15 per share, respectively, resulting in a reduction of retained earnings, amounting to \$4,869 thousand and an increase on paid-in capital, amounting to \$8,027 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 December 31, 2008, TFN and TFN Investment Co., Ltd. (TFND), its subsidiary, held the carrying and market value of the treasury stocks, amounting to \$39,540,388 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 financial statements, the shareholders are entitled to exercise their rights on these shares, except for participation in capital injection by cash. In addition, based on the ROC Company 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.

3) In December 2008, the Corporation decided to transfer 12,096 thousand treasury shares to qualified employees of the Corporation and its subsidiaries at NT\$43.8 per share under a stock option plan. This option was priced at NT\$2.24 per unit based on the Black-Scholes pricing model. As of December 31, 2008, the Corporation recognized an increase in capital surplus - employee stock options of \$27,095 thousand.

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

	December 31, 2008	December 31, 2007
Unrealized loss on retirement of property and equipment	\$ 2,155,031	\$ 2,616,640
Provision for doubtful accounts	690,256	843,509
Investment tax credits	484,494	660,937
Amortization of goodwill	(136,519)	(207,336)
Loss carryforwards	101,901	122,689
Provision for impairment losses on idle assets	66,416	65,016
Unrealized loss on financial liabilities	(20,622)	(2,890)
Accrued pension cost	(2,526)	11,485
Other	41,599	27,764
	<u>3,380,030</u>	<u>4,137,814</u>
Less valuation allowance	<u>(842,400)</u>	<u>(1,155,956)</u>
	<u>\$ 2,537,630</u>	<u>\$ 2,981,858</u>
Deferred income tax assets		
Current	\$ 149,534	\$ 134,055
Non-current	<u>2,478,484</u>	<u>2,898,598</u>
	<u>\$ 2,628,018</u>	<u>\$ 3,032,653</u>
Deferred income tax liabilities		
Current	\$ -	\$ (15,806)
Non-current	<u>(90,388)</u>	<u>(34,989)</u>
	<u>\$ (90,388)</u>	<u>\$ (50,795)</u>

c. As of December 31, 2008, the Corporation, TFN, WTVB and TFFNM'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	\$ 790,172	\$ 480,592	2012
	Personnel training	<u>3,902</u>	<u>3,902</u>	2010
		<u>\$ 794,074</u>	<u>\$ 484,494</u>	

d. Following were the net operating loss carryforwards of TCC, TYDB, TDC, WTVB, R&R, TT&T, WMT, TFMT, GWMT, FILMT, FSMT and GFMT as of December 31, 2008:

Year	Total Creditable Amount	Remaining Creditable Amount	Expiry Year
2004	\$ 9,168	\$ 8,405	2014
2005	24,333	23,197	2015
2006	191,121	185,499	2016
2007	144,389	131,269	2017
2008	<u>62,869</u>	<u>62,869</u>	2018
	<u>\$ 431,880</u>	<u>\$ 411,239</u>	

e. Integrated income tax information was as follows:

	December 31, 2008	December 31, 2007
Balance of imputation credit account (ICA)		
The Corporation	\$ 2,797,882	\$ 2,300,728
TAT	Not applicable	623,830
TCC	2,668	191,526
WMT	-	-
TFMT	-	-
FILMT	-	-
GWMT	1,624	-
FSMT	1,950	-
GFMT	-	Not applicable
TYDB	97	97
TDC	-	-
The former TT&T	Not applicable	28,081
TCPIA	Not applicable	-
TLJA	Not applicable	8
TSB	10	1
TFN	1,615,934	1,550,577
TUC	Not applicable	-
TTN	Not applicable	680
TT&T	29	-
TFNI	123,168	288,434
R&R	-	-
WTVB	-	-
TFFNM	198,248	165,315
UCTV	44,364	51,693
SHCTV	9,641	2,170
YICTV	52,969	33,638
MCTV	7,914	8,403
NCCTV	Not applicable	1,968
PCTV	31,588	34,467
GCTV	33,738	37,817

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

	2008	2007
The Corporation	27.82%	38.96%
TAT	Not applicable	28.76%
TCC	0.04%	24.59%
WMT	-	-
TFMT	-	-
FILMT	-	-
GWMT	33.33%	-
FSMT	33.33%	-
GFMT	-	Not applicable
TYDB	-	-
TDC	-	-
The former TT&T	Not applicable	-
TCPIA	Not applicable	-

(Continued)

	2008	2007	Year
TLIA	Not applicable	33.33%	2006
TSB	1.85%	1.85%	2006
TFN	26.45%	33.33%	2007
TUC	Not applicable	-	2005
TTN	Not applicable	-	2006
TT&T	0.04%	-	2005
TFNI	9.13%	33.35%	2006
R&R	-	0.01%	2006
WTVB	-	-	2006
TFNM	25.67%	25.51%	2006
UCTV	33.33%	33.33%	2006
SHCTV	-	6.25%	2006
YJCTV	33.33%	21.06%	2006
MCTV	33.37%	28.37%	2006
NCCTV	Not applicable	34.52%	2006
PCTV	32.61%	33.32%	2006
GCTV	33.34%	33.34%	2006

(Concluded)

The imputation credits allocated to the shareholders are based on the ICA balance as of the date of dividend distribution. The estimated creditable ratio for the 2008 earnings appropriation may be adjusted when the imputation credits are distributed.

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	2006
WMT	Not applicable
TFMT	Not applicable
FILMT	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	2008, only 2007 not applicable
TTN	2006
TT&T	2006
TFNI	2006
HYI	2006

(Continued)

	2008	2007	Year
R&R			2006
WTVB			2006
TFND			2007
TFNM			2005
FYM			2006
UCTV			2005
SHCTV			2006
YJCTV			2006
MCTV			2006
NCCTV			2006
PCTV			2006
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

	For the year ended December 31, 2008		For the year ended December 31, 2007	
	Amounts (Numerator) Before Income Tax	Shares (Denominator) After Income Tax	Amounts (Numerator) Before Income Tax	Shares (Denominator) After Income Tax
Basic EPS				
Income of common shareholders	\$ 19,777,097	\$ 15,371,386	\$ 19,777,097	\$ 15,371,386
Add effect of potentially dilutive common stocks	-	-	-	-
Bonus employees	-	8,515	-	8,515
Diluted EPS				
Income of common shareholders with dilutive effect of potential common shares	\$ 19,777,097	\$ 15,371,386	\$ 19,777,097	\$ 15,371,386
Basic EPS				
Income of common shareholders	\$ 8,055,864	\$ 6,612,997	\$ 8,055,864	\$ 6,612,997
Add effect of potentially dilutive convertible bonds	-	-	-	-
2nd convertible bonds (with implied yield rate of 3.3%)	1,034	776	1,034	776
Diluted EPS				
Income of common shareholders with dilutive effect of potential common shares	\$ 8,056,898	\$ 6,613,773	\$ 8,056,898	\$ 6,613,773

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.

6) The above financial instruments do not include cash and cash equivalents, notes and accounts receivables, pledged time deposits, refundable deposits, short-term bank loans, 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 \$2,764,594 thousand and \$5,731,890 thousand as of December 31, 2008 and 2007, respectively, and the financial liabilities exposed to fair value interest rate risk amounted to \$15,700,000 thousand and \$28,375,093 thousand as of December 31, 2008 and 2007, respectively. The financial assets exposed to cash flow interest rate risk amounted to \$1,173,229 thousand and \$1,295,434 thousand as of December 31, 2008 and 2007, respectively, and the financial liabilities exposed to cash flow interest rate risk amounted to \$5,000,000 thousand and \$5,051,665 thousand as of December 31, 2008 and 2007, respectively.

e. Information on financial risks:

1) Market risk

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

2) Credit risk

Credit risk represents the potential impacts to financial assets that the Group might encounter if counter-parties or third parties breach the contracts. Factors that affect the impacts include credit risk concentration, components of financial instruments, contract amount and other receivables. The Group's evaluation of credit risk exposure as of December 31, 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.

## 25. LABOR COST, DEPRECIATION AND AMORTIZATION EXPENSE

	Years Ended December 31		
	2008	Classified as Operating Cost	2007
	Classified as Operating Cost	Operating Cost	Classified as Operating Expenses
	Operating Expenses	Total	Operating Expenses
			Total
Labor cost			
Salary	\$ 1,353,882	\$ 3,371,866	\$ 4,725,748
Labor and health insurance	78,395	173,524	251,919
Pension	54,513	104,273	158,786
Other	66,242	148,633	214,875
	\$ 1,553,032	\$ 3,798,296	\$ 5,351,328
			\$ 3,477,215
Depreciation	\$ 6,597,869	\$ 581,732	\$ 7,179,601
Amortization	973,598	122,072	1,095,670
			\$ 618,654
			\$ 159,616
			\$ 1,060,164

## 26. FINANCIAL INSTRUMENT TRANSACTIONS

a. Fair value information

	December 31	
	2008	2007
	Carrying Value	Fair Value
	Value	Fair Value
Non-derivative financial instruments		
Liabilities		
Bonds payable (including current portion)	\$ 15,500,000	\$ 15,621,815
		\$ 10,000,000
		\$ 9,942,440

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, prepayments for long-term investments or bonds investment with no active market can be measured by the net worth of the investees' or the estimated book value.

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

4) Fair value of long-term loans - based on the present value of future cash flows discounted by the interest rates the Company may obtain for similar loans (e.g., similar maturities).

5) Derivative financial instruments - based on valuation results provided by banks. As of December 31, the financial instrument held by the Corporation turned into financial assets, evaluated by the bid price of counter party.

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:

Related Party	Relationship with the Group
Taiwan Mobile Foundation (TWM 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

	Years Ended December 31		% of Total Revenues
	2008	2007	
	Amount	Amount	
TFCB	\$ 149,783	\$ 53,981	-
TSL	102,147	-	-
FMT	73,494	41,038	-
FSC	47,429	6,909	-
Fubon Ins.	15,765	9,115	-
FLA	14,510	4,483	-
FDMC	8,849	12,246	-
Fubon Financial Holding Company	5,634	11,937	-
The former TFN	-	454,789	1
	<u>\$ 417,611</u>	<u>\$ 594,498</u>	

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

2) Operating costs

	Years Ended December 31		% of Total Costs
	2008	2007	
	Amount	Amount	
DKL	\$ 155,199	\$ 94,457	-
Fubon Ins.	76,375	102,579	-
The former TFN	-	256,212	1
	<u>\$ 231,574</u>	<u>\$ 453,248</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	Year Ended December 31, 2008		
	Amount	Loss	
FMT	Telecommunication equipment and miscellaneous equipment	\$ 62,807	\$ 7,038

The transaction amount of WTVB's sale of equipment to FMT was negotiated based on the value appraised by an independent third party.

## 6) Receivables and payables

	December 31	
	2008	2007
	Amount	Amount
a) Accounts receivable		
TFCB	\$ 114,822	\$ 70,023
TSL (Note)	42,716	-
FSC (Note)	29,715	19,059
Fubon Ins.	14,436	9,342
FLA	13,455	7,556
Other	17,885	14,654
	<u>\$ 233,029</u>	<u>\$ 120,634</u>

Note: Leasehold receivables from TSL was as follows:

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

Note: Leasehold receivables from FSC was as follows:

	December 31, 2008		Maturities of Over One Year (Classified Under Other Assets)		Total
	Current Portion		Current Portion		
Leasehold receivable	\$ 5,443	\$ 12,700	\$ 5,443	\$ 12,700	\$ 18,143
Less unrealized interest income	(868)	(1,425)	(868)	(1,425)	(2,293)
	<u>\$ 4,575</u>	<u>\$ 11,275</u>	<u>\$ 4,575</u>	<u>\$ 11,275</u>	<u>\$ 15,850</u>

## b) Prepayments

	December 31	
	2008	2007
	Amount	Amount
Fubon Ins.	\$ 46,502	\$ 56,278
Accounts payable		
DKL	\$ 38,800	\$ 11,869

## 4) Rental income

	Years Ended December 31	
	2008	2007
FMT	\$ 29,972	\$ 22,523
The former TFN	-	-
Leased Sites/Equipment	\$ 29,972	\$ 22,523
Offices appliance, etc.		
Offices and BTS, etc.		

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

## 5) Cash in banks and bank loans

	December 31	
	2008	2007
	Amount	Amount
a) Cash in banks		
TFCB	\$ 556,278	\$ 576,786
Pledged time deposits		
TFCB	\$ 36,965	\$ 22,815

## c) Secured loans

	Year Ended December 31, 2007	
TFCB		
Short-term secured loans		
Maximum balance for the period	\$ 2,180,000	
Ending balance	\$ 2,1131-2,5941	
Rate (%)	\$ 25,015	
Interest expenses		
Long-term secured loans		
Maximum balance for the period	\$ 2,500,000	
Ending balance	\$ 2,3568-2,4516	
Rate (%)	\$ 19,293	
Interest expenses		

**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:

	<u>December 31</u>
	<u>2008</u> <u>2007</u>
Current assets - time deposits	\$ 38,015    \$ 47,706
Fixed assets, net carrying value	-              945,693
	<u>\$ 38,015    \$ 993,399</u>

The fixed assets, which TFNM and its subsidiaries had pledged or mortgaged as collaterals for syndicated loan, amount to \$833,968 thousand. Since the loan was totally repaid in December 2007.

**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 December 31, 2008, the purchase amount was \$3,229,863 thousand.
- b. The Corporation provided an \$18,000,000 thousand guarantee for TFN's bank loan. As of December 31, 2008, TFN had not made any drawdown on this loan. The Corporation also provide TFN \$11,171,900 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 December 31, 2008, TFN had not made any drawdown on this loan.
- d. As of December 31, 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 December 31, 2008, TT&T provided an \$146 thousand guarantee for TFN's obligation of construction and equipment sales.
- f. Future minimum rental payments as of December 31, 2008 for significant operating lease agreements were summarized as follows:

	<u>Amount</u>
2009	\$ 34,007
2010	29,478
2011	13,215
2012	5,432

**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 I (attached).

Years Ended December 31

	<u>2008</u>	<u>2007</u>
7) Telecommunications service expenses		
The former TFN	\$ -	\$ 21,660
8) Insurance expenses		
Fubon Ins.	\$ 15,887	\$ 21,069
9) Donation		
TWM Foundation	\$ 22,000	\$ 18,000
10) Repairs and maintenance		
FPM	\$ 23,347	\$ 19,288
11) Other expenses		
FPM	\$ 28,085	\$ 18,863
12) Endorsement/guarantee provided		

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

- 13) Compensation to directors, supervisors and managers:

	<u>Years Ended December 31</u>	<u>2007</u>
Salaries, incentives and special compensation	\$ 199,525	\$ 241,448
Earnings paid as compensation to directors	41,470	18,116
Earnings paid as bonus to employees	77,293	33,465
Professional fee	3,688	4,523
	<u>\$ 321,976</u>	<u>\$ 297,552</u>

The compensation to directors, supervisors and managers for the year ended December 31, 2007 included the bonus appropriation from 2006 earnings approved in 2007 AGM. While that for the year ended December 31, 2008 included the broad's proposed bonus appropriation from 2007 earnings subject to approval in 2008 AGM. More detailed information may be referred in the Corporation's annual reports.



- 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).

### 31. SEGMENT INFORMATION

#### a. Industry

	Year Ended December 31, 2008				Adjustments and Elimination	Consolidated
	Mobile	Fixed-line	Cable TV	Others		
Revenues from outside of the Group	\$ 56,104,767	\$ 8,862,675	\$ 4,186,480	\$ 142,174	\$ -	\$ 69,296,096
Revenues from other segments in the Group (Note 2)	2,151,979	1,127,584	50,900	33,500	(3,363,963)	-
Total revenues	\$ 58,256,746	\$ 9,990,259	\$ 4,237,380	\$ 175,674	\$ (3,363,963)	\$ 69,296,096
Gross profit (loss) (Note 3)	\$ 18,471,439	\$ 1,730,609	\$ 1,686,003	\$ (55,338)	\$ (50,222)	\$ 21,782,491
Interest income						103,583
Other income						929,443
Interest expenses						(689,043)
Operating expenses						(1,589,764)
Other expenses						\$ 20,836,710
Income before income tax	\$ 72,748,896	\$ 5,866,249	\$ 12,511,028	\$ 240,474	\$ (3,013,134)	\$ 88,350,513
Identifiable assets (Note 4)						241,442
Financial assets						3,347,154
Long-term investment						-
General assets						-
Total assets						\$ 91,939,109
Depreciation expenses	\$ 6,598,035	\$ 87,509	\$ 483,282	\$ 19,204		
Amortization expenses	\$ 288,320	\$ 62,900	\$ 12,913	\$ 1,377		
Capital expenditure	\$ 5,911,444	\$ 1,038,525	\$ 444,372	\$ 371		

	Year Ended December 31, 2007				Adjustments and Elimination	Consolidated
	Mobile	Fixed-line	Cable TV	Others		
Revenues from outside of the Group	\$ 57,982,556	\$ 5,169,368	\$ 2,847,335	\$ 95,902	\$ -	\$ 66,095,161
Revenues from other segments in the Group (Note 2)	1,269,486	798,252	18,174	13,500	(2,099,412)	-
Total revenues	\$ 59,252,042	\$ 5,967,620	\$ 2,865,509	\$ 109,402	\$ (2,099,412)	\$ 66,095,161

(Continued)

- 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 years ended December 31, 2008 and 2007, the Corporation recognized losses of \$30,531 thousand and \$157,945 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 of \$894 thousand in 2007.

	Year Ended December 31, 2007					
	Mobile	Fixed-line	Cable TV	Others	Adjustments and Elimination	Consolidated
Gross profit (loss) (Note 3)	\$ 19,390,294	\$ 122,401	\$ 1,163,485	\$ (77,873)	\$ 701,895	\$ 21,300,202
Interest income						258,123
Investment income, net						172,777
Other income						813,589
Operating expenses						(943,585)
Other expenses						(12,651,379)
Income before income tax						\$ 8,949,727
Identifiable assets (Note 4)	\$ 78,023,888	\$ 11,797,459	\$ 12,486,697	\$ 350,827	\$ (9,890,692)	\$ 92,768,179
Financial assets						2,235,376
Long-term investment						3,026,701
General assets						
Total assets						\$ 98,030,256
Depreciation expenses	\$ 7,145,513	\$ 267,401	\$ 332,554	\$ 18,254		\$ 7,763,722
Amortization expenses	\$ 954,232	\$ 18,424	\$ 88,988	\$ 938		\$ 1,062,582
Capital expenditure	\$ 5,389,700	\$ 432,101	\$ 462,229	\$ 420		\$ 6,284,450

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

Note 2: Represents sales or service revenue between segments.

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

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

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

b. Foreign operations

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

c. Foreign revenues

The Corporation has no foreign revenues.

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

Company	Years Ended December 31		Percentage of Operating Revenues (%)
	2008	2007	
Chunghwa Telecom Co., Ltd.	\$ 13,582,263	\$ 11,151,044	17

TABLE 1

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2008  
(In Thousands of New Taiwan Dollars)

No.	Lending Company	Borrowing Company	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Purpose	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Lending Limit for Each Borrowing Company (Note)	Lending Company's Lending Amount Limits (Note)
											Item	Value		
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Tai Fu Media Technology Co., Ltd. TFN Media Co., Ltd.	Other receivables Other receivables	\$ 2,005,000 1,250,000	\$ 2,000,000 -	2.417%-2.568% 2.538%-2.548%	Short-term financing Short-term financing	\$ - -	To meet its financing needs in acquiring minorities To meet its financing needs in acquiring minorities	- -	- -	\$ 20,361,039 20,361,039	\$ 20,361,039 20,361,039	
1	TransAsia Telecommunications Inc.	The Corporation Taiwan Cellular Co., Ltd.	Other receivables Other receivables	1,745,609 900,000	- -	2.572%-2.604% 2.477%	Short-term financing Short-term financing	- -	Transactions To meet its financing needs in setting up subsidiaries	- -	- -	(Note 2) (Note 3)	(Note 2) (Note 3)	
2	Taiwan Cellular Co., Ltd.	Taiwan Fixed Network Co., Ltd. TFN Media Co., Ltd.	Other receivables Other receivables	2,500,000 1,250,000	- 250,000	2.558% 2.417%-2.538%	Short-term financing Short-term financing	- -	To pay off bank loan To meet its financing needs in acquiring minorities	- -	- -	21,178,762 21,178,762	21,178,762 21,178,762	
3	Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd. TFN Media Co., Ltd. The Corporation	Other receivables Other receivables Other receivables	1,150,000 1,500,000 1,300,000	- 1,050,000 1,300,000	2.560% 2.574%-2.604% 2.124%-2.417%	Short-term financing Short-term financing Short-term financing	- - -	Transactions Transactions Transactions	- - -	- - -	20,859,012 20,859,012 20,859,012	20,859,012 20,859,012 20,859,012	
4	TFN Investment Co., Ltd.	TFN Media Co., Ltd. TFN Media Co., Ltd.	Other receivables Other receivables	1,000,000 3,000,000	1,000,000 2,900,000	2.417%-2.538% 2.602%	Short-term financing Short-term financing	- -	To meet its financing needs in acquiring minorities Business requirements	- -	- -	10,290,577 10,290,577	10,290,577 10,290,577	
5	Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	560,000	540,000	2.168%-2.604%	Transactions	266,206	Business requirements	-	-	13,500,000	13,500,000	
6	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	-	-	(Note 5)	(Note 5)	
7	Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Other receivables - related parties	138,000	138,000	2.463%-2.594%	Transactions	23,145	Business requirements	-	-	12,000,000	12,000,000	
8	Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	400,000	350,000	2.199%-2.604%	Transactions	207,494	Business requirements	-	-	12,000,000	12,000,000	
9	Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	500,000	500,000	2.199%-2.594%	Transactions	545,446	Business requirements	-	-	12,000,000	12,000,000	
10	Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	247,700	207,700	2.168%-2.604%	Transactions	8,934	Business requirements	-	-	12,000,000	12,000,000	
11	Yeong Hsieh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Other receivables - related parties	180,000	130,000	2.591%-2.594%	Transactions	403,871	Business requirements	-	-	24,000,000	24,000,000	

(Continued)

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

Note 2: TransAsia Telecommunications Inc merged into the Corporation on September 2, 2008. The limitation is zero.

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

Note 4: Where funds are loaned for reasons of business dealings, the individual lending amount and the aggregate amount of loaning funds shall be both limited to the higher amount of the following items: 1) a multiple of the financing company's capital; or 2) the amount of business dealing.

Note 5: North Coast Cable TV Co., Ltd. liquidated on October 1, 2008.

(Concluded)

TABLE 2

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED  
YEAR ENDED DECEMBER 31, 2008  
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor (A)	Receiving Party		Maximum Guarantee/ Endorsement Amount Can Be Provided to Each Receiving Party (Note 3)	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Value of Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Worth of the Guarantor (Note 1)	Maximum Guarantee/ Endorsement Can Be Provided by the Guarantor/Endorser
		Name (B)	Nature of Relationship (B is A's)						
0	Taiwan Mobile Co., Ltd. (the "Corporation")	Taiwan Fixed Network Co., Ltd. (TFN)	(Note 2)	\$ 80,000,000 (Note 3)	\$ 24,748,120	\$ 24,721,900	\$ -	48.57%	\$ 50,902,598
1	TransAsia Telecommunications Inc. (TAT)	The Corporation	(Note 4)	18,000,000 (Note 3)	1,000,000	-	-	-	(Note 5)
2	TFN Investment Co., Ltd. (TFNI)	WinTV Broadcasting Co., Ltd.	(Note 6)	252,141 (Note 7)	50,000	-	-	-	25,726,442 (Note 7)
3	Taiwan Teleservices & Technologies Co., Ltd. (TT&T)	Taiwan Fixed Network Co., Ltd. (TFN)	(Note 4)	20,000 (Note 8)	223	146	-	0.15%	97,609 (Note 8)

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

Note 4: Direct/Indirect subsidiary.

Note 5: TransAsia Telecommunications Inc merged into the Corporation on September 2, 2008. The maximum endorsement/guarantee amount provided by TAT is zero.

Note 6: Direct subsidiary.

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

Note 8: TT&T is directly and indirectly 100% owned by TFN. The endorsement/guarantee amount provided by TT&T, shall be limited within the net worth of TT&T, and not over double of the investment amount in TT&T.

TABLE 3

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 2008			Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	
Taiwan Mobile Co., Ltd. (the "Corporation")	Stock Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	3,252	\$ 174,008	0.028	\$ 174,008 (Note 5)
	Bridge Mobile Pte Ltd.	-	Financial assets carried at cost - non-current	2,200	60,064	10.00	56,119 (Note 3)
	Yes Mobile Holdings Company	-	Financial assets carried at cost - non-current	74	-	0.19	- (Note 3)
	Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,200	225,735	100.00	225,735
	Taiwan Cellular Co., Ltd.	Subsidiary	Long-term investments - equity method	149,958	15,125,451	100.00	52,946,904
	Taipei New Horizons Co., Ltd.	-	Prepayment for long-term investments	-	249,500	-	-
Wealth Media Technology Co., Ltd.	Stock Tai Fu Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	27,000	224,049	100.00	224,049
Tai Fu Media Technology Co., Ltd.	Stock Global Wealth Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	8,400	88,291	100.00	88,291
	Fu Jia Leh Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	117,100	2,001,200	100.00	2,001,200
	Fu Sin Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	13,500	139,721	100.00	139,721
	Global Forest Media Technology Co., Ltd.	Subsidiary	Long-term investments - equity method	100	925	100.00	925
Global Wealth Media Technology Co., Ltd.	Stock Globalview Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	3,460	83,469	6.179	40,142
Fu Sin Media Technology Co., Ltd.	Stock Phoenix Cable TV Co., Ltd.	Subsidiary	Long-term investments - equity method	2,272	132,485	3.34	32,206
Taiwan Cellular Co., Ltd.	Stock Arcoa Communication Co., Ltd.	-	Financial assets carried at cost - non-current	6,998	67,731	5.21	- (Note 3)
	Parawin Venture Capital Corp.	-	Financial assets carried at cost - non-current	3,000	22,202	3.00	- (Note 3)
	Transportation High Tech Inc.	-	Financial assets carried at cost - non-current	1,200	-	12.00	- (Note 3)
	WEB Point Co., Ltd.	-	Financial assets carried at cost - non-current	803	6,773	3.17	- (Note 3)
	Tai Yi Digital Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	2,495	21,528	49.90	21,528 (Note 3)
	TWM Holding Co. Ltd.	Subsidiary	Long-term investments - equity method	1 share	6,089	100.00	6,089 US\$

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2008			Note
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership	
TWM Holding Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Subsidiary	Long-term investments - equity method	4,000,000	\$ 52,147,530	100.00	\$ 52,147,530
	Taiwan Digital Communication Co., Ltd.	Subsidiary	Long-term investments - equity method	1,200	11,081	100.00	11,081
Taiwan Fixed Network Co., Ltd.	ADS Hurray! Holding Co., Ltd.	-	Available-for-sale financial assets - current	1,080	US\$ 2,052	4.94	US\$ 2,052 (Note 5)
	Stock Hurray! Times Communications, Beijing	Subsidiary	Long-term investments - equity method	-	US\$ 3,916	100.00	US\$ 2,956
TFN Investment Co., Ltd.	Stock The Corporation	Ultimate parent	Available-for-sale financial assets - non-current	456,295	\$ 22,221,555	12.00	\$ 22,221,555 (Note 5)
	TFN Investment Co., Ltd.	Subsidiary	Long-term investments - equity method	2,061,939	23,227,228	100.00	25,726,442
	TFN HK Limited	Subsidiary	Long-term investments - equity method	1,300	2,957	100.00	2,957
	Taiwan Teleservices & Technologies Co., Ltd.	Subsidiary	Long-term investments - equity method	1,000	97,609	100.00	97,609
	Taiwan High Speed Rail Corporation	-	Financial assets carried at cost - non-current	225,531	2,120,829	3.82	- (Note 3)
Taiwan Teleservices & Technologies Co., Ltd.	Preferred stock New Century InfoComm Technology Co., Ltd.	-	Financial assets carried at cost - non-current	33,684	187,042	0.84	- (Note 3)
	Stock IT & T Holdings Co., Ltd.	Subsidiary	Long-term investments - equity method	1,300	US\$ 1,363	100.00	US\$ 1,363
TT&T Holdings Co., Ltd.	Taiwan Super Basketball Co., Ltd.	Subsidiary	Long-term investments - equity method	2,000	20,044	100.00	20,044
	Stock Xiamen Taifu Teleservices & Technologies Ltd.	Subsidiary	Long-term investments - equity method	-	US\$ 1,362	100.00	US\$ 1,362
TFN Investment Co., Ltd.	Stock The Corporation	Ultimate parent	Available-for-sale financial assets - non-current	355,623	17,318,833	9.36	17,318,833 (Note 5)
	Reach & Range Inc.	Subsidiary	Long-term investments - equity method	2,400	33,542	100.00	26,471
	WinTV Broadcasting Co., Ltd.	Subsidiary	Long-term investments - equity method	25,214	181,865	98.50	179,047
	TFN Media Co., Ltd.	Subsidiary	Long-term investments - equity method	230,526	3,732,745	100.00	3,423,783
	Great Taipei Broadband Co., Ltd.	-	Financial assets carried at cost - non-current	10,000	50,528	6.67	- (Note 3)
Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock - Series A	Preferred stock Taiwan High Speed Rail Corporation Unlisted Convertible Preferred Stock - Series A	-	Bonds measured at amortized cost - non-current	50,000	500,000	1.08	- (Note 3)

(Continued)

Investing Company (A)	Marketable Securities Invested (B)	Relationship with the Investing Company (B is A's)	Financial Statement Account	December 31, 2008			Note	
				Shares/Units (Thousands)	Carrying Value	Percentage of Ownership		Market Value (Note 1)
TFN Media Co., Ltd.	Stock Yeong Jialeh Cable TV Co., Ltd. Shin Ho Cable TV Co., Ltd. Mangrove Cable TV Corporation Phoenix Cable TV Co., Ltd. Union Cable TV Co., Ltd. Globalview Cable TV Co., Ltd.	Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary	Long-term investments - equity method Long-term investments - equity method Long-term investments - equity method Long-term investments - equity method Long-term investments - equity method Long-term investments - equity method	33,940 20,000 21,160 65,818 170,441 51,733	\$ 2,113,439 695,449 557,279 3,157,539 2,023,231 1,222,722	100.00 100.00 100.00 96.66 99.99 92.38	\$ 588,959 208,560 294,104 93,034 1,818,483 600,202	Note 6 Note 6

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

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

Note 3: As of January 20, 2009, the independent auditors' report date, the investee's net worth was not available.

Note 4: 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 \$52,946,904 on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$5,934,549 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$2,196 thousand.

Note 5: Based on the closing price on December 31, 2008.

Note 6: Some shares are held under trustee accounts.

(Concluded)



TABLE 4

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES ACQUIRED OR DISPOSED AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 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	Shares/Units (Thousands)	Amount
Taiwan Mobile Co., Ltd.	Beneficiary certificate Fubon Chi-Hsiang Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$	13,497	\$	200,036	13,497	\$	200,036
	Stock Wealth Media Technology Co., Ltd.	Long-term investments - equity method	-	8,700	8,700	82,715	18,500	185,000	-	-	27,200	225,735 (Note 2)
	Tapet New Horizons Co., Ltd.	Prepayment for long-term investments	-	-	-	-	(Note 3)	249,500	-	-	-	249,500
TransAsia Telecommunications Inc.	Beneficiary certificate Fubon Chi-Hsiang Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	13,497	200,036	200,036	-	-	-
Wealth Media Technology Co., Ltd.	Stock Tai Fu Media Technology Co., Ltd.	Long-term investments - equity method	-	8,500	8,500	80,876	18,500	185,000	-	-	27,000	224,049 (Note 4)
Tai Fu Media Technology Co., Ltd.	Stock Fu Sin Media Technology Co., Ltd.	Long-term investments - equity method	-	100	900	900	13,400	134,000	-	-	13,500	139,721 (Note 5)
Fu Sin Media Technology Co., Ltd.	Stock Phoenix Cable TV Co., Ltd.	Long-term investments - equity method	-	-	-	-	2,272	133,358	-	-	2,272	132,485 (Note 6)
TWM Holding Co., Ltd.	Stock Hurray! Times Communications, Beijing	Long-term investments - equity method	-	-	-	-	-	5,005	-	-	-	5,005 (Note 7)
Taiwan Fixed Network Co., Ltd.	Stock Taiwan Mobile Co., Ltd.	Available-for-sale financial assets - non-current	-	900,353	37,004,498	-	-	-	13,509,828	300,000	456,295 (Note 8)	22,221,555 (Note 8)
TFN Investment Co., Ltd.	Stock Fubon Financial Holding Company	Available-for-sale financial assets - current	-	62,023	1,786,256	-	-	-	2,089,511	62,023	461,314	-
	TFN Media Co., Ltd.	Long-term investments - equity method	-	214,518	2,951,824	16,008	16,008	555,714	-	-	230,526	3,732,745 (Note 9)
TFN Media Co., Ltd.	Stock Phoenix Cable TV Co., Ltd.	Long-term investments - equity method	-	47,663	2,069,063	18,155	18,155	1,065,710	-	-	65,818	3,157,539 (Note 10)

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 \$41,980 thousand.

Note 3: Taipei New Horizons Co., Ltd. has obtained registration approval on January 7, 2009.

Note 4: The amount included the investment loss adjustment of \$41,827 thousand.

Note 5: The amount included the investment income adjustment of \$4,821 thousand.

Note 6: The amount included the cash dividends adjustment of \$5,854 thousand and the investment income adjustment of \$4,981 thousand.

Note 7: The shares included the capital reduction adjustment of 144,038 thousand shares. The amount included the capital reduction adjustment of \$70,267 thousand and unrealized loss of \$5,480,532 thousand.

Note 8: The amount included the cash dividends adjustment of \$675,846 thousand. The investment income adjustment of \$918,617 thousand, paid in capital \$1,107 and net loss not recognized as pension cost adjustment of \$1,328 thousand.

Note 9: The amount included the cash dividends adjustment of \$169,589 thousand and the investment income adjustment of \$192,355 thousand.

Note 10: The amount included the cash dividends adjustment of \$192,355 thousand.

TABLE 5

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL YEAR ENDED DECEMBER 31, 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	
Taiwan Mobile Co., Ltd. (the "Corporation")	TransAsia Telecommunications Inc.	Subsidiary	Sale	\$ (459,338)	(1)	Based on contract terms	-	\$ -	-	
	Taiwan Fixed Network Co., Ltd.	Subsidiary	Purchase	257,796	1	Based on contract terms	-	-	-	
	Taiwan Teleservices & Technologies Co., Ltd. (including the former TT&T)	Subsidiary	Sale	(2,087,756)	(4)	Based on contract terms	-	214,172	4	
			Purchase	965,962	4	Based on contract terms	-	(4,094)	-	
			911,679	(Note 1)	Based on contract terms	-	(79,715)	(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	(911,827)	(81)	Based on contract terms	-	79,733	82	
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Sale	(1,040,440)	(11)	Based on contract terms	-	227,065	22	
			Purchase	2,077,719	31	Based on contract terms	-	(3,125)	-	
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(433,687)	(20)	Based on contract terms	(Note 3)	108,422	33	
Yeong Jialeh Cable TV Co., Ltd.	Yeong Jialeh Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(325,323)	(15)	Based on contract terms	(Note 3)	81,331	25	
Union Cable TV Co., Ltd.	Union Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(197,640)	(9)	Based on contract terms	(Note 3)	49,410	15	
Globalview Cable TV Co., Ltd.	Globalview Cable TV Co., Ltd.	Subsidiary	Channel leasing fee	(168,545)	(8)	Based on contract terms	(Note 3)	42,136	13	
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	325,323	60	Based on contract terms	(Note 3)	(81,331)	(86)	
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	433,687	63	Based on contract terms	(Note 3)	(108,422)	(87)	
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	168,545	57	Based on contract terms	(Note 3)	(42,136)	(87)	

(Continued)

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 Ending Balance	Note
			Purchase/ Sale	Amount	% to Total	Payment Terms			
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Royalty of copyright	\$ 197,640	54	Based on contract terms	(Note 3)	\$ (49,410)	(68)
Shin Ho Cable TV Co., Ltd.	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	48,510	59	Based on contract terms	(Note 3)	(12,128)	(94)
Mangrove Cable TV Corporation	Dai-Ka Ltd.	Related party in substance	Royalty of copyright	106,689	56	Based on contract terms	(Note 3)	(26,672)	(86)

Note 1: Recognized as operating expenses.

Note 2: Recognized as accrued expenses.

Note 3: No comparables on such kind of transactions.

(Concluded)

TABLE 6

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 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 \$ 2,14,172	8.65	\$ -	-	\$ -	-
	Tai Fu Media Technology Co., Ltd.	Subsidiary	Other receivables 46,733	-	-	-	-	-
			Other receivables 2,008,079	-	-	-	-	-
Taiwan Cellular Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 251,010	-	-	-	-	-
Taiwan Teleservices & Technologies Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 79,733	7.64	-	-	19	-
Taiwan Fixed Network Co., Ltd.	The Corporation	Ultimate parent	Accounts receivable 227,065	3.59	-	-	156,058	-
			Other receivables 1,518,862	-	-	-	6,163	-
	TFN Media Co., Ltd.	Subsidiary	Accounts receivable 10,136	4.02	-	-	-	-
			Other receivables 1,052,674	-	-	-	-	-
TFN Investment Co., Ltd.	TFN Media Co., Ltd.	Subsidiary	Other receivables 3,923,679	-	-	-	-	-
TFN Media Co., Ltd.	Phoenix Cable TV Co., Ltd.	Subsidiary	Accounts receivable 120,232	6.71	-	-	-	-
Shin Ho Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 390	7.89	-	-	-	-
			Other receivables 207,700	-	-	-	-	-
Phoenix Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 6,272	10.05	-	-	-	-
			Other receivables 500,118	-	-	-	-	-
Union Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 6,830	7.31	-	-	-	-
			Other receivables 540,042	-	-	-	-	-
Globalview Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 2,151	11.14	-	-	-	-
			Other receivables 350,040	-	-	-	-	-
Mangrove Cable TV Corporation	TFN Media Co., Ltd.	Parent	Accounts receivable 1,304	12.01	-	-	-	-
			Other receivables 138,096	-	-	-	-	-
Yeong Jialeh Cable TV Co., Ltd.	TFN Media Co., Ltd.	Parent	Accounts receivable 4,429	9.82	-	-	-	-
			Other receivables 130,000	-	-	-	-	-

TABLE 7

**TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES**  
 NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 YEAR ENDED DECEMBER 31, 2008  
 (In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor	Investee	Location	Main Business and Products	Investment Amount December 31, 2008	Investment Amount December 31, 2007	Shares (Thousands)	Balance as of December 31, 2008 Percentage of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Income (Loss)	Note
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	\$ 15,125,451 (Note 1)	\$ 6,139,145	\$ 3,003,228	
Wealth Media Technology Co., Ltd.	Wealth Media Technology Co., Ltd.	Taipei, Taiwan	Investment	272,000	87,000	27,200	100.00	225,755	(41,980)	(41,980)	
Tai Fu Media Technology Co., Ltd.	Tai Fu Media Technology Co., Ltd.	Taipei, Taiwan	Investment	270,000	85,000	27,000	100.00	224,049	(41,827)	NA	
Tai Fu Media Technology Co., Ltd.	Global Wealth Media Technology Co., Ltd.	Taipei County, Taiwan	Investment	84,000	84,000	8,400	100.00	88,291	4,193	NA	
Tai Fu Media Technology Co., Ltd.	Fu Jia Leh Media Technology Co., Ltd.	Taipei, Taiwan	Investment	2,001,700	2,001,700	117,100	100.00	2,001,200	(11)	NA	
Tai Fu Media Technology Co., Ltd.	Fu Sin Media Technology Co., Ltd.	Taipei, Taiwan	Investment	135,000	1,000	13,500	100.00	139,721	4,821	NA	
Tai Fu Media Technology Co., Ltd.	Global Forest Media Technology Co., Ltd.	Taipei, Taiwan	Investment	1,000	-	100	100.00	925	(75)	NA	
Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	82,882	82,882	3,460	6.179	83,469	69,715	NA	
Fu Sin Media Technology Co., Ltd.	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	133,358	-	2,272	3.34	132,485	203,682	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	49.90	21,528	(3,966)	NA	
Taiwan Cellular Co., Ltd.	TWM Holding Co., Ltd.	British Virgin Islands	Investment	US\$ 10,800	US\$ 9,000	1 share	100.00	US\$ 6,089	US\$ (1,182)	NA	
Taiwan Cellular Co., Ltd.	Taiwan Fixed Network Co., Ltd.	Taipei, Taiwan	Fixed line service provider	40,000,000	40,000,000	4,000,000	100.00	52,147,530	6,110,349	NA	
Taiwan Cellular Co., Ltd.	Taiwan Digital Communication Co., Ltd.	Taipei, Taiwan	Telecom engineering and IT service	12,000	12,000	1,200	100.00	11,081	(91)	NA	
TWM Holding Co., Ltd.	Hurray Times Communications, Beijing	Beijing, China	Telecom product innovation and design	US\$ 5,005	-	-	100.00	US\$ 3,916	US\$ (983)	NA	
Taiwan Fixed Network Co., Ltd.	TFN Investment Co., Ltd.	Taipei, Taiwan	Investment	19,669,138	19,669,138	2,061,939	100.00	23,227,228	1,349,441	NA	
Taiwan Fixed Network Co., Ltd.	TFN HK Limited	Hong Kong	Telecommunications service provider	5,816	5,816	1,300	100.00	2,957	(160)	NA	
Taiwan Fixed Network Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	Taipei, Taiwan	Call center service and ISR (international simple resales)	10,000	120,000	1,000	100.00	97,609	75,151	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TT&T Holdings Co., Ltd.	Samon	Investment	US\$ 1,300	US\$ 1,300	1,300	100.00	US\$ 1,563	US\$ (43)	NA	
Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Super Basketball Co., Ltd.	Taipei, Taiwan	Basketball team management	20,000	20,000	2,000	100.00	20,044	39	NA	
TT&T Holdings Co., Ltd.	Xiamen Taifu Teleservices & Technologies Ltd.	Xiamen, China	Call center service	US\$ 1,300	US\$ 1,300	-	100.00	US\$ 1,562	US\$ (40)	NA	
Taiwan Teleservices & Technologies Co., Ltd.	Reach & Range Inc.	Taipei, Taiwan	Telecommunications equipment installment and IT service provider	31,764	31,764	2,400	100.00	33,542	2,107	NA	
Taiwan Teleservices & Technologies Co., Ltd.	WinTV Broadcasting Co., Ltd.	Taipei, Taiwan	TV program provider	252,141	591,000	25,214	98.50	181,865	(74,207)	NA	
Taiwan Teleservices & Technologies Co., Ltd.	TFN Media Co., Ltd.	Taipei, Taiwan	Cable broadband and value added service provider	2,035,714	1,500,000	230,526	100.00	3,732,745	927,766	NA	
TFN Media Co., Ltd.	Yong Jiah Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	1,616,824	1,616,824	33,940	100.00	2,113,439	179,955	NA	
TFN Media Co., Ltd.	Shin Ho Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	661,781	661,781	20,000	100.00	695,449	(1,283)	NA	
TFN Media Co., Ltd.	Mangrove Cable TV Corporation	Taipei County, Taiwan	Cable TV service provider	397,703	397,703	21,160	100.00	557,279	64,730	NA	
Phoenix Cable TV Co., Ltd.	Phoenix Cable TV Co., Ltd.	Kaohsiung County, Taiwan	Cable TV service provider	2,294,967	1,229,257	65,818	96.66	3,157,539	203,682	NA	
Union Cable TV Co., Ltd.	Union Cable TV Co., Ltd.	Yilan County, Taiwan	Cable TV service provider	1,904,440	1,904,440	170,440	99.99	2,023,231	103,502	NA	
Globalview Cable TV Co., Ltd.	Globalview Cable TV Co., Ltd.	Taipei County, Taiwan	Cable TV service provider	841,413	841,413	51,733	92.38	1,222,722	69,715	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 \$52,946,904 thousand on TCC shall be reduced by downward adjusting the latter's net worth by \$31,889,100 thousand, excluding \$5,934,549 thousand unrealized gain from financial assets investment, and adding back recognition of upstream transactions gains of \$2,196 thousand.

Note 2: Some shares are held under trustee accounts.

TABLE 8

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
YEAR ENDED DECEMBER 31, 2008

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of December 31, 2007	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2008	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of December 31, 2008	Accumulated Inward Remittance of Earnings as of December 31, 2008
					Outflow	Inflow					
Xiamen Taifu Teleservices & Technologies Ltd.	Call center service	US\$ 1,300 (NT\$ 42,725)	Indirect investment in the Companies in Mainland China through a third place subsidiary, Taiwan Teleservices & Technologies Co., Ltd.	US\$ 1,300 (NT\$ 42,725)	\$ -	\$ -	US\$ 1,300 (NT\$ 42,725)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ (40) (NT\$ (1,315))	US\$ 1,362 (NT\$ 44,762)	\$ -
Hurray! Times Communications, Beijing	Telecom product innovation and design	US\$ 3,000 (NT\$ 98,595)	Indirect investment in the Companies in Mainland China through a third place subsidiary, Taiwan Cellular Co., Ltd.	-	US\$ 4,617 (NT\$ 151,738)	-	US\$ 4,617 (NT\$ 151,738)	100% ownership of indirect investment by the Corporation's subsidiary	US\$ (1,168) (NT\$ (38,386))	US\$ 3,916 (NT\$ 128,699)	-

  

Accumulated Investment in Mainland China as of December 31, 2008	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 2)
US\$ 1,300 (NT\$ 42,725)	US\$ 1,300 (NT\$ 42,725)	\$97,609
US\$ 4,617 (NT\$ 151,738)	US\$ 5,300 (NT\$ 174,185)	\$52,946,904

Note 1: The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$32.865 and RMB1=NT\$4.8086 as of December 31, 2008.

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

Note 3: Calculation was based on audited financial statements.

TABLE 9

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

## BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

YEAR ENDED DECEMBER 31, 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	\$ 214,172	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accounts receivable	1	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,008,079	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	46,733	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	685	Based on regular terms	-
		TFN Media Co., Ltd.	1	Other receivables	2,299	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	22	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other receivables	2	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other receivables	59	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other receivables	8	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	62	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	19	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	238	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Short-term borrowing	1,300,000	Based on regular terms	1%
		Taiwan Fixed Network Co., Ltd.	1	Accounts payable	4,094	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	19	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Accrued expenses	460	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Accrued expenses	20,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	197,416	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	79,715	Based on regular terms	-
		TFN Media Co., Ltd.	1	Accrued expenses	35	Based on regular terms	-
		Hurray! Times Communications (Beijing) Ltd.	1	Other payables	9,206	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other payables	99,249	Based on regular terms	-
		WinTV Broadcasting Co., Ltd.	1	Other payables	152	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other payables	301	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other payables	17	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	811	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other payables	134	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other payables	875	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other payables	289	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	181	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	358,142	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Other current liabilities	5	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other current liabilities	91	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Other current liabilities	6	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other current liabilities	332	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Mangrove Cable TV Corporation	1	Other current liabilities	\$ 51	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other current liabilities	257	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other current liabilities	120	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	459,338	Based on regular terms	1%
		Taiwan Super Basketball Co., Ltd.	1	Operating revenues	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	2,087,756	Based on regular terms	2%
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	171	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	92	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating revenues	778	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	517	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	172	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	443	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	368	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	34	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,115	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	447	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating costs	257,989	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	345	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	982,644	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	259	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	200	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	601,107	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	310,881	Based on regular terms	-
		Taiwan Super Basketball Co., Ltd.	1	Operating expenses	32,000	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	82,037	Based on regular terms	-
		WimTV Broadcasting Co., Ltd.	1	Operating expenses	9	Based on regular terms	-
		TFN Media Co., Ltd.	1	Operating expenses	(1,028)	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	(30)	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	(3)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	(86)	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	(10)	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	(66)	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	(23)	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	50,869	Based on regular terms	-
		TFN Media Co., Ltd.	1	Interest income	10,793	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Rental income	23	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Fu Jia Le Media Technology Co., Ltd.	1	Rental income	40	Based on regular terms	-
		Fu Sin Media Technology Co., Ltd.	1	Rental income	40	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Rental income	34	Based on regular terms	-
		The former Taiwan Teleservices & Technologies Co., Ltd.	1	Rental income	34	Based on regular terms	-

(Continued)



Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		TT&T Life Insurance Agency Co., Ltd. TT&T Casualty & Property Insurance Agency Co., Ltd. Taiwan Super Basketball Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. TFN Investment Co., Ltd. Reach & Range Inc. TFN Media Co., Ltd. Taiwan Fixed Network Co., Ltd. TFN Media Co., Ltd. TransAsia Telecommunications Inc. Taiwan Fixed Network Co., Ltd. TransAsia Telecommunications Inc.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Rental income Rental income Rental income Rental income Rental income Rental income Rental income Miscellaneous revenue Miscellaneous revenue Interest expenses Interest expenses Miscellaneous expense	\$ 34 34 34 70,390 31 2,075 31 31 10,640 1,572 5 15,205 3,813 1,244	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - - - - - - - - -	
1	TransAsia Telecommunications Inc.	Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd. The former Taiwan Teleservices & Technologies Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Cellular Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd.	2 3 2 3 3 2 3 2 3 2 3 2	Operating revenues Operating costs Operating costs Operating costs Operating expenses Interest income Rental income Rental income Miscellaneous revenue	257,796 29,632 459,338 2 21,543 23 329 15,205 2,199 192 268 1,244	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - 1% - - - - - - - - -	
2	Wealth Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-	
3	Tai Fu Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd.	2 2 2 2	Accrued expenses Other payables Operating expenses Interest expenses	8,079 2,000,000 34 50,869	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- 2% - -	
4	Fu Jia Leh Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	40	Based on regular terms	-	
5	Fu Sin Media Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	40	Based on regular terms	-	
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd.	1	Operating expenses	34	Based on regular terms	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
7	Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd. Hurray! Times Communications (Beijing) Ltd. Taiwan Teleservices & Technologies Co., Ltd. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. TFN Media Co., Ltd. TT&T Holdings Co., Ltd. Xiamen Taifu Teleservices & Technologies Ltd. Hurray! Times Communications (Beijing) Ltd. TransAsia Telecommunications Inc.	2	Other receivables	\$	Based on regular terms	-	
			1	Other receivables	460	Based on regular terms	-	
			3	Other receivables	100	Based on regular terms	-	
			1	Other receivables	296	Based on regular terms	-	
			2	Operating expenses	251,010	Based on regular terms	-	
			1	Interest income	34	Based on regular terms	-	
			1	Interest income	7,947	Based on regular terms	-	
			1	Miscellaneous revenue	21,178	Based on regular terms	-	
			1	Miscellaneous revenue	95	Based on regular terms	-	
			1	Miscellaneous revenue	95	Based on regular terms	-	
8	Tai Yi Digital Broadcasting Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	2,199	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
9	Taiwan Digital Communications Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Operating expenses	34	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
10	The former Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd. TransAsia Telecommunications Inc. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd. TT&T Holdings Co., Ltd. Xiamen Taifu Teleservices & Technologies Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd.	2	Operating revenues	600,942	Based on regular terms	1%	
			3	Operating revenues	2	Based on regular terms	-	
			3	Operating revenues	20,648	Based on regular terms	-	
			2	Operating expenses	863	Based on regular terms	-	
			1	Operating expenses	8,338	Based on regular terms	-	
			1	Operating expenses	37,686	Based on regular terms	-	
			3	Operating expenses	243	Based on regular terms	-	
			2	Rental income	1,338	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
13	Taiwan Super Basketball Co., Ltd.	Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd.	2	Other receivables	20,000	Based on regular terms	-	
			2	Operating revenues	32,000	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
14	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. The former Taiwan Teleservices & Technologies Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. Taiwan Cellular Co., Ltd.	2	Accounts receivable	1,268	Based on regular terms	-	
			2	Accounts payable	3,742	Based on regular terms	-	
			2	Operating revenues	8,559	Based on regular terms	-	
			2	Operating revenues	4,606	Based on regular terms	-	
			2	Operating expenses	94	Based on regular terms	-	
15	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd. The former Taiwan Teleservices & Technologies Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. Taiwan Cellular Co., Ltd.	2	Accounts receivable	10,723	Based on regular terms	-	
			2	Operating revenues	38,645	Based on regular terms	-	
			2	Operating revenues	21,257	Based on regular terms	-	
			2	Operating expenses	93	Based on regular terms	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
16	Hurray! Times Communications (Beijing) Ltd.	Taiwan Mobile Co., Ltd. Taiwan Cellular Co., Ltd. Taiwan Cellular Co., Ltd.	2	Accounts receivable	\$ 9,035	Based on regular terms	-	
			2	Accrued expenses	109	Based on regular terms	-	
			2	Operating expenses	103	Based on regular terms	-	
17	Taiwan Fixed Network Co., Ltd.	Taiwan Mobile Co., Ltd. TFNHK WinTV Broadcasting Co., Ltd. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Telecommunications & Technologies Co., Ltd. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Mobile Co., Ltd. TFNHK Reach & Range Inc. TFN Media Co., Ltd. Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Telecommunications & Technologies Co., Ltd. Reach & Range Inc. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. TransAsia Telecommunications Inc. The former Taiwan Telecommunications & Technologies Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. Taiwan Telecommunications & Technologies Co., Ltd. Reach & Range Inc. WinTV Broadcasting Co., Ltd. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation North Coast Cable TV Co., Ltd. Phoenix Cable TV Co., Ltd.	2	Accounts receivable	227,065	Based on regular terms	-	
			1	Accounts receivable	2	Based on regular terms	-	
			1	Accounts receivable	14	Based on regular terms	-	
			1	Accounts receivable	10,136	Based on regular terms	-	
			1	Accounts receivable	61	Based on regular terms	-	
			1	Accounts receivable	96	Based on regular terms	-	
			1	Accounts receivable	193	Based on regular terms	-	
			1	Accounts receivable	466	Based on regular terms	-	
			2	Accounts receivable	97	Based on regular terms	-	
			1	Other receivables	1,518,862	Based on regular terms	2%	
			1	Other receivables	1,148	Based on regular terms	-	
			1	Other receivables	1,052,674	Based on regular terms	1%	
			1	Other receivables	8	Based on regular terms	-	
			1	Other receivables	3	Based on regular terms	-	
			2	Prepayments	183	Based on regular terms	-	
			2	Other current assets	18	Based on regular terms	-	
			2	Refundable deposits	830	Based on regular terms	-	
			2	Accounts payable	3,125	Based on regular terms	-	
			1	Accounts payable	3,095	Based on regular terms	-	
			1	Accounts payable	5,314	Based on regular terms	-	
			1	Accounts payable	4,215	Based on regular terms	-	
			1	Accounts payable	226	Based on regular terms	-	
			2	Accrued expenses	62	Based on regular terms	-	
			1	Accrued expenses	44,921	Based on regular terms	-	
			1	Accrued expenses	16,986	Based on regular terms	-	
			1	Accrued expenses	36	Based on regular terms	-	
			1	Accrued expenses	1	Based on regular terms	-	
			2	Advance receipts	237	Based on regular terms	-	
			1	Other liabilities	1,268	Based on regular terms	-	
			2	Operating revenues	1,040,440	Based on regular terms	1%	
			3	Operating revenues	21,901	Based on regular terms	-	
			1	Operating revenues	243	Based on regular terms	-	
			1	Operating revenues	24,925	Based on regular terms	-	
1	Operating revenues	(13)	Based on regular terms	-				
1	Operating revenues	600	Based on regular terms	-				
1	Operating revenues	356	Based on regular terms	-				
1	Operating revenues	53,498	Based on regular terms	-				
1	Operating revenues	1,615	Based on regular terms	-				
1	Operating revenues	730	Based on regular terms	-				
1	Operating revenues	2,647	Based on regular terms	-				
1	Operating revenues	22	Based on regular terms	-				
1	Operating revenues	5,201	Based on regular terms	-				

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. TransAsia Telecommunications Inc. TFN HK Taiwan Telecommunication Network Services Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. Reach & Range Inc. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. The former Taiwan Teleservices & Technologies Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. Reach & Range Inc. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. TFN Investment Co., Ltd. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. WinTV Broadcasting Co., Ltd. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. WinTV Broadcasting Co., Ltd. TFN Media Co., Ltd. Taiwan Cellular Co., Ltd. Taiwan Mobile Co., Ltd.	1	Operating revenues	900	Based on regular terms	-	
			2	Operating costs	2,080,134	Based on regular terms	2%	
			3	Operating costs	29,932	Based on regular terms	-	
			1	Operating costs	6,828	Based on regular terms	-	
			1	Operating costs	374	Based on regular terms	-	
			1	Operating costs	(354)	Based on regular terms	-	
			1	Operating costs	10,935	Based on regular terms	-	
			1	Operating costs	40,088	Based on regular terms	-	
			1	Operating costs	703	Based on regular terms	-	
			1	Operating costs	3,960	Based on regular terms	-	
			1	Operating costs	5,491	Based on regular terms	-	
			1	Operating costs	657	Based on regular terms	-	
			2	Operating expenses	71,171	Based on regular terms	-	
			3	Operating expenses	20,655	Based on regular terms	-	
			1	Operating expenses	763	Based on regular terms	-	
			1	Operating expenses	184,080	Based on regular terms	-	
			1	Operating expenses	134	Based on regular terms	-	
			1	Operating expenses	(12)	Based on regular terms	-	
			2	Interest income	3,813	Based on regular terms	-	
			1	Interest income	8,732	Based on regular terms	-	
1	Interest income	17,745	Based on regular terms	-				
2	Rental income	17,033	Based on regular terms	-				
1	Rental income	4,480	Based on regular terms	-				
1	Rental income	130	Based on regular terms	-				
1	Rental income	48	Based on regular terms	-				
1	Rental income	61	Based on regular terms	-				
1	Rental income	33	Based on regular terms	-				
2	Miscellaneous revenue	141	Based on regular terms	-				
1	Miscellaneous revenue	3	Based on regular terms	-				
1	Miscellaneous revenue	7,645	Based on regular terms	-				
1	Interest expenses	7,947	Based on regular terms	-				
2	Miscellaneous expense	1,573	Based on regular terms	-				
18	TFN HK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	3,022	Based on regular terms	-	
19	Taiwan Telecommunication Network Services Co., Ltd.	Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. Reach & Range Inc. Mangrove Cable TV Corporation Globalview Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd.	2	Operating revenues	6,364	Based on regular terms	-	
			2	Operating revenues	374	Based on regular terms	-	
			3	Operating revenues	1,036	Based on regular terms	-	
			3	Operating revenues	22	Based on regular terms	-	
			3	Operating revenues	22	Based on regular terms	-	
			2	Operating costs	67	Based on regular terms	-	
			2	Operating costs	24,977	Based on regular terms	-	
			2	Operating expenses	134	Based on regular terms	-	
			2	Operating expenses	(815)	Based on regular terms	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
20	Taiwan Teleservices & Technologies Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	\$ 79,733	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	16,986	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	685	Based on regular terms	-	
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	296	Based on regular terms	-	
		TT&T Holdings Co., Ltd.	2	Accrued expenses	(2,435)	Based on regular terms	-	
		Xiamen Taifu Teleservices & Technologies Ltd.	2	Accrued expenses	10,823	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	1,148	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating revenues	310,885	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	187,086	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating expenses	2,575	Based on regular terms	-	
		TT&T Holdings Co., Ltd.	1	Operating expenses	4,830	Based on regular terms	-	
		Xiamen Taifu Teleservices & Technologies Ltd.	1	Operating expenses	22,480	Based on regular terms	-	
Taiwan Fixed Network Co., Ltd.	2	Operating expenses	7,823	Based on regular terms	-			
Taiwan Mobile Co., Ltd.	2	Rental income	669	Based on regular terms	-			
21	TFN Investment Co., Ltd.	TFN Media Co., Ltd.	1	Other receivables	3,923,679	Based on regular terms	4%	
		Taiwan Mobile Co., Ltd.	2	Operating expenses	33	Based on regular terms	-	
		TFN Media Co., Ltd.	1	Interest income	82,705	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	8,732	Based on regular terms	-	
22	Reach & Range Inc.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	5,352	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	11,031	Based on regular terms	-	
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating revenues	355	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	(2)	Based on regular terms	-	
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating costs	1,036	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating expenses	31	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	599	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Other receivables	159	Based on regular terms	-	
		Union Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-	
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-	
23	WinTV Broadcasting Co., Ltd.	Mangrove Cable TV Corporation	3	Operating revenues	300	Based on regular terms	-	
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-	
		Globalview Cable TV Co., Ltd.	3	Operating revenues	300	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating costs	4	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	577	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	121	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	191	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	4,215	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Accounts receivable	60,050	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	92,509	Payment terms varied depend on the agreements	-	
24	TFN Media Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	4,215	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Accounts receivable	60,050	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	92,509	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Mangrove Cable TV Corporation	1	Accounts receivable	\$ 2,604	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	120,232	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	45,363	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Other receivables	35	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	1	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Prepayments	3	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other intangible assets	1,268	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Accounts payable	1,745	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Accounts payable	365	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts payable	2,172	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Accounts payable	744	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	3,635	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	1,475	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	2,299	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	10,122	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accrued expenses	5,138	Payment terms varied depend on the agreements and based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	25	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	2,280	Payment terms varied depend on the agreements and based on regular terms	-
		Mangrove Cable TV Corporation	1	Accrued expenses	657	Payment terms varied depend on the agreements and based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	2,755	Payment terms varied depend on the agreements and based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	724	Payment terms varied depend on the agreements and based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
	Taiwan Cellular Co., Ltd.		2	Accrued expenses	\$ 1,010	Payment terms varied depend on the agreements	-
	Taiwan Fixed Network Co., Ltd.		2	Accrued expenses	2,559	Payment terms varied depend on the agreements	-
	TFN Investment Co., Ltd.		2	Accrued expenses	23,679	Payment terms varied depend on the agreements	-
	Taiwan Cellular Co., Ltd.		2	Other payables	250,000	Payment terms varied depend on the agreements	-
	Taiwan Fixed Network Co., Ltd.		2	Other payables	1,050,000	Payment terms varied depend on the agreements	1%
	TFN Investment Co., Ltd.		2	Other payables	3,900,000	Payment terms varied depend on the agreements	4%
	Union Cable TV Co., Ltd.		1	Other payables	540,001	Payment terms varied depend on the agreements and based on regular terms	1%
	Shin Ho Cable TV Co., Ltd.		1	Other payables	207,700	Payment terms varied depend on the agreements	-
	Yeong Jialeh Cable TV Co., Ltd.		1	Other payables	130,001	Payment terms varied depend on the agreements and based on regular terms	-
	Mangrove Cable TV Corporation		1	Other payables	138,000	Payment terms varied depend on the agreements	-
	Phoenix Cable TV Co., Ltd.		1	Other payables	500,000	Payment terms varied depend on the agreements	1%
	Globalview Cable TV Co., Ltd.		1	Other payables	350,000	Payment terms varied depend on the agreements	-
	Fu Jia Leh Media Technology Co., Ltd.		3	Advance receipts	2,000,000	Payment terms varied depend on the agreements	2%
	Mangrove Cable TV Corporation		1	Other liabilities	3,299	Payment terms varied depend on the agreements	-
	Globalview Cable TV Co., Ltd.		1	Other liabilities	1,459	Payment terms varied depend on the agreements	-
	Taiwan Fixed Network Co., Ltd.		2	Operating revenues	40,088	Payment terms varied depend on the agreements	-
	Union Cable TV Co., Ltd.		1	Operating revenues	217,336	Payment terms varied depend on the agreements	-
	Shin Ho Cable TV Co., Ltd.		1	Operating revenues	4,762	Payment terms varied depend on the agreements	-
	Yeong Jialeh Cable TV Co., Ltd.		1	Operating revenues	363,041	Payment terms varied depend on the agreements	-
	Mangrove Cable TV Corporation		1	Operating revenues	15,380	Payment terms varied depend on the agreements	-
	North Coast Cable TV Co., Ltd.		1	Operating revenues	7,630	Payment terms varied depend on the agreements	-
	Phoenix Cable TV Co., Ltd.		1	Operating revenues	476,829	Payment terms varied depend on the agreements	1%

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Globalview Cable TV Co., Ltd.	1	Operating revenues	\$ 189,683	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	292	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	58,432	Payment terms varied depend on the agreements and based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating costs	46,026	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	4,172	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	44,320	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	12,162	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating costs	551	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	66,119	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	21,793	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	12,454	Payment terms varied depend on the agreements and based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	2,819	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	3,342	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	478	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	2,353	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating expenses	1,098	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	68	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	3,699	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	838	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Miscellaneous revenue	164	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Miscellaneous revenue	1	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Interest expenses	10,775	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	21,091	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Interest expenses	17,745	Payment terms varied depend on the agreements	-

(Continued)



Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Investment Co., Ltd.	2	Interest expenses	\$ 82,636	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	12,296	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	5,318	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Interest expenses	1,722	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	1,825	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Interest expenses	3,258	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Interest expenses	6,589	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	7,948	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Miscellaneous expense	37	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Miscellaneous expense	7	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Miscellaneous expense	19	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Miscellaneous expense	10	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Miscellaneous expense	4	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Miscellaneous expense	30	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Miscellaneous expense	17	Based on regular terms	-
25	Union Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	392	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	6,830	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other receivables	540,042	Payment terms varied depend on the agreements and based on regular terms	1%
		TFN Media Co., Ltd.	2	Accounts payable	49,410	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation Taiwan Mobile Co., Ltd.	3	Accounts payable	72	Based on regular terms	-
			2	Accrued expenses	30	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	29	Based on regular terms	-
		TFN Media Co., Ltd.	2	Accrued expenses	1	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	10,640	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	703	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	48,870	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Operating revenues	6	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. WinTV Broadcasting Co., Ltd. TFN Media Co., Ltd. Mangrove Cable TV Corporation Taiwan Mobile Co., Ltd. Taiwan Fixed Network Co., Ltd. TFN Media Co., Ltd. TFN Media Co., Ltd. TFN Media Co., Ltd.	2 2 3 2 3 2 2 2 2	Operating costs Operating costs Operating costs Operating costs Operating costs Operating expenses Operating expenses Operating expenses Interest income Miscellaneous revenue	\$ 283 358 300 197,640 74 246 1,771 19,695 12,296 534	Based on regular terms Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Based on regular terms Payment terms varied depend on the agreements and based on regular terms Payment terms varied depend on the agreements and based on regular terms Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements and based on regular terms	- - - - - - - - - -	
26	Shin Ho Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd. TFN Media Co., Ltd. TFN Media Co., Ltd. Taiwan Mobile Co., Ltd. TFN Media Co., Ltd. Union Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. Union Cable TV Co., Ltd. Taiwan Mobile Co., Ltd. TFN Media Co., Ltd. TFN Media Co., Ltd. TFN Media Co., Ltd.	2 2 2 2 2 3 2 3 2 2 2 2	Accounts receivable Accounts receivable Other receivables Accrued expenses Operating revenues Operating revenues Operating costs Operating costs Operating expenses Operating expenses Interest income Miscellaneous revenue	26 390 207,700 3 4,172 416 25 416 161 4,762 5,318 485	Payment terms varied depend on the agreements Payment terms varied depend on the agreements and based on regular terms Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Based on regular terms Based on regular terms Based on regular terms Payment terms varied depend on the agreements and based on regular terms Payment terms varied depend on regular terms Payment terms varied depend on the agreements Payment terms varied depend on the agreements Based on regular terms	- - - - - - - - - - - - -	

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
27	Yeong Jialoh Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	\$ 1,443	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	4,429	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	130,000	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Other current assets	19	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	22	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Accounts payable	81,331	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	86	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	60	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	11,178	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	3,960	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	46,166	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	223	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	257	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	256	Payment terms varied depend on the agreements	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating costs	325,323	Payment terms varied depend on the agreements	-
Union Cable TV Co., Ltd.	3	Operating costs	223	Based on regular terms	-		
Taiwan Mobile Co., Ltd.	2	Operating expenses	258	Payment terms varied depend on the agreements and based on regular terms	-		
Taiwan Fixed Network Co., Ltd.	2	Operating expenses	684	Payment terms varied depend on the agreements and based on regular terms	-		
TFN Media Co., Ltd.	2	Operating expenses	37,717	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Interest income	1,722	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Miscellaneous revenue	526	Based on regular terms	-		

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
28	Mangrove Cable TV Corporation	Taiwan Mobile Co., Ltd.	2	Accounts receivable	\$ 186	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Accounts receivable	1,304	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	71	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other receivables	138,097	Payment terms varied depend on the agreements and based on regular terms	-
		TFN Media Co., Ltd.	2	Other intangible assets	3,299	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	120	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	10	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	60	Based on regular terms	-
		TFN Media Co., Ltd.	2	Other payables	2,604	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Operating revenues	12,478	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	60	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating revenues	11	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	175	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	2,167	Payment terms varied depend on the agreements and based on regular terms	-
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating costs	59	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	3	Operating costs	11	Based on regular terms	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	146	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	667	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	22	Based on regular terms	-
TFN Media Co., Ltd.	2	Operating expenses	15,380	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Interest income	1,825	Payment terms varied depend on the agreements	-		
TFN Media Co., Ltd.	2	Miscellaneous revenue	793	Based on regular terms	-		
Union Cable TV Co., Ltd.	3	Miscellaneous revenue	68	Based on regular terms	-		
29	North Coast Cable TV Co., Ltd.	TFN Media Co., Ltd.	2	Operating revenues	551	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating costs	20	Based on regular terms	-
		TFN Media Co., Ltd.	2	Operating costs	5,775	Payment terms varied depend on the agreements	-
		Taiwan Mobile Co., Ltd.	2	Operating expenses	13	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	63	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		TFN Media Co., Ltd.	2	Operating expenses	\$ 1,855	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Interest income	3,258	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Miscellaneous revenue	71	Based on regular terms	-	
30	Phoenix Cable TV Co., Ltd.	Taiwan Mobile Co., Ltd.	2	Accounts receivable	1,134	Payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	113	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Accounts receivable	6,272	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Other receivables	500,118	Payment terms varied depend on the agreements and based on regular terms	1%	
		TFN Media Co., Ltd.	2	Accounts payable	108,422	Payment terms varied depend on the agreements	-	
		Taiwan Mobile Co., Ltd.	2	Accrued expenses	87	Payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	453	Payment terms varied depend on the agreements and based on regular terms	-	
		TFN Media Co., Ltd.	2	Other payables	11,810	Payment terms varied depend on the agreements and based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	5,491	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Operating revenues	68,616	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	3	Operating revenues	506	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating costs	379	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	3,588	Payment terms varied depend on the agreements	-	
		WinTV Broadcasting Co., Ltd.	3	Operating costs	300	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Operating costs	433,687	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	3	Operating costs	506	Based on regular terms	-	
		Taiwan Mobile Co., Ltd.	2	Operating expenses	555	Payment terms varied depend on the agreements and based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,865	Based on regular terms	-	
		TFN Media Co., Ltd.	2	Operating expenses	43,143	Payment terms varied depend on the agreements	-	
		TFN Media Co., Ltd.	2	Interest income	6,589	Payment terms varied depend on the agreements	-	

(Continued)



Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Media Co., Ltd.	2	Interest income	\$ 7,947	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	2	Rental income	34	Payment terms varied depend on the agreements	-
		TFN Media Co., Ltd.	2	Miscellaneous revenue	461	Based on regular terms	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)

TABLE 10

## TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
YEAR ENDED DECEMBER 31, 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	\$ 73,498	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts receivable (20)		Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accounts receivable	218,970	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	108	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other receivables	217,895	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Other receivables	2,009,353	Based on regular terms	2%
		Tai Yi Digital Broadcasting Co., Ltd.	1	Other receivables	60	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Other receivables	935	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other receivables	55,636	Based on regular terms	-
		TFN Media Ltd.	1	Other receivables	250,487	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Prepayments	71	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Prepayments	238	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current assets	204	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accounts payable	19,609	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accounts payable	6	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accrued expenses	767	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Accrued expenses	159,147	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Accrued expenses	13,500	Based on regular terms	-
		Taipei Fubon Commercial Bank Co., Ltd.	1	Accrued expenses	134,734	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Accrued expenses	30	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accrued expenses	251,648	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Other payables	94,611	Based on regular terms	2%
		Taiwan Fixed Network Co., Ltd.	1	Other payables	465	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Advance receipts	192	Based on regular terms	-
		Mobitai Communications	1	Advance receipts	34	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Advance receipts	43	Based on regular terms	-
		Taiwan Digital Communications Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Teleservices & Technologies 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	-
		TT&T Casualty & Property Insurance Agency Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taipei Fubon Commercial Bank Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		Taiwan United Communication Co., Ltd.	1	Advance receipts	34	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	1	Advance receipts	24	Based on regular terms	-

(Continued)



Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		TransAsia Telecommunications Inc.	1	Other current liabilities	\$ 239,384	Based on regular terms	-
		Tai Yi Digital Broadcasting Co., Ltd.	1	Other current liabilities	75	Based on regular terms	-
		Taipei Fubon Commercial Bank Co., Ltd.	1	Other current liabilities	48	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Other current liabilities	334,846	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Guarantee deposits	830	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating revenues	584,457	Based on regular terms	1%
		Mobitai Communications	1	Operating revenues	242,924	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating revenues	6	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating revenues	24,799	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating revenues	405	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	1	Operating revenues	1,186,217	Based on regular terms	2%
		Reach & Range Inc.	1	Operating revenues	1,385	Based on regular terms	-
		TFN Media Ltd.	1	Operating revenues	448	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating revenues	95	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	586	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	151	Based on regular terms	-
		Yeong Jialoh Cable TV Co., Ltd.	1	Operating revenues	305	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating revenues	261	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating revenues	99	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	1,162	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	539	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Operating costs	295,200	Based on regular terms	-
		Mobitai Communications	1	Operating costs	185,391	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating costs	55	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating costs	1,943	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	1	Operating costs	656,116	Based on regular terms	1%
		Taiwan Teleservices & Technologies Co., Ltd.	1	Operating expenses	873,106	Based on regular terms	1%
		Taipei Fubon Commercial Bank Co., Ltd.	1	Operating expenses	13,500	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Operating expenses	468	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	1	Operating expenses	64,008	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	206	Based on regular terms	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	40	Based on regular terms	-
		Yeong Jialoh Cable TV Co., Ltd.	1	Operating expenses	246	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Operating expenses	50	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	30	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	633	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	175	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Interest income	4,353	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	1	Interest income	213,510	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	1	Interest income	4,793	Based on regular terms	-
		TFN Media Ltd.	1	Interest income	487	Based on regular terms	-
		TransAsia Telecommunications Inc.	1	Rental income	2	Based on regular terms	-
		Mobitai Communications	1	Rental income	18	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	1	Rental income	34	Based on regular terms	-
		Wealth Media Technology Co., Ltd.	1	Rental income	14	Based on regular terms	-
		Tai Fu Media Technology Co., Ltd.	1	Rental income	9	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Tai Yi Digital Broadcasting Co., Ltd. Taiwan Digital Communications Co., Ltd. Taiwan Teleservices & Technologies Co., Ltd. TT&T Life Insurance Agency Co., Ltd. TT&T Casualty & Property Insurance Agency Co., Ltd. Taipei Fubon Commercial Bank Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan United Communication Co., Ltd. The former Taiwan Fixed Network Co., Ltd. Win TV Broadcasting Co., Ltd. Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd. TransAsia Telecommunications Inc.	1 1 1 1 1 1 1 1 1 1 1 1 1	Rental income Rental income Rental income Rental income Rental income Rental income Rental income Rental income Miscellaneous revenue Interest expenses Miscellaneous expense	\$ 34 20 34 34 10 34 26 51,331 10 32,504 6 698	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - - - - - - -
1	TransAsia Telecommunications Inc.	The Corporation Taiwan Teleservices & Technologies Co., Ltd. Taiwan Fixed Network Co., Ltd. Reach & Range Inc. The Corporation Taiwan Cellular Co., Ltd. The Corporation The Corporation The Corporation Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. The Corporation The Corporation Taiwan Fixed Network Co., Ltd. The Corporation The Corporation Taiwan Fixed Network Co., Ltd. Mobitai Communications Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd. Reach & Range Inc. The Corporation Mobitai Communications Taiwan Teleservices & Technologies Co., Ltd. Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. Taiwan Cellular Co., Ltd. The Corporation The former Taiwan Fixed Network Co., Ltd. The Corporation	2 3 3 3 2 2 2 3 2 3 2 3 2 2 2 3 2 2 3 3 3 3 2 3 3 3 2 3 3 2 3 2	Accounts receivable Accounts receivable Accounts receivable Accounts receivable Other receivables Other receivables Prepayments Accounts payable Accrued expenses Accrued expenses Other payables Other payables Advance receipts Other current liabilities Other current liabilities Operating revenues Operating revenues Operating revenues Operating revenues Operating costs Operating costs Operating costs Operating costs Operating expenses Operating expenses Interest income Rental income Miscellaneous revenue	19,754 1 5,150 108 491,482 902,871 656 75,158 148,344 4,048 67,871 1,426 71 58 3,822 295,200 6,235 552 30,599 1,892 584,457 3,169 (148) 30,666 34 112 1,038 19 284 698	Based on regular terms Based on regular terms	- - - 1% 1% - - - - - - - - - - - - - 1% - - - - - - - - - - - - - - - -

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
2	Mobitai Communications	The Corporation TransAsia Telecommunications Inc. Taiwan Teleservices & Technologies Co., Ltd. The former Taiwan Fixed Network Co., Ltd. The Corporation TransAsia Telecommunications Inc. The former Taiwan Fixed Network Co., Ltd. Reach & Range Inc. The Corporation The former Taiwan Fixed Network Co., Ltd. Taiwan Cellular Co., Ltd. The Corporation	2	Operating revenues	\$ 185,009	Based on regular terms	-	
			3	Operating revenues	3,169	Based on regular terms	-	
			3	Operating revenues	10	Based on regular terms	-	
			3	Operating revenues	5,663	Based on regular terms	-	
			2	Operating costs	242,924	Based on regular terms	-	
			3	Operating costs	6,235	Based on regular terms	-	
			3	Operating costs	2,329	Based on regular terms	-	
			2	Operating costs	1,723	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
			3	Operating expenses	679	Based on regular terms	-	
			3	Interest income	12,826	Based on regular terms	-	
			2	Rental income	382	Based on regular terms	-	
3	Taiwan Cellular Co., Ltd.	Xiamen Taifu Teleservices & Technologies Ltd. Taiwan Teleservices & Technologies Co., Ltd. Taiwan Fixed Network Co., Ltd. TFN Media Ltd. The Corporation TransAsia Telecommunications Inc. TransAsia Telecommunications Inc. The Corporation Taiwan Fixed Network Co., Ltd. TFN Media Ltd. TT&T Holdings Co., Ltd. Xiamen Taifu Teleservices & Technologies Ltd. TransAsia Telecommunications Inc. Mobitai Communications	1	Accounts receivable	101	Based on regular terms	-	
			1	Other receivables	215	Based on regular terms	-	
			1	Other receivables	2,501,051	Based on regular terms	3%	
			1	Other receivables	1,252,434	Based on regular terms	1%	
			2	Prepayments	34	Based on regular terms	-	
			1	Short-term loans	900,000	Based on regular terms	1%	
			3	Accrued interest expenses	2,871	Based on regular terms	-	
			2	Operating expenses	34	Based on regular terms	-	
			1	Interest income	1,051	Based on regular terms	-	
			1	Interest income	2,434	Based on regular terms	-	
			1	Miscellaneous revenue	95	Based on regular terms	-	
			1	Miscellaneous revenue	95	Based on regular terms	-	
3	Interest expenses	1,038	Based on regular terms	-				
1	Interest expenses	12,826	Based on regular terms	-				
4	Wealth Media Technology Co., Ltd.	The Corporation The Corporation	2	Prepayments	34	Based on regular terms	-	
			2	Operating expenses	14	Based on regular terms	-	
5	Tai Fu Media Technology Co., Ltd.	The Corporation The Corporation The Corporation The Corporation The Corporation	2	Prepayments	34	Based on regular terms	-	
			2	Accrued interest expenses	4,353	Based on regular terms	-	
			2	Other payables	2,005,000	Based on regular terms	2%	
			2	Operating expenses	9	Based on regular terms	-	
			2	Interest expenses	4,353	Based on regular terms	-	
6	Global Wealth Media Technology Co., Ltd.	Globalview Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Globalview Cable TV Co., Ltd.	3	Prepayments	34	Based on regular terms	-	
			3	Accrued expenses	42	Based on regular terms	-	
			3	Operating expenses	6	Based on regular terms	-	
7	Tai Yi Digital Broadcasting Co., Ltd.	The Corporation The Corporation	2	Prepayments	43	Based on regular terms	-	
			2	Refundable deposits	15	Based on regular terms	-	
8	Taiwan Digital Communications Co., Ltd.	The Corporation The Corporation	2	Operating expenses	35	Based on regular terms	-	
			2	Prepayments	34	Based on regular terms	-	
			2	Operating expenses	20	Based on regular terms	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
9	Taiwan Teleservices & Technologies Co., Ltd.	The Corporation Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. The Corporation The Corporation Taiwan Cellular Co., Ltd. TT&T Holdings Co., Ltd. Xiamen Taifu Teleservices & Technologies Ltd. Taiwan Fixed Network Co., Ltd. The Corporation TransAsia Telecommunications Inc. The former Taiwan Fixed Network Co., Ltd. The Corporation TT&T Holdings Co., Ltd. Xiamen Taifu Teleservices & Technologies Ltd. Taiwan Fixed Network Co., Ltd. The Corporation	2	Accounts receivable	\$ 158,849	Based on regular terms	-
			3	Accounts receivable	4,938	Based on regular terms	-
			2	Other receivables	303	Based on regular terms	-
			3	Taiwan Fixed Network Co., Ltd.	431	Based on regular terms	-
			2	The Corporation	34	Based on regular terms	-
			2	The Corporation	934	Based on regular terms	-
			2	Taiwan Cellular Co., Ltd.	216	Based on regular terms	-
			1	TT&T Holdings Co., Ltd.	(1,266)	Based on regular terms	-
			1	Xiamen Taifu Teleservices & Technologies Ltd.	8,707	Based on regular terms	-
			3	Taiwan Fixed Network Co., Ltd.	148	Based on regular terms	-
			2	The Corporation	875,715	Based on regular terms	1%
			3	TransAsia Telecommunications Inc.	(148)	Based on regular terms	-
			3	The former Taiwan Fixed Network Co., Ltd.	14,323	Based on regular terms	-
2	The Corporation	6,602	Based on regular terms	-			
1	TT&T Holdings Co., Ltd.	10,646	Based on regular terms	-			
1	Xiamen Taifu Teleservices & Technologies Ltd.	55,246	Based on regular terms	-			
3	Taiwan Fixed Network Co., Ltd.	1,786	Based on regular terms	-			
2	The Corporation	4,015	Based on regular terms	-			
10	TT&T Life Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
		The Corporation	2	Operating expenses	34	Based on regular terms	-
11	TT&T Casualty & Property Insurance Agency Co., Ltd.	The Corporation	2	Prepayments	34	Based on regular terms	-
		The Corporation	2	Operating expenses	34	Based on regular terms	-
12	Taipei Fubon Commercial Bank Co., Ltd.	The Corporation	2	Accounts receivable	13,548	Based on regular terms	-
		The Corporation	2	Prepayments	34	Based on regular terms	-
		The Corporation	2	Operating revenues	13,500	Based on regular terms	-
		The Corporation	2	Operating expenses	10	Based on regular terms	-
13	TT&T Holdings Co., Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	2,447	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts payable	3,701	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	10,682	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	101	Based on regular terms	-
14	Xiamen Taifu Teleservices & Technologies Ltd.	Taiwan Teleservices & Technologies Co., Ltd.	2	Accounts receivable	8,780	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Accrued expenses	102	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating revenues	55,176	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Operating expenses	100	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	2	Operating expenses	8	Based on regular terms	-
15	Taiwan Fixed Network Co., Ltd.	Taiwan Telecommunication Network Services Co., Ltd.	1	Notes receivable	1,794	Based on regular terms	-
		The Corporation	2	Accounts receivable	351,873	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts receivable	6,516	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accounts receivable	148	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Accounts receivable	3,382	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Investment Co., Ltd.	1	Accounts receivable	\$ 1,260	Based on regular terms	-
		Reach & Range Inc.	1	Accounts receivable	5,311	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Accounts receivable	11,055	Based on regular terms	-
		TFN Media Ltd.	1	Accounts receivable	16,471	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts receivable	6	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Accounts receivable	153	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Accounts receivable	65	Based on regular terms	-
		North Coast Cable TV Co., Ltd.	1	Accounts receivable	21	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Accounts receivable	814	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts receivable	82	Based on regular terms	-
		The Corporation	2	Other receivables	1,775	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Other receivables	234,263	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Other receivables	45	Based on regular terms	-
		TFN Media Ltd.	1	Other receivables	1,702	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Other receivables	94	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Other receivables	143	Based on regular terms	-
		Mangrove Cable TV Corporation	1	Other receivables	48	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Other receivables	139	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Other receivables	201	Based on regular terms	-
		The Corporation	2	Prepayments	64	Based on regular terms	-
		The Corporation	2	Refundable deposits	830	Based on regular terms	-
		Taiwan Cellular Co., Ltd.	2	Short-term loans	2,500,000	Based on regular terms	3%
		TFN Media Ltd.	1	Notes payable	1	Based on regular terms	-
		The Corporation	2	Accounts payable	1,013	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Accounts payable	1,931	Based on regular terms	-
		Reach & Range Inc.	1	Accounts payable	10,879	Based on regular terms	-
		TFN Media Ltd.	1	Accounts payable	3,912	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Accounts payable	17	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	201	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Accounts payable	15	Based on regular terms	-
		TFN HK	1	Accounts payable	494	Based on regular terms	-
		The Corporation	2	Accrued expenses	64,057	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Accrued expenses	5,245	Based on regular terms	-
		Reach & Range Inc.	1	Accrued expenses	3	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Accrued interest expenses	1,036	Based on regular terms	-
		The Corporation	2	Advance receipts	233	Based on regular terms	-
		TFN Media Ltd.	1	Other liabilities	8,875	Based on regular terms	-
		The Corporation	2	Operating revenues	2,176	Based on regular terms	-
		TransAsia Telecommunications Inc.	3	Operating revenues	42	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating revenues	4	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Operating revenues	1	Based on regular terms	-
		TFN Media Ltd.	1	Operating revenues	640	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating revenues	1	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	2	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating revenues	1	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
16	Taiwan United Communication Co., Ltd. The Corporation	The Corporation TransAsia Telecommunications Inc. TFN Media Ltd. The Corporation TFN Media Ltd. The Corporation Taiwan Cellular Co., Ltd. TFN Investment Co., Ltd. The Corporation	2	Operating costs	\$ 24,775	Based on regular terms	-
			3	Operating costs	552	Based on regular terms	-
			1	Operating costs	472	Based on regular terms	-
			2	Operating expenses	51	Based on regular terms	-
			1	Operating expenses	(8)	Based on regular terms	-
			2	Interest expenses	213,510	Based on regular terms	-
			2	Interest expenses	1,051	Based on regular terms	-
			1	Interest expenses	329	Based on regular terms	-
			2	Miscellaneous expense	32,425	Based on regular terms	-
			2	Prepayments	34	Based on regular terms	-
2	Operating expenses	26	Based on regular terms	-			
17	Taiwan Telecommunication Network Services Co., Ltd. Reach & Range Inc. Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. The Corporation Reach & Range Inc. The former Taiwan Fixed Network Co., Ltd. Reach & Range Inc. Mangrove Cable TV Corporation Globalview Cable TV Co., Ltd. The Corporation The former Taiwan Fixed Network Co., Ltd. The Corporation	Taiwan Fixed Network Co., Ltd. Reach & Range Inc. Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. The Corporation Reach & Range Inc. The former Taiwan Fixed Network Co., Ltd. Reach & Range Inc. Mangrove Cable TV Corporation Globalview Cable TV Co., Ltd. The Corporation The former Taiwan Fixed Network Co., Ltd. The Corporation	2	Accounts receivable	24	Based on regular terms	-
			3	Accounts receivable	208	Based on regular terms	-
			2	Notes payable	1,794	Based on regular terms	-
			2	Accounts payable	8	Based on regular terms	-
			2	Accounts payable	3,717	Based on regular terms	-
			2	Accrued expenses	104	Based on regular terms	-
			3	Accrued expenses	126	Based on regular terms	-
			2	Operating revenues	122	Based on regular terms	-
			3	Operating revenues	791	Based on regular terms	-
			3	Operating revenues	9	Based on regular terms	-
3	Operating revenues	12	Based on regular terms	-			
2	Operating costs	115	Based on regular terms	-			
2	Operating costs	8,304	Based on regular terms	-			
2	Operating expenses	243	Based on regular terms	-			
18	The former Taiwan Fixed Network Co., Ltd. TransAsia Telecommunications Inc. Mobitai Communications Taiwan Teleservices & Technologies Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. TFN Investment Co., Ltd. Hong Yuan Investment Co., Ltd. Reach & Range Inc. Win TV Broadcasting Co., Ltd. TFN Media Ltd. Fu Yang Multimedia Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation North Coast Cable TV Co., Ltd. Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. TFN HK	The Corporation TransAsia Telecommunications Inc. Mobitai Communications Taiwan Teleservices & Technologies Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. TFN Investment Co., Ltd. Hong Yuan Investment Co., Ltd. Reach & Range Inc. Win TV Broadcasting Co., Ltd. TFN Media Ltd. Fu Yang Multimedia Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation North Coast Cable TV Co., Ltd. Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. TFN HK	2	Operating revenues	713,317	Based on regular terms	1%
			3	Operating revenues	30,667	Based on regular terms	-
			3	Operating revenues	2,746	Based on regular terms	-
			3	Operating revenues	365	Based on regular terms	-
			1	Operating revenues	4,548	Based on regular terms	-
			1	Operating revenues	1,585	Based on regular terms	-
			1	Operating revenues	417	Based on regular terms	-
			1	Operating revenues	5,316	Based on regular terms	-
			1	Operating revenues	(56)	Based on regular terms	-
			1	Operating revenues	38,413	Based on regular terms	-
1	Operating revenues	(2,917)	Based on regular terms	-			
1	Operating revenues	663	Based on regular terms	-			
1	Operating revenues	6,691	Based on regular terms	-			
1	Operating revenues	435	Based on regular terms	-			
1	Operating revenues	40	Based on regular terms	-			
1	Operating revenues	3,484	Based on regular terms	-			
1	Operating revenues	401	Based on regular terms	-			
1	Operating revenues	533	Based on regular terms	-			

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		The Corporation	2	Operating costs	\$ 1,174,546	Based on regular terms	2%
		TransAsia Telecommunications Inc.	3	Operating costs	30,760	Based on regular terms	-
		Mobitai Communications	3	Operating costs	5,676	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	1	Operating costs	99	Based on regular terms	-
		Reach & Range Inc.	1	Operating costs	14,661	Based on regular terms	-
		TFN Media Ltd.	1	Operating costs	564	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating costs	14,359	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	186	Based on regular terms	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	1,386	Based on regular terms	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	127	Based on regular terms	-
		TFNHK	1	Operating costs	2,096	Based on regular terms	-
		The Corporation	2	Operating expenses	60,417	Based on regular terms	-
		Taiwan Teleservices & Technologies Co., Ltd.	3	Operating expenses	11,427	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Operating expenses	(43)	Based on regular terms	-
		Hong Yuan Investment Co., Ltd.	1	Operating expenses	(22)	Based on regular terms	-
		Reach & Range Inc.	1	Operating expenses	232	Based on regular terms	-
		Win TV Broadcasting Co., Ltd.	1	Operating expenses	(151)	Based on regular terms	-
		TFN Media Ltd.	1	Operating expenses	(1,196)	Based on regular terms	-
		Fu Yang Multimedia Co., Ltd.	1	Operating expenses	(1,290)	Based on regular terms	-
		The Corporation	2	Interest income	6	Based on regular terms	-
		The Corporation	2	Penalty income	(1)	Based on regular terms	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Rental income	1	Based on regular terms	-
		The Corporation	2	Miscellaneous revenue	7,035	Based on regular terms	-
		TFN Media Ltd.	1	Interest expenses	5,368	Based on regular terms	-
		The Corporation	2	Interest expenses	4,793	Based on regular terms	-
		TFN Investment Co., Ltd.	1	Miscellaneous expense	10,854	Based on regular terms	-
		The Corporation	2	Other receivables	77	Based on regular terms	-
19	TFN Investment Co., Ltd.	TFN Media Ltd.	1	Other receivables	4,051,336	Based on regular terms	4%
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	4	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	2,34,259	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	8	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	1,748	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Interest income	329	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Interest income	10,854	Based on regular terms	-
		TFN Media Ltd.	1	Interest income	1,947	Based on regular terms	-
20	Reach & Range Inc.	Taiwan Telecommunication Network Services Co., Ltd.	3	Accounts receivable	246	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	12,149	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	(4)	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Accounts payable	208	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	5,312	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Other current liabilities	1,216	Based on regular terms	-
		Mobitai Communications	3	Operating revenues	1,114	Based on regular terms	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating revenues	358	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		The former Taiwan Fixed Network Co., Ltd. The Corporation TransAsia Telecommunications Inc. Taiwan Fixed Network Co., Ltd. Taiwan Telecommunication Network Services Co., Ltd. The former Taiwan Fixed Network Co., Ltd. The Corporation Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd.	2 2 3 3 2 2 2	Operating revenues Operating costs Operating costs Operating costs Operating costs Operating expenses Operating expenses	\$ 13,568 1,845 1,892 1,015 790 (694) 19 7,079 (869)	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - -	
21	Win TV Broadcasting Co., Ltd.	Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd.	2 2 2 2 2 2	Notes payable Accounts payable Other payables Long-term accounts payables Operating costs Operating expenses	65 3,464 7,221 3,327 399 74	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - -	
22	TFN Media Ltd.	Taiwan Fixed Network Co., Ltd. Union Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation North Coast Cable TV Co., Ltd. Phoenix Cable TV Co., Ltd. Globalview Cable TV Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. Taiwan Fixed Network Co., Ltd. The former Taiwan Fixed Network Co., Ltd. Union Cable TV Co., Ltd. Shin Ho Cable TV Co., Ltd. Yeong Jialeh Cable TV Co., Ltd. Mangrove Cable TV Corporation	2 1 1 1 1 1 1 2 2 2 2 1 1 1 1	Accounts receivable Accounts receivable Accounts receivable Accounts receivable Accounts receivable Accounts receivable Accounts receivable Other current assets Other intangible assets Notes payable Notes payable Accounts payable Accounts payable Accounts payable Accounts payable	3,913 27,386 32,422 842 4,432 47,045 15,638 5 8,875 4,960 (4,960) 1,640 597 2,114 489	Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Based on regular terms Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements Payment terms varied depend on the agreements	- - - - - - - - - - - - - - -	

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Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		North Coast Cable TV Co., Ltd.	1	Accounts payable	\$ 442	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	1	Accounts payable	3,518	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Accounts payable	1,463	Payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	15,150	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	(4,960)	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Accrued expenses	4,910	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	1	Accrued expenses	74	Payment terms varied depend on the agreements	-	
		Yeong Jialoh Cable TV Co., Ltd.	1	Accrued expenses	2,863	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Accrued expenses	295	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Accrued expenses	43	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	1	Accrued expenses	3,899	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Accrued expenses	417	Payment terms varied depend on the agreements	-	
		The Corporation	2	Accrued interest expenses	504	Payment terms varied depend on the agreements	-	
		Taiwan Cellular Co., Ltd.	2	Accrued interest expenses	2,521	Payment terms varied depend on the agreements	-	
		TFN Investment Co., Ltd.	2	Accrued interest expenses	2,016	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Accrued interest expenses	5,368	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	1	Accrued interest expenses	2,134	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Accrued interest expenses	772	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Accrued interest expenses	2,512	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Accrued interest expenses	3,768	Payment terms varied depend on the agreements	-	
		The Corporation	2	Other payables	250,000	Payment terms varied depend on the agreements	-	
		Taiwan Cellular Co., Ltd.	2	Other payables	1,250,000	Payment terms varied depend on the agreements	1%	
		Taiwan Fixed Network Co., Ltd.	2	Other payables	1,305	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		TFN Investment Co., Ltd.	2	Other payables	\$ 4,049,389	Payment terms varied depend on the agreements	4%	
		Union Cable TV Co., Ltd.	1	Other payables	461,871	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	1	Other payables	209,571	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Other payables	1,871	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Other payables	44,871	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Other payables	141,871	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	1	Other payables	1,871	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Other payables	211,871	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Other liabilities	5,336	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Other liabilities	4,477	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Other liabilities	4,477	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Other liabilities	5,835	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating revenues	1,037	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Operating revenues	136,768	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	1	Operating revenues	573	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating revenues	201,987	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Operating revenues	887	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Operating revenues	36,409	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	1	Operating revenues	305,208	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Operating revenues	118,664	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating costs	264	Based on regular terms	-	
		Taiwan Fixed Network Co., Ltd.	2	Operating costs	640	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating costs	42,649	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	1	Operating costs	18,946	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		Shin Ho Cable TV Co., Ltd.	1	Operating costs	\$ 568	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating costs	11,332	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating costs	1,236	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating costs	421	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating costs	16,784	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating costs	2,457	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	132	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	3,411	Based on regular terms	-
		Union Cable TV Co., Ltd.	1	Operating expenses	2,400	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Operating expenses	471	Payment terms varied depend on the agreements	-
		Yeong Jialeh Cable TV Co., Ltd.	1	Operating expenses	1,237	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Operating expenses	254	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Operating expenses	90	Payment terms varied depend on the agreements	-
		Phoenix Cable TV Co., Ltd.	1	Operating expenses	2,114	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Operating expenses	409	Payment terms varied depend on the agreements	-
		The Corporation	2	Miscellaneous revenue	2	Based on regular terms	-
		The Corporation	2	Interest expenses	504	Payment terms varied depend on the agreements	-
		Taiwan Cellular Co., Ltd.	2	Interest expenses	2,521	Payment terms varied depend on the agreements	-
		TFN Investment Co., Ltd.	2	Interest expenses	2,016	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Interest expenses	1,002	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	1	Interest expenses	441	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	1	Interest expenses	96	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	1	Interest expenses	311	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	1	Interest expenses	467	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		Shin Ho Cable TV Co., Ltd.	1	Miscellaneous expense	\$ 1,871	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	1	Miscellaneous expense	1,871	Payment terms varied depend on the agreements	-	
23	Fu Yang Multimedia Co., Ltd.	The former Taiwan Fixed Network Co., Ltd.	2	Operating revenues	14,058	Payment terms varied depend on the agreements	-	
		Union Cable TV Co., Ltd.	3	Operating revenues	12,231	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	3	Operating revenues	4,285	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating revenues	21,696	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	3	Operating revenues	6,619	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	3	Operating revenues	5,001	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	3	Operating revenues	27,342	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	3	Operating revenues	13,331	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating costs	6	Based on regular terms	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating costs	128	Based on regular terms	-	
		Union Cable TV Co., Ltd.	3	Operating costs	11,437	Payment terms varied depend on the agreements	-	
		Shin Ho Cable TV Co., Ltd.	3	Operating costs	4,067	Payment terms varied depend on the agreements	-	
		Yeong Jialeh Cable TV Co., Ltd.	3	Operating costs	13,536	Payment terms varied depend on the agreements	-	
		Mangrove Cable TV Corporation	3	Operating costs	3,287	Payment terms varied depend on the agreements	-	
		North Coast Cable TV Co., Ltd.	3	Operating costs	3,265	Payment terms varied depend on the agreements	-	
		Phoenix Cable TV Co., Ltd.	3	Operating costs	23,264	Payment terms varied depend on the agreements	-	
		Globalview Cable TV Co., Ltd.	3	Operating costs	9,750	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		The Corporation Taiwan Telecommunication Network Services Co., Ltd. The former Taiwan Fixed Network Co., Ltd.	2 3 2	Operating expenses Operating expenses Operating expenses	\$ 59 194 2,833	Based on regular terms Based on regular terms Payment terms varied depend on the agreements and based on regular terms	- - -
		Yeong Jialeh Cable TV Co., Ltd.	3	Miscellaneous revenue	1,100	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Miscellaneous revenue	1,100	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Interest expenses	5,335	Payment terms varied depend on the agreements	-
		Shin Ho Cable TV Co., Ltd.	3	Interest expenses	2,346	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation	3	Interest expenses	937	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Interest expenses	3,049	Payment terms varied depend on the agreements	-
		Globalview Cable TV Co., Ltd.	3	Interest expenses	4,574	Payment terms varied depend on the agreements	-
24	Union Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	18	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	6,549	Payment terms varied depend on the agreements or based on regular terms	-
		Mangrove Cable TV Corporation TFN Media Ltd.	3 2	Accounts receivable Other receivables	16 467,239	Based on regular terms Payment terms varied depend on the agreements or based on regular terms	- -
		Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2 2	Prepayments Accounts payable	1 16,758	Based on regular terms Payment terms varied depend on the agreements	- -
		Globalview Cable TV Co., Ltd. Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	3 2 2	Accounts payable Other payables Other payables	2 94 10,628	Based on regular terms Based on regular terms Payment terms varied depend on the agreements	- - -
		The Corporation	2	Operating revenues	206	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2 2	Operating revenues Operating revenues	146 20,757	Payment terms varied depend on the agreements Payment terms varied depend on the agreements	- -
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues	11,437	Payment terms varied depend on the agreements or based on regular terms	-
		Mangrove Cable TV Corporation Globalview Cable TV Co., Ltd.	3 3	Operating revenues Operating revenues	75 32	Payment terms varied depend on the agreements Based on regular terms Based on regular terms	- - -

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		The Corporation TFN Media Ltd.	2	Operating costs	\$ 191	Based on regular terms	-	
			2	Operating costs	135,130	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating expenses	129	Based on regular terms	-	
		The former Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Operating expenses	977	Based on regular terms	-	
			2	Operating expenses	1,638	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	12,231	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Interest income	1,002	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Interest income	5,335	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Miscellaneous revenue	2,409	Based on regular terms	-	
25	Shin Ho Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable	671	Based on regular terms	-	
		TFN Media Ltd.	2	Other receivables	211,705	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating revenues	40	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Operating revenues	568	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues	4,067	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating costs	48	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating expenses	16	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Operating expenses	574	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	4,284	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Interest income	441	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Interest income	2,346	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Miscellaneous revenue	2,341	Based on regular terms	-	
26	Yeong Jialeh Cable TV Co., Ltd.	The Corporation	2	Accounts receivable	30	Payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	49	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Accounts receivable	4,977	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Other receivables	1,871	Based on regular terms	-	
		TFN Media Ltd.	2	Other current assets	22	Based on regular terms	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	
		TFN Media Ltd.	2	Other intangible assets	\$ 4,851	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Other intangible assets	485	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accounts payable	67	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable	24,689	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	59	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other payables	143	Based on regular terms	-
		TFN Media Ltd.	2	Other payables	7,733	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating revenues	247	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating revenues	153	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues	12,190	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues	13,536	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs	193	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating costs	191	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	199,082	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses	21	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	629	Based on regular terms	-
		TFN Media Ltd.	2	Operating expenses	2,906	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	22,796	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Miscellaneous revenue	2,250	Payment terms varied depend on the agreements	-
27	Mangrove Cable TV Corporation	TFN Media Ltd.	2	Accounts receivable	774	Payment terms varied depend on the agreements	-
		North Coast Cable TV Co., Ltd.	3	Accounts receivable	27	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Other receivables	4	Based on regular terms	-
		TFN Media Ltd.	2	Other receivables	45,652	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other intangible assets	4,477	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts payable	16	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	67	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Other payables	\$	48	Based on regular terms	-
			2	Other payables		842	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating revenues		50	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues		1,294	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues		3,287	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs		84	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating expenses		48	Payment terms varied depend on the agreements	-
		Taiwan Telecommunication Network Services Co., Ltd. The former Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	3	Operating expenses		9	Based on regular terms	-
			2	Operating expenses		562	Based on regular terms	-
			2	Operating expenses		887	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses		6,618	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Interest income		96	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Interest income		937	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Miscellaneous revenue		2,067	Payment terms varied depend on the agreements	-
28	North Coast Cable TV Co., Ltd.	TFN Media Ltd.	2	Accounts receivable		442	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables		144,387	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other current assets		38	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other intangible assets		4,477	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts payable		4,432	Payment terms varied depend on the agreements	-
		Mangrove Cable TV Corporation Taiwan Fixed Network Co., Ltd. The Corporation	3	Accounts payable		27	Based on regular terms	-
			2	Accrued expenses		19	Based on regular terms	-
			2	Operating revenues		30	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating revenues		421	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues		3,265	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating costs		42	Payment terms varied depend on the agreements	-

(Continued)



Number	Company Name	Counterparty	Transaction Details					Percentage of Consolidated Total Operating Revenues or Total Assets
			Nature of Relationship (Note)	Account	Amount	Transaction Terms		
		TFN Media Ltd.	2	Operating costs	\$ 35,738	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating expenses	19	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	85	Based on regular terms	-	
		TFN Media Ltd.	2	Operating expenses	670	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	6,100	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Interest income	311	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Interest income	3,049	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Miscellaneous revenue	1,960	Payment terms varied depend on the agreements	-	
29	Phoenix Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	201	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Accounts receivable	7,384	Payment terms varied depend on the agreements	-	
		The Corporation	2	Other receivables	29	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Other receivables	1,904	Based on regular terms	-	
		TFN Media Ltd.	2	Accounts payable	37,396	Payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	466	Based on regular terms and payment terms varied depend on the agreements	-	
		Taiwan Fixed Network Co., Ltd.	2	Other payables	139	Based on regular terms	-	
		TFN Media Ltd.	2	Other payables	9,649	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating revenues	576	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating revenues	1,336	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Operating revenues	18,099	Payment terms varied depend on the agreements	-	
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues	23,264	Payment terms varied depend on the agreements	-	
		The Corporation	2	Operating costs	215	Payment terms varied depend on the agreements	-	
		The former Taiwan Fixed Network Co., Ltd.	2	Operating costs	2,558	Payment terms varied depend on the agreements	-	
		TFN Media Ltd.	2	Operating costs	301,546	Payment terms varied depend on the agreements	-	

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		The Corporation	2	Operating expenses	\$ 274	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Operating expenses	1,028	Based on regular terms	-
			2	Operating expenses	3,662	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	27,342	Payment terms varied depend on the agreements	-
		The Corporation	2	Rental income	29	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Miscellaneous revenue	2,670	Based on regular terms	-
30	Globalview Cable TV Co., Ltd.	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	15	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Accounts receivable	1,831	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Accounts receivable	2	Based on regular terms	-
		Global Wealth Media Technology Co., Ltd.	3	Other receivables	42	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other receivables	215,688	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Other current assets	1	Based on regular terms	-
		TFN Media Ltd.	2	Other intangible assets	5,835	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Accounts payable	72	Based on regular terms	-
			2	Accounts payable	14,495	Payment terms varied depend on the agreements	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	77	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Other payables	129	Based on regular terms	-
			2	Other payables	1,143	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	3	Advance receipts	34	Payment terms varied depend on the agreements	-
		The Corporation	2	Operating revenues	175	Payment terms varied depend on the agreements	-
		The former Taiwan Fixed Network Co., Ltd. TFN Media Ltd.	2	Operating revenues	120	Payment terms varied depend on the agreements	-
			2	Operating revenues	2,530	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating revenues	9,750	Payment terms varied depend on the agreements	-
		Union Cable TV Co., Ltd.	3	Operating revenues	3	Based on regular terms	-
		The Corporation	2	Operating costs	104	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Operating costs	116,880	Payment terms varied depend on the agreements	-

(Continued)

Number	Company Name	Counterparty	Transaction Details				
			Nature of Relationship (Note)	Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenues or Total Assets
		The Corporation	2	Operating expenses	\$ 96	Payment terms varied depend on the agreements	-
		Taiwan Telecommunication Network Services Co., Ltd.	3	Operating expenses	15	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	615	Based on regular terms	-
		TFN Media Ltd.	2	Operating expenses	1,786	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Operating expenses	14,618	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Interest income	467	Payment terms varied depend on the agreements	-
		Fu Yang Multimedia Co., Ltd.	3	Interest income	4,574	Payment terms varied depend on the agreements	-
		Global Wealth Media Technology Co., Ltd.	3	Rental income	6	Payment terms varied depend on the agreements	-
		TFN Media Ltd.	2	Miscellaneous revenue	2,199	Payment terms varied depend on the agreements	-
31	TFNUS	The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	197	Based on regular terms	-
32	TFNHK	Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	474	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Accounts receivable	1	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Accrued expenses	39	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating revenues	2,407	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating revenues	(240)	Based on regular terms	-
		Taiwan Fixed Network Co., Ltd.	2	Operating expenses	398	Based on regular terms	-
		The former Taiwan Fixed Network Co., Ltd.	2	Operating expenses	(191)	Based on regular terms	-

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

(Concluded)







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