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Taiwan Mobile

企業社會責任報告

Corporate Social Responsibility

*The larger a corporation,
the greater its social responsibility.*



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Message from the Chairman

We live in an unprecedented age of wealth and technological but also an age full of unprecedented threats. For one, concerns about the exploitation of individual privacy through technological means are at all all-time high. Secondly, economic crimes and financial crises seem to be more and more commonplace.

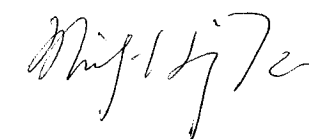
I believe that as an organization grows, a respected enterprise has a greater responsibility to maintain higher ethical standards, creating real value and sustainable growth.

In keeping with the motto “*Good ethics is good business*”, Taiwan Mobile Co., Ltd. (TWM), a leader in Taiwan’s telecom industry, is committed to its corporate social responsibility programs and setting a benchmark for all enterprises to follow.

For our employees, we have instilled an emphasis on business ethics and character, and ensured a fair and just working environment for all. Leading by example, we start with our employees first, then inspire others to follow as good “corporate citizens”.

Externally, we hold ourselves accountable to our stakeholders -- our shareholders, suppliers, customers and society as a whole -- by embracing the spirit of philanthropy by integrating key resources and strengths to support socially engaging projects.

We are fully aware that such a vision will not be realized overnight, but requires a long-term commitment. The telecommunications industry has revolutionized the way we live and work, and we will continue to revolutionize the way a telecommunications company works as an ethical and responsible force for change.



Richard Tsai
Chairman,
Taiwan Mobile Co., Ltd.
February, 2007



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Message from the President

This year TWM celebrates its first decade in operation. With this corporate social responsibility report being published at this significant moment, our aim is not to flaunt our achievements, but to amplify an ideal: when a society’s non-profit and non-governmental organizations are in need, “corporate citizens” should extend their hands to them.

A successful and productive society requires its government, private and not-for-profit organizations to work together to bring economic, environmental and political progress. In Taiwan, however, the government and private sector have long permeated over environmental and social groups. In consideration of government budgets, it is obvious that the private sector is sorely needed to assist non-profits financially so they may fulfill their function to society.

Income gaps, tension between different groups and lapses in the protection of human rights and the earth’s environment will only become greater threats to our society if we do not begin to take them seriously as issues to be tackled. It is through this CSR report that we present our personal examples, showing how corporations can use their limited resources to work with local non-profits to offer promise to society.

As a leading telecommunications corporation, our most fundamental social responsibility is corporate governance and accountability to our stakeholders. Recent incidents seen locally and overseas in regards to financial accountability further highlight the importance of a corporation to be grounded in inculpable governance in its organization and principles. In lieu of this, it not only does itself harm, but also neglects its social responsibilities and threatens to unravel society.

In this era awash with media and information technology, a corporation’s actions and words can become the next headline, having a considerable influence on society. We anticipate TWM’s growth to be a positive force in society, helping local non-profit organizations thrive, and help usher in a more ideal society for all of its members.

Harvey Chang
President & CEO
Taiwan Mobile Co., Ltd.
February, 2007

Awards

2007

- March** Received CG6002 certification from the Corporate Governance Association for the second year in a row.
- March** Awarded the “Excellence in Corporate Social Responsibility” by *CommonWealth* magazine, ranking No.1 in corporate governance.

2006

- December** “Healthy and Safe Workplace Award” from the Taipei City Government.
- November** “Best de facto Smoke-free Workplace” from the Taiwan Central Government’s Department of Health.
- November** “Earnest Promotion of Smoke-free Workplace” from the ROC Department of Health’s Bureau of Health Promotion.
- November** “Best Social Contribution by an Enterprise” in the Fourth-Annual Taiwan Business Awards.
- September** “Best Corporate Governance in Taiwan” for the second time by “Euromoney”.
- July** “Wenxin Golden Award” from the ROC Ministry of Education for financial support to the arts and cultural activities.
- July** “Wenxin Silver Award” from the ROC Ministry of Education for financial support to the arts and cultural activities.
- June** One of 12 “A+” corporations in Taiwan awarded “Transparency and Information Disclosure Award” by the Taiwan Securities & Futures Information Center.
- May** “Best Managed Company in Taiwan”, “Best Company Governance” and “Best Commitment to Strong Dividends” from Finance Asia.
- April** Third year in a row to receive the “Super Brand Golden Award” from Reader’s Digest.
- March** “Long-term Credit & Debt-free Rating” upgraded again by Taiwan Ratings Corp. from “twAA” to “twAA+”, reflecting upgrade of financial soundness.
- February** One of only three TSE- & OTC- listed companies in Taiwan awarded in Taiwan Corporation Governance Association’s first-annual “CG6001 Listed Company Governance System Certificate” award.
- January** Awarded the world’s first ISO 27001 ISMS (Information Security Management System) certification along with its subsidiary company Taiwan Teleservices and Technologies Co., Ltd. (TT&T).

2005

- December** “Workplace Health Promotion Supreme Excellence Award” from the Taipei City Government Department of Health.
- October** “Most Admired Company in Taiwan” for best telecom service provider from CommonWealth.
- “Outstanding Service Award” for best telecom service from Global Views Monthly.
- August** Subsidiary TT&T received ROC Council of Labor Affairs’ first-annual “National Human Resource Development (HRD) Innovation Award”.
- May** Received Global Views Monthly’s first-annual “Corporate Social Responsibility Award” in the service sector.

2004

- December** Upgraded two rating levels by Taiwan Ratings Corporation from “Long-term Credit & Debt-free Rating” to “twAA”.
- October** “Best Service Award” for best company in the service category by Next magazine.
- September** Named “Best Corporate Governance Company in Taiwan” by Euromoney.
- July** “Best in Corporate Governance Advancement in Taiwan” from Institutional Investor.
- June** Named “The Best Telecom Company” for adherence to the “Protection of the Electronic Personal Information Act” by the ROC Directorate General of Telecommunications.

2003

- December** “Best in Corporate Governance Advancement” and “Best in Investor Relations Advancement” in Taiwan from Asiamoney.
- December** “Third Place Winner” for best corporate governance in Taiwan by “The Asset”.



Company Profile

Taiwan Mobile Co., Ltd. (TWM) was incorporated in the Republic of China on February 25, 1997. The company has developed and achieved technological breakthroughs in line with its commitment to providing customers with world-class telecommunications services.

The first non-state owned company to receive a GSM 1800 license, TWM was also the first private telecommunications company to go public and the first wireless operator to launch 3G services using Wideband Code-Division Multiple Access (WCDMA) technology.

TWM’s operational scale has expanded over the past decade as a result of acquisitions and business integration. The company’s subscriber base reached the coveted 1-million mark in 1998, making it the fourth-largest GSM1800 telecommunications operator globally and the biggest operator in Asia.

In 2000, the company was selected as one of “Asia’s Top 100 Corporations” by HSBC, and the total number of subscribers at this time exceeded 5 million.

TWM purchased TransAsia Telecommunications (TAT), which conducted operations in southern Taiwan, and Mobitai Communications (Mobitai), which operated in central Taiwan, in order to provide seamless, fuller coverage around Taiwan. Following the merging of the two companies into TWM, a new service model offered clients of all three companies’ collective rates in addition to top-notch, value-added service.

TWM has continually improved the transparency

and efficiency of its operations to offer better international telecommunications services. In 2004, TWM and other nine major Asian telecommunications formed the “Bridge Mobile Alliance”, the world’s largest GSM mobile association. TWM then became a leading telecommunications company in Taiwan, with 30 percent of the market share.

TWM’s shares began trading on Taiwan’s Over-the-Counter Securities Exchange in 2000. In 2002, the company’s shares were listed on the Taiwan Stock Exchange (Ticker: 3045) and included in the Taiwan 50 Index and Morgan Stanley Composite Index.

TWM’s core value is “integrity”, which is communicated within the corporation. The company hopes to build up this value within the company culture and in all business operations. TWM was twice cited for “Best Corporate Governance” in Taiwan by *Euromoney* in 2004, and 2006. The company also received “CG6001 Corporate Governance Association Certification” in 2006.

Since its inception, the company has strived to provide customers with products that best meet their needs, as well as high-quality and safe communication services. TWM was the first company worldwide to obtain ISO 27001 Information Security Management System certification, demonstrating its dedication to protecting customer information and providing world-class security.

The company’s customer service has also won media praise. In 2004, the Company won *Next*

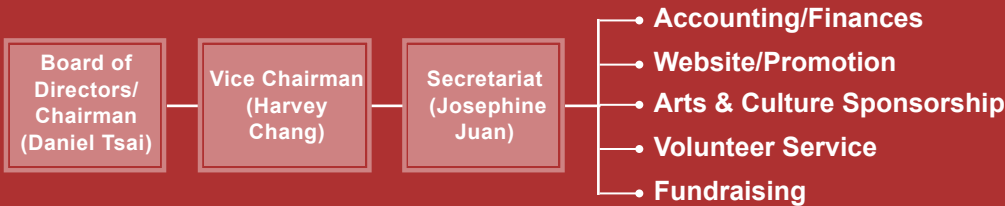


In 2005, the company was named the “The Most Respectable Corporation in Taiwan” in the telecommunications sector by *CommonWealth Magazine*. The same year, *Global View Magazine* rated TWM No. 1 in the service industry with its “Taiwan Corporate Responsibility Award”. In 2006, *Global View Magazine* gave TWM “The Best Social Contribution Award” in its The Taiwan Business Awards.

The Taiwan Mobile Foundation

Founded in 1999, the Taiwan Mobile Foundation aims to advance knowledge and technology in the telecom industry, foster international cooperation and access to education, and sponsor art, cultural, charity activities. The foundation achieves this through the funding of telecommunications research, charity events, art and cultural events, and free educational lectures. Examples of this include the “5180 Mobile Donations” program, the “909 Mobile Phone Audio Tours” program, and underwriting mobile emergency rescue projects.

Charity work includes care for the underprivileged and residents of rural areas, youth counseling, mental health education, care and employment assistance for the mentally handicapped, promotion of art exhibits and cultural performances, plus free educational lectures in a wide variety of topics.



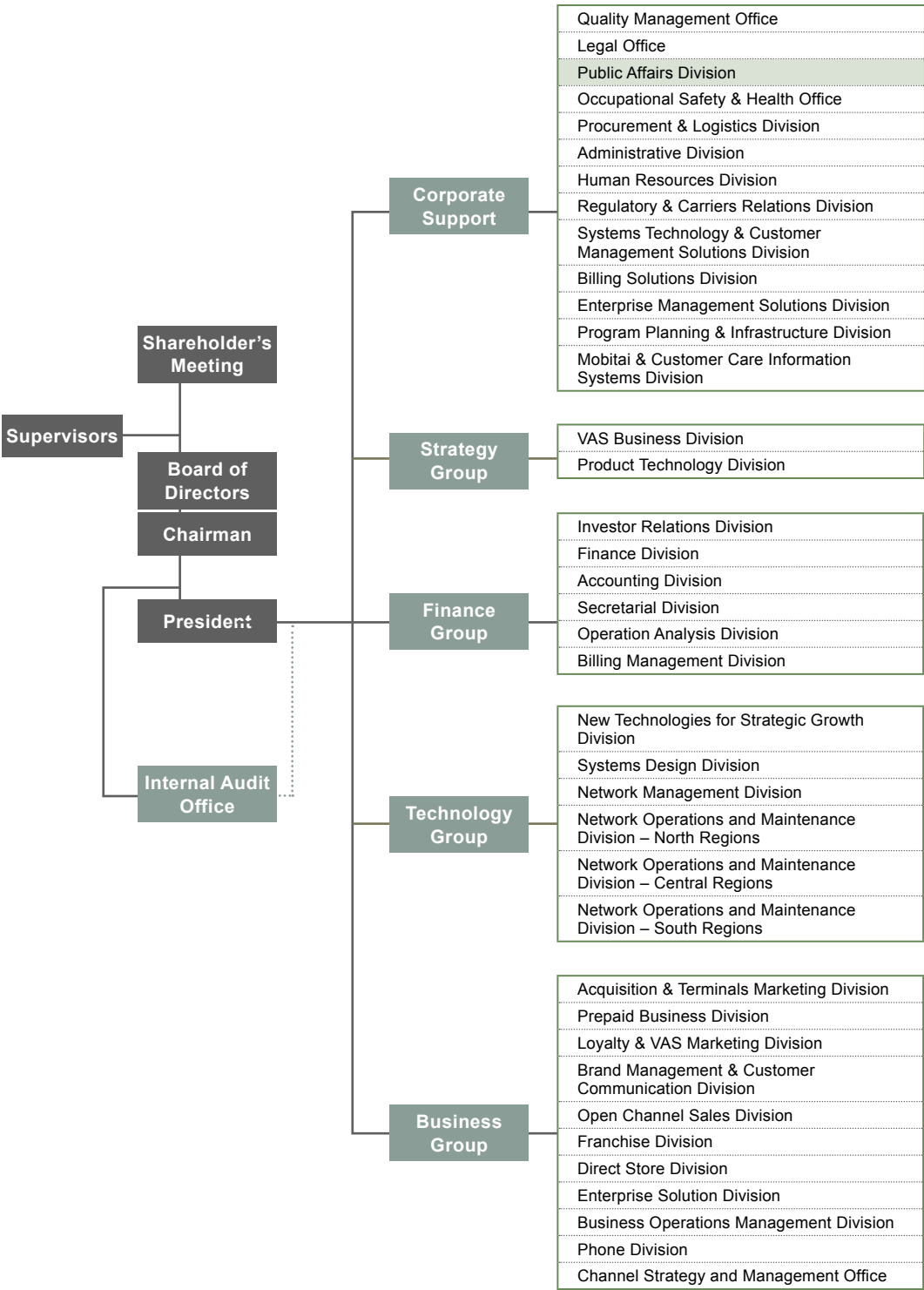
magazine’s “Best Customer Service Mobile Telecom Operator in Taiwan” award. The following year, the company garnered the “2005 Excellent Service Award” from *Global Views Monthly* in addition to ranking No.1 in Taiwan’s telecommunications service sector by the publication. The company was also a recipient of *Reader’s Digest’s* “Gold Trusted Brand Award” from 2004 to 2006.

In 1999, the company established the Taiwan Mobile Foundation and the Public Affairs Division to serve and plan all CSR matters by

using core technology and corporate resources.

Looking ahead, the company will focus on improving its operating performance, extending customer service, simplifying its investment structure, increasing financial transparency, and developing products that best meet customers’ needs. The company is committed to enhancing corporate governance, creating a satisfying working environment, and providing customers, society, investors and employees with top satisfaction to achieve its goal of becoming a world-class enterprise.

Organization





Our Commitment

To our shareholders

Protecting shareholders’ interests through corporate governance

Striving to set a benchmark in honesty and trustworthiness, TWM has installed both corporate governance and internal audit committees, and promptly discloses key operational information, thus ensuring the principles and practice of corporate governance, as well as shareholders’ interests.

To our employees

Advocating “People First” by empowering employees’ potential

Based on the “People First” principle and emphasizing an upright attitude, using the ethical code of “TOPICS” (Team Player, Open Communication, Passion, Integrity, Creativity, and Solution Driver), our employee performance evaluation and reward system safeguards each employee’s rights, while our CSR projects give employees the opportunity to learn about their inner strengths.

To our customers

Providing a safe and secure telecommunications environment

With “Genuine Customer Care” as our core value, TWM provides strict information security, quality service content, and a safe telecommunications environment to ensure customers’ peace of mind. Furthermore, TWM offers superior network quality, advanced technology and professional customer service. In 2006, the company launched the “Excel Customer Experience” project to closely integrate performance and services, a demonstration of customer care in action.



To our community

Bringing together key resources to help create a caring community

Embracing the spirit of “leading action and continual care”, TWM brings together key resources and know-how to create a caring community with mobile technology. In so doing, we hope to stir society’s awareness of the underprivileged, help non-profit organizations realize their goals, and uplift our community as a whole.

To the environment

Setting an example by fulfilling our responsibility to our environment

By reducing waste, separating recyclables, and advocating recycling, TWM strives for sustainable development that is environmentally friendly. We are also mindful in using environmentally safe materials and equipment, while actively promoting paper-free product design and service flow, minimizing resource waste.



Corporate Governance

Recent international corporate scandals have awakened investors to the importance of corporate governance. TWM responded to investors' needs by promptly implementing a multitude of corporate governance policies, as well as setting up company corporate governance and internal audit committees. TWM's emphasis for corporate governance not only leads Taiwan's telecommunications sector, but also Taiwan's corporate sector as a whole.

Corporate governance enables company operations to be transparent, maximizing shareholders' value to reach maximum potential. If a company has poor corporate governance, it is more prone to suffer from corruption and scandals, which only jeopardizes shareholders' interests, decreases investor confidence, and eventually harms society. For this reason, TWM remains steadfast in demanding honesty and accountability from all of our corporate team members, employees and top managers alike, so as to remain accountable to our investors and society at large.

TWM's efforts have steadily paid off and won considerable affirmation. In 2003, the company was rated "Best in Corporate Governance Advancement" and placed second in "Investor Relations Advancement" in Taiwan by *Asiamoney*. It also ranked third in corporate governance in Taiwan by *The Asset*. In September 2004, TWM surpassed all other companies in Taiwan to achieve "Best Corporate Governance Company in Taiwan" by *Euromoney*.

In February 2006, TWM was one of only three TSE- and OTC- listed companies in Taiwan awarded the Taiwan Corporation Governance Association's first-annual "CG6001 Listed Company Governance System Certificate" award.

In May 2006, TWM was awarded "Best Managed Company in Taiwan", "Best Company Governance" and "Best Commitment to Strong Dividend" by *Finance Asia*.

In September 2006, TWM was rated "Best Corporate Governance in Taiwan" for the second time by *Euromoney*.

Execution Principles

The company understands the importance of good corporate governance and administers its corporate governance practices based on the principles below.

- Timely disclosure of material information.
- Sound checks and balances between the board and management team
- Establishment of a corporate governance committee to ensure the soundness of systems and policies.
- Establishment of an audit committee to ensure the independence of external auditors as well as integrity of financial reporting.
- Reserve a number of board seats based on a set ratio for independent board members and supervisors.
- Adoption of a cash dividend policy based on a high earnings payout ratio
- Distribution of all employee profit sharing in the form of cash.

Implementation

Corporate Governance Committee and Audit Committee

The company's corporate governance structure is composed of two committees: a Corporate Governance Committee and an Audit Committee.

Corporate Governance Committee:

The Corporate Governance Committee is composed entirely of independent board directors, and its operation is bound by the committee's organizational rules. The committee's main responsibility is to:

- Continually review the company's corporate governance principles and practices
- Nominate independent directors and supervisors
- Govern the operation of the board of directors and supervisors and its functional committees

Audit Committee:

The audit committee is composed entirely of independent board directors, and its operation is bound by the "Audit Committee Charter". The committee's main responsibility is to assist the board in overseeing the following:

- Integrity of the company's financial statements
- Independent auditors' qualifications and integrity
- Internal audits
- Company compliance with legal and regulatory requirements
- The company's existing and potential risks

Efficient Board of Directors (BOD)

- Minimized overlapping of duties between the board of directors and management team
- Increased the number of independent directors to four out of a total of 10 directors
- The BOD approved the proposed revision in the "Articles of Incorporation" regarding the number of independent directors and their election process
- The BOD approved the proposed revision in the "Rules on Election of Directors and

- Supervisors” regarding qualifications of directors, supervisors, and independent directors, and the latter’s election process.
- Abolished managing directors in the board
 - Established an evaluation scheme to appraise the BOD’s performance
 - Revised the “Rules and Procedures Governing Board of Directors Meeting” to clarify rules on compliance for independent directors

Simplified the company’s investment structure, increased shareholders’ interest

The company has divested non-core investments to simplify the complex cross-holding structure and transferred all operating affiliates under one investment vehicle, Taiwan Mobile Corporation. Excess cash received from the divestment of non-core investments and equity reduction was upstreamed to the company. These funds were used to reduce long-term debt and buy back

convertible bonds, lower net debt to equity ratio and interest expenses, reduce the company’s risks and increase shareholders’ interests.

Since 2003, TWM continually merged or liquidated interests in Taiwan Infotainment Electronic Yellow Pages, Elitec Technology, Howin Technologies, Taiwan Tele-Shop, Tai Hung Investment, Taifu Investment, Tai Hsuo Investment and T. I. Investment. The company proactively surpasses government mandates by formulating quarterly financial reports to give investors more open and transparent information.

Efforts in recent years that have improved the company’s financial structure led to long-term credit and non-guaranteed corporate bond ratings being upgraded two ratings to “twAA” by Taiwan Ratings Corp. in December 2004. The company was then upgraded again from “twAA” to “twAA+” in March 2006.

Complete information disclosure system

The company installed a complete system of information disclosure to ensure shareholders have up-to-date information as a basis for their investment decisions. The company provides key operation and financial information, BOD resolutions, and CEO messages in a fairly distributed and timely manner. The company also publishes a “Monthly Fact Sheet”, holds quarterly investor conference calls and actively participates in local and international investor conferences.

In June 2006, TWM was one of 12 A+ corporations in Taiwan awarded “Transparency and Information Disclosure Awards” by the Taiwan Securities & Futures Information Center in the third-annual TSE- and OTC- listed companies Information Disclosure System Assessment.

Internal audit office

The company’s internal audit office is an independent unit that reports directly to the Board of Directors and briefs the CEO on a regular and as-needed basis. The internal audit office is responsible for the examination and assessment of the internal controls of the company’s financial, sales, operations, and management departments. All departments, including those of the subsidiaries’, are subject to auditing.

Regular internal audits are executed according to the annual audit plan. Special audit projects are implemented as needed. These audits ensure the quality of the internal control system and provide timely recommendations for future improvements. In accordance with corporate governance, audit reports are regularly submitted to and reviewed by the CEO as well as the audit committee.

The internal audit office also examines the mechanisms and results of self-evaluations by departments and subsidiaries to ensure strict implementation. The internal audit office also generates and consolidates related inspection reports for the CEO and the Board of Directors in order to evaluate the overall efficiency of existing internal control systems before generating an internal control system statement.

Corporate Governance Association’s CG6001 Certification

“CG6001 Certification”, developed by the Corporate Governance Association in Taiwan (founded in 2003), aims to improve the corporate governance standard of companies in Taiwan. Its standard of assessment is the result of research in the area of human resources and logistical management, and integrated with the expertise of the private, academic and public sectors. Its development began in 2005, and consulted principles and practices of corporate governance from sources that include those implemented by Taiwan’s listed and over-the-counter (OTC) companies, the corporate governance assessment system adopted by Credit Lyonnais Securities Asia (CLSA) and Standard and Poor’s, and standards used by Korean companies. The assessment of CG6001 certification is further based on the following: (1) abidance to the protection of shareholders’ interests; (2) distribution of shareholding claims and transparency of the board of directors; (3) the effective exercising of the function of the board of the directors; (4) the effectiveness of the supervisor; (5) effective governance and discipline of management; (6) respecting stakeholders’ interests; plus a total of 78 indicators used in assessing listed and OTC companies.



Employee Care

Corporate Culture Using Integrity

TWM's corporate culture was founded in integrity and the active promotion of corporate governance, both required for sustainable development. A sound check and balance mechanism ensures ultimate transparency. To achieve this, TWM established that all information regarding procurement in its public concession projects are open to public review, and channels for appeals are available to suppliers or employees for review.

An employee ethical code entitled "TOPICS" (Team Player, Open Communication, Passion, Integrity, Creativity, and Solution Driver) guides employees who are expected to uphold these principles of conduct:

- Keeping one's word
- Team and organizational benefits before personal benefits
- No withholding of facts or information
- No concealment of truth

To motivate employees, the company has launched various performance-based compensation and benefits programs, including a compatible salary package, a year-end bonus program and an employee stock ownership plan that was first among Taiwan's telecommunications industry.

TWM also provides gender-equality job opportunities as well as educational training that encourage self-improvement and personal growth.

TWM acquired TransAsia Telecom in 2001 and Mobitai Communications in 2004, then continually merged and divested the subsidiary interests of these two companies. TWM made sure that the same opportunities were open to the employees of the subsidiary companies to safeguard their work rights, plus offered compensation for increased commuting or living expenses during the transition period. This enabled the retention of excellent management and staff, ensuring quality products and services to our customers.



Promoting Diverse Job Training

Emphasis on education and training

TWM offers a variety of training programs for staff members to gain professional knowledge, including orientation, on-the-job training, group training, and executive education.

Financial support for external education

Colleagues have the option to attend external training and executive education programs, with tuition reimbursed by the company.

The company's labor benefit committee offers each financial support for any external training programs or certification testing fees.

Encouragement of staff to further education

The telecommunications industry is a highly competitive industry that requires constant education in order to stay competitive. In 1999, TWM developed a university program with National Taiwan, National Chung Hsing, and National Sun Yat-Sen Universities to open up classes in telecommunications and higher-level business management. Up to 2006, 223 TWM colleagues have participated in these programs, and 174 colleagues achieved their certifications.

From 2006, the program was changed so that a scholarship is offered. By doing this, the company is able to better retain staff.

The program provides a full two-to-three-year scholarship for staff to pursue an MBA or telecommunications Masters overseas or in Taiwan. Additionally, daily expenses can be covered if a colleague is accepted to study at top international universities for a Masters' program in business or telecommunications engineering. The scholarship serves to encourage staff to extend and enforce their knowledge and views on an international level.

Encouragement by Promotional Opportunities and Profit Sharing

Transparent Evaluation and Promotion

The company has established a transparent system to evaluate and promote employees which is overseen by the promotion evaluation committee. Department managers and employees regularly review personal goals and progress to help employees achieve career growth.

In order to strengthen team spirit within each division or department, and to award staff for outstanding performance, TWM allocates an activity budgets for each division and department.

Profit Sharing

Designed to boost employee retention, the employee treasury stock subscription plan was implemented in addition to the monthly salary, year-end bonus and performance bonus.

Staff Treasury Stock

The company occasionally releases treasury stock for employees to purchase.

Employee Treasury Stock Subscription Plan

The plan was implemented in January 2006. Under this plan, employees are encouraged to invest a certain amount of their monthly pay – with the company contributing a similar percentage – to purchase company shares.

Year-end Bonuses

The company offers an annual year-end bonus.

Staff Dividends

The company rewards employees with percentage-based cash dividends based on

previous-year profits as well as cash awards based on performance.

Volunteerism

The company provides volunteer opportunities to fulfill its corporate social responsibility goals and allow employees to learn the true meaning of “genuine care” through hands-on experience. This also helps to foster an honorable corporate culture and inspire employees' sense of duty to all of society. Through the company's volunteer program, TWM hopes to create a win-win situation between the company, employees, society, and society's underprivileged.

The cumulative contribution of the company and our employees are self-evident. For example, during the Southeast Asia tsunami disaster of 2004, TWM was not only among the first to make a donation, but also mobilized each employee to donate a day's salary to the relief efforts for a total of NTD 11,000,000.

At the time, TWM's engineering team worked



for 48 hours straight, rushing to set up a “55135” mobile donation hotline for the ROC Red Cross, where NTD 2,800,000 was raised in one month.

TWM also chose not to participate in the 2006 Telecom Expo, one of the world’s most important telecommunications industry shows, and instead used resources that had been earmarked for the expo to benefit underprivileged children. In a program led by the company’s senior executives, 100 company volunteers traveled to areas around Hualien, Ilan, Taichung and Sanchong to hold four summer camp activities for 500 children from underprivileged families. The “2006 ‘Fun-Xin’ Children Safety Awareness Summer Camp” also inaugurated TWM’s “CSR Ambassador” project.

In 2007, the company actively encouraged employees to participate in company volunteer activities with the following incentives:

- Two days paid leave each year to participate in company volunteer activities
- Reimbursement for transportation expenses
- Arrangements for diversified volunteer opportunities with various non-profit

organizations

- Pre-activity volunteer training
- Issuance of certificates as proof of volunteer participation
- Setting up of websites to share of volunteer experiences.

Employee Safety and Sanitary Policy

In order to fulfill the company’s social responsibility in providing its employees with a safe, healthy, and comfortable working environment, the company strictly follows the Labor Safety and Health Law and practices the following measures to ensure a safe work environment for employees:

- Quarterly labor safety and health commissioner meetings
- Environmental protection quality checks
- Fire safety checks
- Occupational health training
- 24-hour security surveillance



Fangliao’s Charity Refrigerators

On April 3 2006, a day before Women’s and Children’s Day, ten employees from TWM traveled from northern Taiwan to Fangliao village, in the island’s southernmost county of Pingdong. On this day, they were simply volunteers representing TWM, delivering gifts that the company had prepared for underprivileged children in the local after-school tutoring program. Upon arriving in the small village, the volunteers noticed two large refrigerators in an alley, one bearing a sign that read “Vegetables” and the other “Fish & Meats”. They soon learned that the refrigerators were part of a charity program set up by a local couple. Residents would come and fill up the refrigerators with food donations, helping provide meals for the program’s many underprivileged children. The couple is also supporting three students who are currently living in a chapel.

The TWM volunteers gave gifts to the children and helped them celebrate the upcoming holiday. But to the TWM volunteers, the greatest gift was discovering the program underway in Fangliao, and the love and support that came from its residents.



Customer Care

In keeping with TWM's motto of "Genuine Customer Care" to create the best mobile experience for customers, the company provides world-class information security protection, clean and secure content, and quality cross-platform communications. TWM launched an "Excel Customer Experience" project in 2006 in order to closely combine performance and services, and demonstrate customer care in action.

"Excel Customer Experience": Creating the Best Mobile Experience

TWM's efforts in creating the best customer experience and quality of service have gained much affirmation from within and beyond the telecom industry, as the company's ultimate mission is not only to offer customers the most advanced mobile technology and service, but to genuinely care and anticipate customers' needs, and provide products and services that meet such needs.

TWM launched the "Excel Customer Experience" (ECE) project in June 2006 to make "creating the best mobile experience for our customers" the shared goal of everyone in the company. The project involves everyone and every operation within TWM, and strives to reform the attitude and ways of doing things by every employee across human resources, product and services, and workflow.

To internalize the values of ECE into every aspect of TWM, the company commissioned the assistance of an international consulting firm, and brought professional consultants from abroad to guide the project. The company also set up an internal cross-departmental task force to carry out the project.

In January 2007, the ECE project was in full effect across TWM, and 12 "ECE Ardor Ambassadors" from across the company were nominated to be each department's project spokesperson. The company targeted completion of the ECE training project by mid-2007, when every employee of the company completed the required training courses.

The ECE project helps ensure TWM's three pledges to our customers: Serve you personally, Make life easier for you, Reward your loyalty. The company also formulated five goals for TWM in 2007: Continuous improvements in network quality; Billing statement and work flow reforms; Analysis and classification of customers; Rewarding customer loyalty; Establish a "customer-first" corporate culture.

Security Commission, which reports directly to the managing director. A meeting is called every three months to ensure the safety of corporate information assets. On the daily level, there is an information security unit and information security officer within the quality control management team. They are responsible for the maintenance of the information security control system, and release a daily security report.

From 2007 onwards, the company will place an emphasis on information security education to provide our clients with safer and more secured services.

Child-safe Content

Fraudulent SMS Reporter Hotline

To ensure customers are able to use the company's services with ease and peace of mind, TWM proactively filters out adult content, fraud and other offensive messages. In 2005, TWM introduced its "895 Fraudulent SMS Reporting Hotline", offering customers NTD 100 off their mobile phone bill to report fraudulent SMS messages they receive, which also helps the government crack down on such illegal activities.

Restricting Adult Information

In January 2004, TWM removed nude content from its adult services section and invited other telecommunications operators to sign a petition to promise to keep adult content away from minors. Although this meant the loss of millions of dollars in profits, the company's commitment to the safety and protection of minors is more important.

No Post-Date Political Campaigning

Campaign advertising is restricted by law during polling dates, and TWM strictly monitors this and takes immediate action against any offenders.

TWM Pledges World-Class Information Security

TWM was the first telecommunications company in Taiwan to gain international verification on information security control and to offer world-class protection for individual information.

Leading Position in Information Security

TWM and its subsidiary, Taiwan Teleservices & Technologies Co., Ltd., obtained the first worldwide ISO 27001 Information Security Management System certification, the highest level of global certification for information security management, in January of 2006. TWM has also received information security certifications from England, Sweden and Norway, demonstrating the company's commitment to this aspect of its business.

Information Security Informing System Standardization

TWM is evaluated for ISO 27001 certification every six months. TWM has an Information



Emergency Prevention

The company realizes that the provision of a superior network is its basic responsibility, especially during times of disasters. In order to provide the best network quality during disaster periods, the company set up a clear-cut organizational structure for its crisis response and rescue team and control room security management system.

Engine Room Safety Management

TWM has established complete safety regulations regarding the environment, peripheral areas, telecommunications and information equipment, function management, internal control and auditing. Engine room safety management is supervised by the Occupational Safety and Health Office. The commission has set up an engine room safety team led by TWM's Senior Advisor of Technology Group while the Information Technology Vice President serves as the deputy head.

Continual Communication Services during Emergencies

The 1999 Chichi Earthquake (921 Earthquake)

TWM provided the largest amount of backup power during this 1999 disaster, and was a crucial communications channel between residents in damaged areas and the outside world.

Typhoon Mindulle

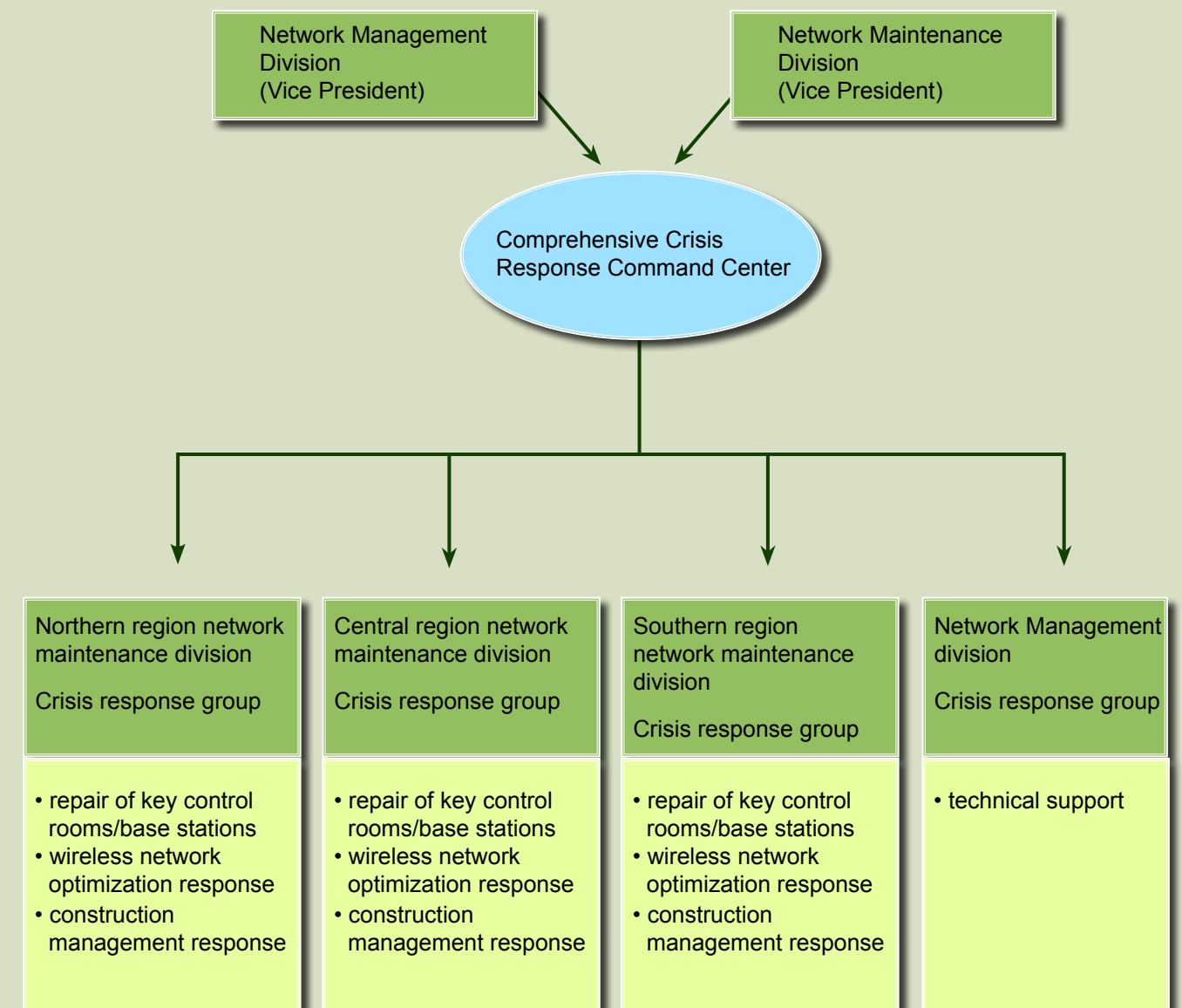
TWM sent out a maintenance team to fix damaged communication bases when the typhoon hit the island. At the same time, TWM immediately offered 128 prepaid cards, worth NTD600 each, to the army for communication within the damaged areas. Then TWM came up with an emergency rescue service, including reduction on monthly rental fees, issuance of free SIM cards and NTD1 mobile phones, for customers has gone through the typhoon.

Crisis Prevention Reviews

Additionally, the company conducts crisis prevention reviews every year. These reviews include updating information on crisis prevention and response units, updating the list of collaborating enterprises and auxiliary facilities, inspecting back-up power sources, checking the supply and function of emergency rescue equipment and examining communication equipment in the crisis response command center.

In case of a crisis, a comprehensive crisis response command center is immediately established, along with command centers for the northern, central and southern regions.

Organization of the Crisis Response Command Center



Innovation of New Technologies and Development of New Mobile Benefits

Integrated wireless applications for a new era

Responding to the needs of 3G and other wireless formats in the new era of telecommunications, TWM spearheaded developments for the “integrated wireless service platform”, bringing together other 3G system operators in Taiwan, and successfully completing this collaboration in 2006. In March 2006, TWM passed the “R&D Management System and Integration Competence” evaluation by the Chinese Management Association. This collaboration completed the building of a platform for 3G service integration. It also successfully demonstrated that such collaboration efforts benefit 3G operators with the speedier provision of contents and services. This in turn increases business growth and sets an example of autonomous research and development for the telecom sector in Taiwan.

Participation in national information R&D programs

Under the Industrial Development Bureau’s commission, TWM collaborated with Acer and developed the “integrated 3G/WLAN duo-network mobile video application”, and set up the world’s first multi-network (3G/GSM/WiMAX/WLAN) integration demo zone at the Nangang Software Park in 2006. Using this integrated system, enterprises can save information access and storage time, lower their communication costs, and increase productivity, making it a successful example for the government’s “M-Taiwan (Mobile Taiwan)” program.

Introduction of first GSM/WiFi mobile handsets for college students

In late 2006, TWM introduced the first GSM/WiFi mobile handsets, plus campus mobile services, at Tamkang and Feng Chia Universities. The company collaborated with Acer to introduce the TG310 duo-network mobile phone that enabled students to enjoy free telecom services via WiFi on campus, and GSM service off campus.

World-class Customer Service

The quality of TWM’s customer service is widely recognized. In 2004, TWM received the “Best Service Award” for best company in the service category by *Next* magazine. In 2005, TWM was named the “Most Admired Company in Taiwan” for being the best telecom service provider, according to *CommonWealth* magazine. Then, in 2006, TWM received the “Super Brand Golden Award” from *Reader’s Digest* for the third consecutive year in a row.

Superior and efficient service

TWM’s subsidiary, Taiwan Teleservices and Technologies Company, has a staff of over 1,500 for its 24-hour customer service for the more than 6 million customers of TWM and its subsidiaries, TransAsia Telecom and Mobitai Communications. Taiwan Teleservices ensures that every customer service call is answered within 20 seconds, and 98 percent of calling customers’ questions are resolved during their first call. Each call must be resolved in an average of three minutes. Taiwan Teleservices also conducts IVR (Interactive Voice Response) survey systems, which produces customer satisfaction rates within two hours.

Nationwide customer service locations

After TWM merged with TransAsia Telecom and Mobitai Communications, customers of all three networks now enjoy superior network quality and greater rate discounts, plus excellent customer service at 480 myfone store locations throughout Taiwan. Service personnel at myfone need only 20 to 30 minutes on average to assist each customer, and limit the use of a computer to within five minutes. This ensures that customers are talking to a person, instead of a machine, helping TWM create the “best customer experience.”

Seamless mobile service at home and overseas

Given customers’ increasing need for mobile communications while overseas, TWM joined the “Bridge Mobile Alliance”, which is the Asia Pacific region’s largest mobile alliance. The alliance allows customers a seamless mobile experience across eight countries and territories when roaming overseas.

When roaming on an alliance member’s network overseas, roaming subscribers can enjoy a suite of benefits, including frequent rate discounts, convenient short codes for calling customer service, and Caller-ID. At designated “Bridge Concierge” customer service centers overseas, roaming subscribers can also enjoy personalized customer service support, including expedient SIM card replacement via international courier, and the purchase of local pre-paid calling cards, plus forwarding of calls to local pre-paid cards so customers never miss a call while overseas.

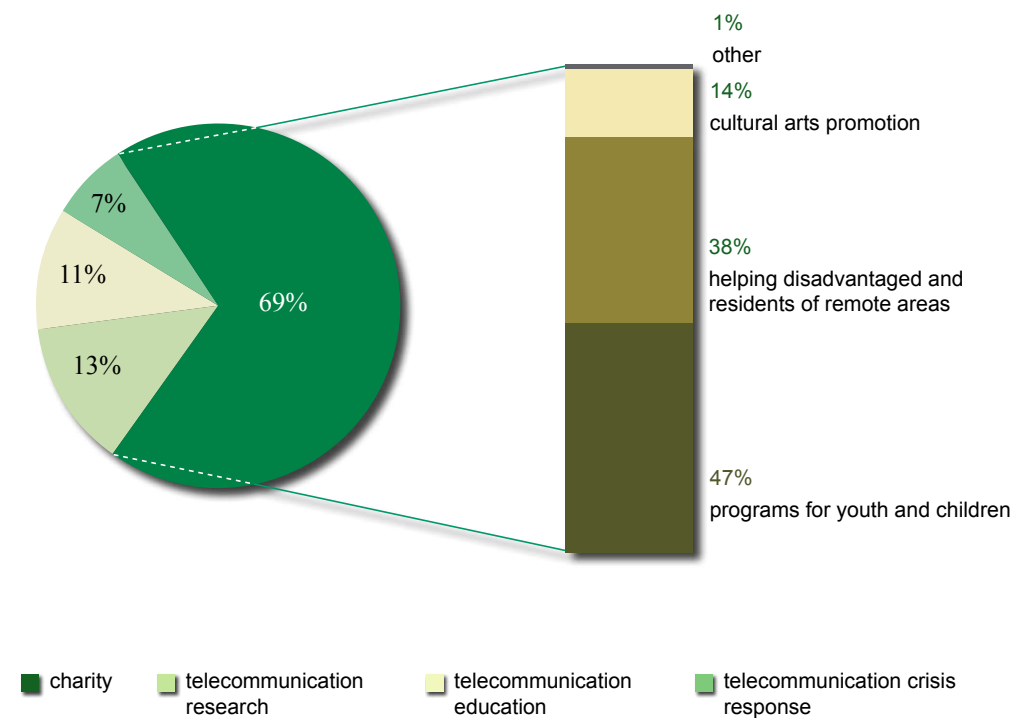
Additionally, when roaming on an alliance member’s network, roaming subscribers can use their handset to log online to the “Bridge Concierge Portal” travel guide, and retrieve instant travel information such as daily weather facts, exchange rates, local events, shopping locations, local holidays and celebrations.



Social Care

TWM was the first telecom operator in Taiwan to set up a foundation to contribute to different charities and social causes. A department dedicated to the fulfillment of corporate social responsibility helps the foundation commit some NTD 50 -60 million each year to aid the socially disadvantaged, including educational assistance for disadvantaged children in remote areas, character development for young people, promotion of the arts and cultural events, environmental protection, and care for the physically disabled.

In 2006, funds from the Taiwan Mobile Foundation were allocated as follows: 69 percent for social charities, 13 percent for telecommunication R&D, 11 percent on industry-related and other educational seminars, and 7 percent on telecommunication-related crises response. The bulk of the funds were spent on charitable causes, with children, teenagers, the disadvantaged, remote area residents and arts and cultural activities as the primary beneficiaries.



Using technology to help meet society's needs

5180 Mobile Donation Hotline

Despite the common notion that direct funding is the most expedient way for corporations to help charities, TWM believes the most direct and cost-effective contribution a telecom operator can make to society is through integrating its technology and know-how to take advantage of mobile technology's unique advantages

Extending a helping hand, anytime, anywhere

In December 2005, TWM introduced the "5180 Mobile Donation Hotline", the first of its kind in Taiwan. By simply dialing "5180" on their mobile phone and following the IVR (Interactive Voice Response) instructions people can easily make a donation and receive a receipt, simplifying the cumbersome process of traditional remote donations with separate fund transfers and receipts.

The "5180 Mobile Donation Hotline" offers donors the option of making donations in amounts of NTD 100, NTD 500, NTD 1,000, NTD 1,500, or NTD 2,000. This digital platform also allows recipient charity organizations more convenience through precise fundraising and accounting processes.

The "5180 Mobile Donation Hotline" is toll free, so potential donors can assist their intended charities anytime, anywhere, no matter how busy their lifestyles are.

As of February 2007, the "5180 Mobile Donation Hotline" has partnered with the following charity organizations: Can Love Foundation, Champions Education Association R.O.C., Taitung Christian

Hospital, Cultural & Educational Foundation for the Blind, Eden Social Welfare Foundation, Commonwealth Educational Foundation, Development Center for Spinal Cord Injuries, United Way Taiwan, The Garden of Hope Foundation, St. Joseph's Center for Special Education, Mennonite Christian Hospital, The First Children's Development Centre, and Modern Women's Foundation. Organizations that will be added soon are: Sunshine Social Welfare Foundation, Good Shepherd Sisters Taiwan, Taiwan Foundation for Rare Disorders, Children Are Us Foundation, End Child Prostitution in Asian Tourism, ORBIS Taiwan, and Children's Hearing Foundation.

Combining core resources, extending fundraising efficiency

Currently, all of the charity organizations partnered with the "5180 Mobile Donation Hotline" have a high degree of financial transparency, and most are members of the Taiwan NPO Self-Regulation Alliance. Additionally, they have received high ratings from the Ministry of Interior, have passed inspection and approval by the United Way, or have long histories with TWM.

In order to be a part of the "5180 Mobile Donation Hotline", a charity organization must meet two criteria. First, it must have a high degree of financial transparency and reputability. Second, it must be a valid charity organization that receives little funding from other sources.

Generally, the two categories of charity organizations are:

1. Outstanding reputations - These organizations already have a large donor base, and the "5180 Mobile Donation Hotline" can give donors a convenient means to send funds.
2. Lacking proper funding - These organizations

tend to represent society's disadvantaged groups. The "5180 Mobile Donation Hotline" plus other promotional resources from TWM help these organizations receive recognition and expand their donor base.

To promote use of the "5180 Mobile Donation Hotline" and assist partnered charity organizations, TWM outlets across the country play promotional videos and provide dedicated space for flyers and other promotional displays. Mail inserts with donation forms are included with customer billing statements, and advertisements are placed in newspapers and magazines as well as on radio broadcasts.

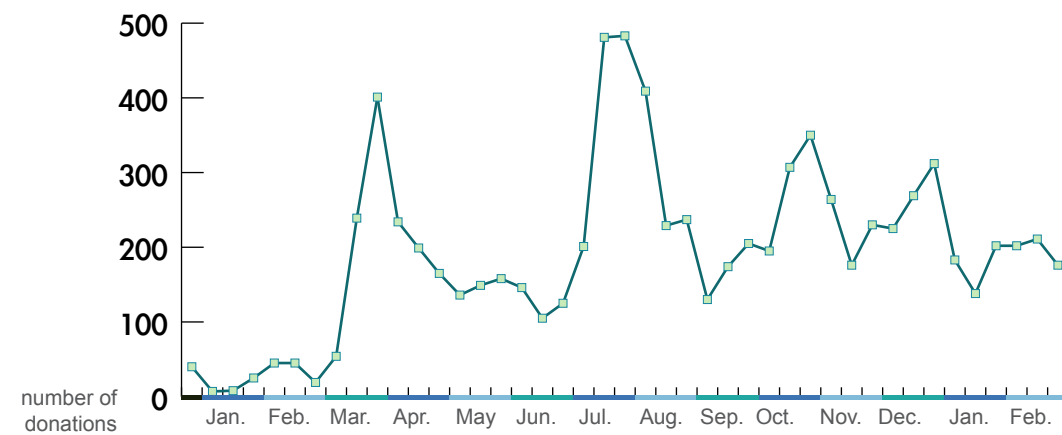
Results

1. Splendid Donation Levels

After the "55135" hotline for the Red Cross was set up in 2004, donations reached NTD 2.8 million in just one month. Combined with the "51919" hotline for families in crisis and the "5180" donation hotline, donations totaled over NTD 7.8 million.

Number of donations made via 5180 hotline* (Dec. 2005 – Feb. 2007)

*each data point represents number of donations on 5180 over a 10-day period.



Since its official activation on December 22, 2005, 8,289 donations were made via the "5180" hotline, totaling NTD 3,392,900 (as of Feb. 28 2007), or an average of NTD 409 per call. Sixty-one percent of calls were NTD 100 donations, and 21 percent were NTD 500 donations.

In 2006, the Eden Social Welfare Foundation initiated the "Love Without Borders" wheelchair donation campaign. As of December 31, 2006, the campaign raised NTD 20,980,000, of which NTD 756,900, or 4 percent, were donations made via mobile phones.

2. Digital Receipt Lauded

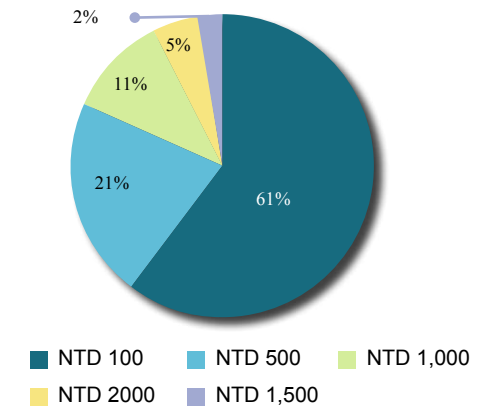
The availability of digital receipts for donors from the "5180" donation hotline received wide support. In fact, 73 percent of donors using the 5180 hotline selected digital receipts from the charity organization by submitting their personal information with the hotline's IVR system.

909 Mobile Phone Audio Guide

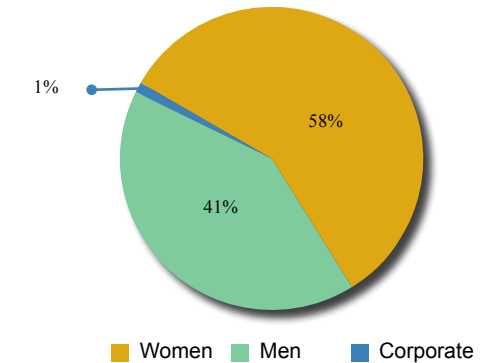
Mobile phones are much more than a tool for personal communication, information delivery and electronic business transactions. Mobile phones are also a means for promoting knowledge, such as is the case with TWM's introduction of mobile phone audio tour services for museums across Taiwan. In 2004, TWM helped the renowned National Palace Museum introduce mobile audio tour services for the "A Century of German Genius: Masterpieces from Classicism to Early Modernism – collections of the Berlin State Museums" exhibition, which received over 452 hours of use from museum visitors.

This impressive feat moved on to the National Museum of History's "Millet, Corot and Pleiades

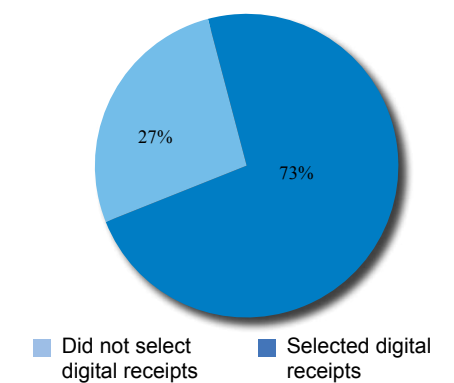
Distribution of single-call donations made with 5180 hotline (Dec. 2005 – Feb. 2007)



5180 hotline donors by gender/type (Dec. 2005 – Feb. 2007)



Distribution of donors selecting digital receipts (2005/12 ~ 2007/02)



of Barbizon School from JIN (Nakamura) Collection” exhibit and the National Palace Museum’s “From the Forgotten Deserts: Centuries of Dazzling Dunhuang Art” exhibit, where over 10,000 audio tours were played for each event. TWM has so far helped over 20 literary, technological, scientific and artistic events in providing mobile audio tour services.

Service Features

1. Restriction-free knowledge delivery
Making the most of Taiwan’s nearly 100 percent mobile phone penetration rate, TWM introduced mobile audio tours for exhibits by bringing together Interactive Voice Response technology and professional writing and voice-recording, enabling the public to enjoy service without restrictions on time, space or manpower.
2. Enjoy savings with “All-You-Can-Dial Service”
In order to promote the arts, TWM offers an NTD 100 “All-You-Can-Dial Service” in addition to the audio tour’s regular NTD 0.05 usage rate. Mobile audio tour users can enjoy unlimited listening time during the day, anytime, for only NTD 100. TWM also offers this savings to customers of other telecom service companies by providing calling cards at event sites that access this service, making enjoyment of the arts truly available to all.



Use of TWM Mobile Audio Tours						
Exhibit	visitors per day (avg.)	users per day (avg.)	usage rate (% of visitors)	duration of audio tour (sec.)	avg. duration of use (sec.)	avg. use duration rate (%)
A Century of German Genius: Masterpieces from Classicism to Early Modernism – collections of the Berlin State Museums	1875	23	1.2	2876	878	30
Millet, Corot and Pleiades of Barbizon School from JIN (Nakamura) Collection	840	225	26.8	2843	67	2
Silver Design and Danish Art	1492	242	16.2	3249	64	2
From the Forgotten Deserts: Centuries of Dazzling Dunhuang Art	1403	34	2.4	5522	483	9
From the Legend of Lady White Snake - The Hidden Treasure of the Leifeng Pagoda	145	3	2.1	2219	503	23
La Vie Moderne, Paris 1926-1937	545	19	3.4	2703	669	25
Source: “A Study on Innovative Service and Business Model of Mobile Phone Audio Tours” (2006.07)						

Results

Since its introduction in 2004, TWM’s audio tours have served over 54,000 people with more than 1,800 hours of audio tour services. In spite of such shining results, this service still has not broken even. Given the undeniable social benefits

of the service, however, TWM will continue to develop and offer this service.

1. For the general public:
 - Given the 100 percent mobile phone penetration rate in Taiwan and an island-wide

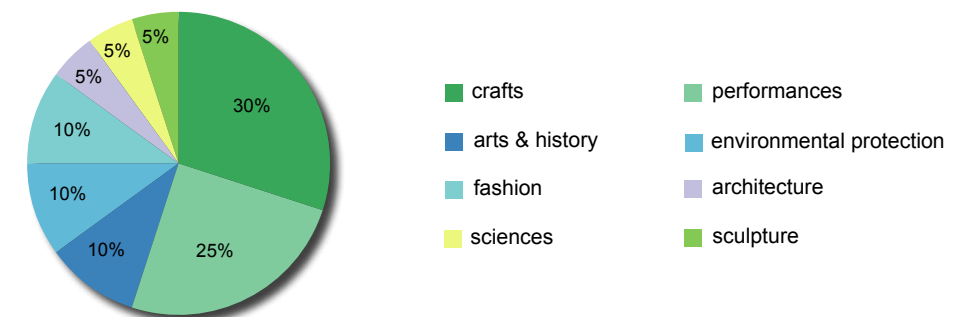
Past Events Featuring TWM Phone Audio Guide

event	event duration		venue	audio guide language
	from	to		
"Gong-Zhen(Resonance)" public art	2006/10/10	2007/02/28	throughout Taipei	Mandarin
The Architecture Art of Gaudi Exhibition	2006/07	2006/09	Sun Yat Sen Memorial Hall	Mandarin
Taipei Story House	2006/10	2007/3	Taipei Story House	Mandarin
Juming Museum – Permanent Collection	2006/06	-	Juming Museum	Mandarin
"Oh! My Deer!" public art	2006/5/5	2006/7/31	throughout Taipei	Mandarin
"Muo-Gu (Mushroom)" public art	2006/3/1	2006/06/30	throughout Taipei	Mandarin
"The Glamour of Gilt White: European Noted Porcelain Wares"	2006/02	2006/04	Yingge Ceramics Museum	Mandarin
"Fifty Years of Italian Fashion"	2006/02	2006/05	Museum of Contemporary Art, Taipei	Mandarin
"Les collection du Musee d'Art Moderne de la Ville de Paris"	2005/11	2006/02	Taipei Fine Arts Museum	Mandarin
"Taipei Ceramics Award Special Exhibition"	2005/10	2006/01	Yingge Ceramics Museum	Mandarin / Taiwanese
Yingge Ceramics Museum – "Permanent Collection"	2005/08	-	Yingge Ceramics Museum	Mandarin / Taiwanese
"Mystery of Space"	2005/07	2005/12	National Taiwan Science Education Center	Mandarin
From the legend of Lady White Snake: the Hidden Treasures on the Leifeng Pagoda	2005/06	2005/09	National Museum of History	Mandarin / Taiwanese
	2005/09	2005/12	National Taiwan Museum of Fine Art	Mandarin / Taiwanese
Taipei Zoo Insectarium	2005/5/1	2005/12/31	Taipei Zoo	Mandarin
"Wealth-Bringing Beast" public art	2005/4/31	2005/06/31	throughout Taipei	Mandarin
From the Forgotten Deserts: Centuries of Dazzling Dunhuang Art	2005/03	2005/05	National Museum of History	Mandarin / Taiwanese
Children's Zoo	2004/10	2004/11/30	Taipei Zoo	Mandarin
Silver Design and Danish Art	2004/12	2005/02	Taipei Fine Arts Museum	Mandarin
A Cup of Blessing	2004/07/02	2004/09/30	throughout Taipei	Mandarin
Millet, Corot and Pleiades of Barbizon School from JIN (Nakamura) Collection	2004/07	2004/09	National Museum of History	Mandarin / Taiwanese
	2004/09	2004/12	Kaohsiung Museum of Fine Art	Mandarin / Taiwanese
A Century of German Genius: Masterpieces from Classicism to Early Modernism – collections of the Berlin State Museums	2004/05	2004/08	National Palace Museum	Mandarin

GWM coverage rate of over 95 percent, professional-standard audio guides are available to busy, contemporary people, anytime, anywhere.

- Artistic and cultural knowledge is more accessible to the public.
 - Ease and convenience of use, without needing to pay rental fees for an audio tour device. Unlike traditional audio tour devices that require a flat fee regardless of how much of the service is used, users of the mobile audio tour pay for only what they use, up to the exact second. Users enjoy more savings and flexibility.
2. For the museum or exhibiter:
- The audio service saves museums or exhibitors manpower and equipment costs. No budget is required for the provision of this service, and long-term investment, maintenance, rental and human resources costs are low.
 - The service helps promote events. The enjoyment of mobile audio tours is not just restricted to the event's site. Users can access the service anytime and anywhere and would be more inclined to visit the exhibit as a result of the service's promotional function.

Distribution of the nature of audio tour contents (May 2004 ~ Oct. 2006):



Emergency Medical Services

Mobile technology is especially apt to coordinating medical resources in emergency situations. In response to increasing incidents of hospitals turning away "unprofitable" patients in times of emergency, TWM utilized MVPN (Mobile Virtual Private Network) mobile technology to establish a coordinated network of emergency medical resources for southern Taiwan, making communication for emergency medical services expedient and effective even in remote regions.

Disaster Response

In April 2004, TWM's subsidiary, TransAsia Telecommunications, utilized MVPN mobile technology and set up Taiwan's first mobile regional disaster medical network for the southern Taiwan area. This service connects emergency medical resources in three major urban areas of southern Taiwan. More specifically, they comprise 50 public and private units that include hospitals, health departments, fire departments, and emergency medical response centers. This mobile network functions as a mobile communications center for regional disaster and trauma care.

Additionally, TWM has continually helped fire departments and disaster response units all across Taiwan, including the giving of free mobile accounts and billing subsidies for occupational use by personnel in servicing remote communities. TWM also supports Taipei Bureau of Social Affairs programs by providing free communication allowances to senior citizens living alone, and victims of domestic violence for emergency calls.

Results

According to data provided by the health departments of three major cities in southern Taiwan, the mobile medical network did in fact increase the rate of successful hospital transfers. In 2005, the network received 12,000 requests for hospital transfers and hospital ward vacancies, and 88.9 percent, or 10,663 cases, were successful in assisting with hospital transfers and admissions. In comparison, other cities and counties that still rely on traditional walkie-talkies for transfer communications only

registered a 20-50 percent success rate, which highlights the success of the network. Help stem social problems through youth and depression awareness programs

Help stem social problems through youth and depression awareness programs

Educational care for disadvantaged and underprivileged children

A disadvantaged child, who might be from a low-income or troubled family, often finds learning more difficult, and as they grow contributes to the vicious cycle of cross-generation poverty and societal problems. TWM hopes to help stem this vicious cycle through educational assistance, and help children develop wholesome characters and escape poverty.

After-school classes for disadvantaged children

In 2005, TWM joined the Chinese Christian Relief Association in providing after-school programs for poor and neglected children. The program hires teachers to conduct four to five, two-hour-long, after-school tutoring sessions each week. English-language education, computer learning, living education, character development and personal safety tips as well as hearty snacks are provided. TWM also donated over a 100 computers, enabling children in remote communities to have access to the internet and its world of information.

CommonWealth magazine reading project

TWM joined the Hope Reading Project, run by *CommonWealth* magazine's Educational Foundation, in early 2006. In this program, disadvantaged children in remote communities





Children's Fun-Xin Safety Awareness Summer Camp

In the summer of 2006, TWM and CCRA jointly organized a children's camp on safety awareness. TWM's chief executives led 100 employees to volunteer in after-school classes in the cities of Sanchung Xinshe, Wujie, and Xincheng. The 500 children in the four after-school classes learned how to protect themselves from crime, accidents and illness.

Some of the volunteers living in Kaohsiung would wake up at five in the morning to take the early train to Taichung. Other volunteers risked heat stroke while doing their duties, while many other volunteers had to be declined after all the positions were quickly filled. Before heading to their designated areas, each volunteer had to undergo four hours of professional training. Employees were able to get their first glimpse of CEO Harvey Chang out of his business suit while studying children's games, and chief financial officer Vivien Hsu learning how to roller skate. CEO Chang has stated volunteering has instilled him with a sense of pride and mission to help the disadvantaged, plus a higher appreciation for TWM's corporate culture.

benefit from reading. The program boasts 1,000 trained volunteers, many of whom are college students. Twenty-thousand children's books have been donated to 100 project-affiliated schools, and savvy readers can even attend reading competitions. There is also a Hope Reading Project mobile library that travels to remote communities.

Results

For the 100 disadvantaged children in the six after-school classes adopted by TWM all across Taiwan, many of the children went from lagging in academic performance and lacking self-confidence to having improved grades and self-esteem, as well as increased motivation for their education. The development of healthy learning habits enhanced their sense of belonging; they improved their diction, and developed better social abilities.

Starting in 2006, TWM added 10 more after-school classes, or 160 disadvantaged students, in the cities of Miaoli, Rende, Kaohsiung, and Magong.

Additionally, during that same year, in order to help the 100 grade schools in remote areas join the Hope Reading Project, TWM utilized its "5180 Donation Hotline" and helped *CommonWealth* raise the necessary funds. Since September 2006, a total of 200 grade schools in remote communities all across Taiwan have benefited from the reading project.

Teen guidance programs

Seeing an increase of teen-related problems including suicide, depression, academic pressures and social relations, TWM in 2004 began sponsoring youth programs run by the Champions Education Association R.O.C. Every semester, the association provides a 10-week educational program for first-year high school students in hundreds of campuses across Taiwan, teaching

them skills in problem resolution, emotional management and gender relations.

Teen Guidance

The association's project also brings together resources in schools, families, communities and society to train volunteers to care for the needs of teenagers. The project enables youths to learn in a loving and virtuous environment, and helps them develop upright character and values, as well as the ability to opt away from vices.

Results

TWM began sponsoring the Champion Education Association's "Champion Project" in 2004. Since then, 4,286 classes or 150,000 students have benefited. The association in 2007 began working on suicide prevention and living education courses for 400 classes, or 14,000 students and teachers in Taichung. The scope was then expanded to include freshmen students nationwide.

Depression management

According to the World Health Organization, depression has become the world's fourth most prevalent disease, and that statistically, a person dies from suicide everyone 2.5 hours, making depression one of the top ten worldwide illnesses. Starting in 2006, in collaboration with the Can Love Foundation, TWM added depression prevention and related public information services into its range of charitable activities.

Contribution of resources and volunteers

TWM regularly sponsors services by the Can Love Foundation, including:

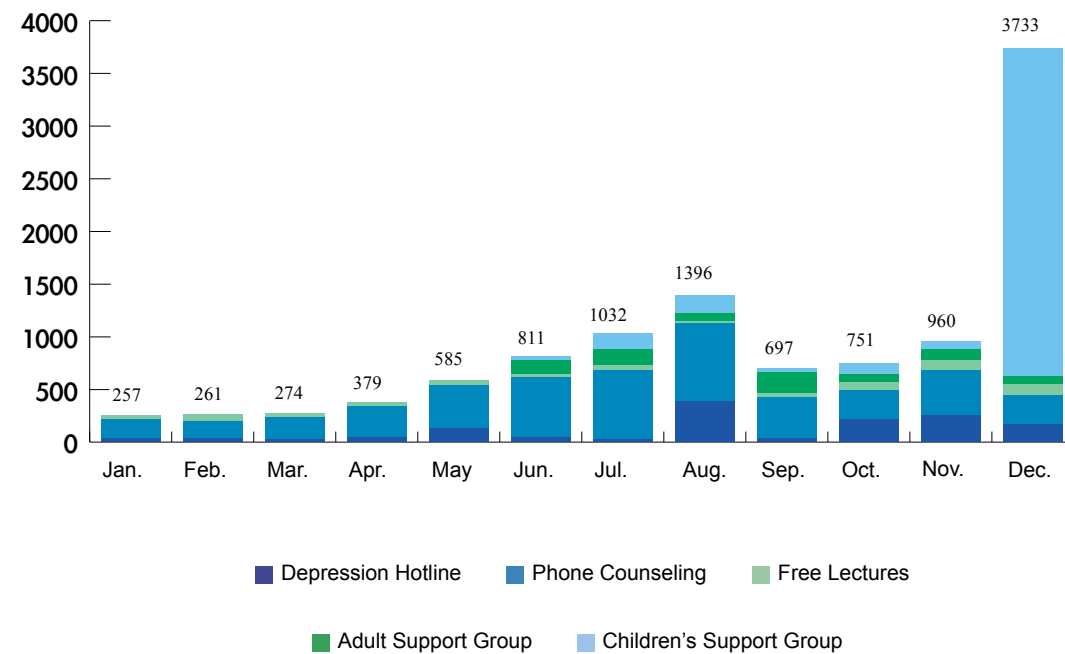
1. A hotline – care is provided via a hotline for the depressed
2. Support – supportive courses are provided for those with depression, and their family

3. Lectures – knowledge and prevention tips are provided to the general public through free lectures

Results

The hotline and lectures that began January 1, 2006, plus the support programs since June of the same year, have helped more than 10,000 people. The funds raised also met their annual target of NTD 10 million, plus the participation of 416 volunteers. The hotline handled 6,000 calls. The numbers increased considerably following reports in the media about the program. Fundraising will continue to support the hotline’s 24-hour operations.

Number of People Served by Can Love (Jan. 2006 to Dec. 2006)



Employment assistance for the disadvantaged

Remote Site Service with VoIP technology

The best way to help the physically disadvantaged may be through training that helps them earn a living to support themselves. In collaboration with the Development Center for Spinal Cord Injuries starting in July of 2003, TWM and its subsidiary, TT&T, developed a “remote site” project that adopts VoIP (Voice Over Internet Protocol) technology. Calls from customers to TWM’s main office in Taipei were dispatched to service agents from the center, enabling them to service those in need without hindrance.

Independence regained – helping those with spinal cord injuries

Many now paraplegic victims of spinal cord injuries once had promising careers. TWM and the Development Center for Spinal Cord Injuries give them a chance to return to the job market and contribute their skills as well as rekindle their self-confidence. Some have even found their life partner and developed lifelong friendships with others on the job. After undergoing training, 20 spinal-cord injured trainees became TWM customer service agents, assisting customers all across the nation.



Results

After two months of rigorous training, the spinal-cord injured customer service reps help, on average, 80 to 100 customers a day on the phone. This culminates in a three-way win for the customers, the spinal-cord injured and the customer service profession.

In order to elevate their service quality and career opportunities, job advancement opportunities were planned in 2007 for the spinal-cord injured customer service agents. Six months after their internships, 10 candidates will be selected to receive career advancement training to join

TT&T as full-time employees). With the expected completion of the new service center in 2008, some 50 qualifying candidates will work in shifts in the center's 40 available positions.

Promotion of Arts and Culture

TWM regularly supports the promotion of the arts in remote communities, hoping to make the arts more accessible to the general public.

Classical Music for Remote Communities

1. TWM has sponsored Taiwan's own Philharmonia Moment Musical (PMM) since 2004, and also invited orchestra leader Po-Po Chiang to convene three top musicians to form the quartet "Taiwan Mobile Musical Ambassadors". The quartet's mission is to promote classical music in remote communities in Taiwan, including performances in hospitals, remote schools and youth detention facilities, where it held 20 charity performances across Taiwan in one year.



2. In 2006, TWM and PMM jointly organized the first annual "I Love Taiwan Choir Contest", which commissioned master musician Shi Xieyong to compose "Innumerable Hope". The song served as the official song for the contest.

Other than the groups that received the first three awards, four additional prizes were given

to four other groups for being the "audience's choice", "best music composition", "best presentation" and "judges' favorite".

The champion group also joined the musical company as "Ambassadors of Love" to bring music and care to remote communities around Taiwan.

'I Love Taiwan' Choir Contest

The "I Love Taiwan" contest featured music styles that ranged from traditional academy sounds, lively jazz, and pop rock to a-cappella performances. The 2006 winning group was "Sound of Harmony", followed by "Open Wings" (a group of physically disabled musicians) in second place, and professional rock band "Survival Influence" in third place.



3. Internationally Acclaimed Nai-Yuan Hu

TWM sponsored the 2005 Taiwan Connection, an annual event started by internationally acclaimed musician Nai-Yuan Hu that invites distinguished Chinese musicians around the world to perform in Taiwan. It was the first time the annual event was held outside of Taipei, where it held performances in Taidong, Ilan and Hualien. TWM also sponsored “Connect Baroque by Nai-Yuan Hu and the Taiwan String Orchestra”, which were free performances for remote community residences. Featuring performances by Nai-Yuan Hu, the act was also performed in Xinzhu, Zhongli, Ilan and Hualien in 2006.

4. Sponsoring of outdoor concerts

In order to promote classical music and make it more accessible to a larger number of the public, TWM sponsored many outdoor concerts.

- Taroko Gorge Concert Festival

The Taroko Gorge Concert Festival that began in 2002 is an annual event that merges music and travel. TWM first sponsored the festival in 2006 with the funding and invitation of conductor Wen-

Pin Chien and his National Symphony Orchestra (NSO). To promote the festival, TWM also collaborated with local hotels to introduce the “Taroko Gorge Concert Festival Tour Package”, providing discounted accommodations.

- “Licapong Dreams” Plum Feast Concert
“Licapong” is a Puyuma Tribe aboriginal word meaning “taro sapling” that represents burgeoning life and hope. TWM twice sponsored concerts at Taidong County’s Lijia Elementary School, naming the events “Licapong Dreams Plum Feast Concert” for the plum trees on campus. It also invited preeminent musicians in Taiwan to perform free music in outdoor concerts for local children.

The Lijia Elementary School has less than 100 students, and more than 85 percent of

them are Puyuma or Amis tribe aboriginals. The school funded the concerts for six years, which took place on campus under plum trees. TWM sponsored the event in 2006, which drew a record crowd of 1,300 people

- Berlin Philharmonic Orchestra

On its first visit to Taiwan in late 2005, because of time and venue restrictions as well as other factors, the world-famous Berlin Philharmonic Orchestra could only be enjoyed by a limited audience. To bring the concert to more people, TWM sponsored the performance’s live broadcast and rebroadcast on public television.

The outdoor live broadcast was seen by nearly 40,000 people who braved the cold and wet weather to enjoy the concert on giant screens. The two rebroadcasts on public television also enabled people across Taiwan to enjoy the concert.

▼ Internationally acclaimed musician Nai-Yuan Hu and overseas Chinese violinist Jasmine Lin performing at Lijia Elementary School in Taidong County.





Promoting Cultural Arts Exchange

TWM has collaborated with Cloud Gate2 since 2004 by sponsoring its campus performances in high schools and colleges around the country, totaling nearly 100 shows in three years. These shows have been attended by nearly 80,000 students.

For many years, TWM has sponsored various quality cultural art activities and promoted their exchange, including the Council for Cultural Affairs' nationwide tour performances by the

famed Ming Hwa Yuan Taiwanese Opera Company Performance Workshop. A total of 88 free performances were held throughout Taiwan as well as outlying islands. Additionally, TWM sponsored shows by the Papermill Foundation, the 2006 Shinzhu Spring Music Festival, Taipei Sinfonietta & Philharmonic Orchestra's overseas performances at the John F. Kennedy Center for Performing Arts in New York City and Stanford University, and Jose Carreras' first performance in Taiwan, which took place during a new year countdown concert.



Environmental Care

Efforts to support environmental protection are an indicator of an enterprise's sustainability. Therefore, TWM advocates lowering resource waste, the efficient use of resources, energy conservation, reducing waste and environmental protection. This is implemented through promotion of a paperless work environment at our store locations, incorporating eco-friendly concepts into our products, and recycling in our offices.

Paperless branch stores and battery recycling

Paperless branch stores

To promote a paperless work environment, TWM revamped its information system at all store locations throughout the country in 2006. By using a digital signature system, use of paper



Paperless Branch Stores

According to TWM estimates, the "paperless branch store" policy saves nearly NTD 1.4 million (approx. USD 42,400) in paper costs in just six months. Adding further savings from spared manual photocopying, labor costs, equipment space, manual document filing and retrieving, then the total savings are over NTD 4.6 million (approx. USD 140,000), or an annual savings of nearly NTD 10 million (approx. USD 303,000). Another advantage of TWM's paperless outlets is convenience, making this program a winner for all parties.

was reduced to a minimum in various transactions, including in-store customer applications for new account setups and changes in service. For example, when customers are making payments without their statement, instead of using the in-store duplicate statement printer, they can simply tell company service agents their account number in order to complete payment. After payment, customers also have the option of receiving an SMS payment receipt instead of a paper one.

Battery recycling

Battery recycling bins are prominently placed in all designated "myfone" direct store locations. This was soon extended to all franchised store locations as well.

Environmental Protection Incorporated into Products and Services

Innovative Reusable Pre-paid Calling Cards

Traditional pre-paid, or stored-value calling cards, involve the purchase of an actual card, which unnecessarily generates waste. TWM came up with the "ETU (Electronic Top-up) Service" that electronically keeps track of pre-paid calling credits for specified account numbers. Customers need only pay for the service at affiliated "myfone" store locations, and the pre-paid calling credit will be debited to the specified account number, alleviating the need for physical cards. The ETU service was introduced in 2006, and is slated to become a primary service product.

Electronic Monthly Statement

TWM introduced an electronic monthly statement in May 2004, which is so far used by 40,000 customers who help save considerable amounts of paper used for traditional statements. Electronic monthly statements also became a key strategic service for promotion in 2007. Additionally, for payments less than NTD 300, an SMS payment confirmation is sent via cell phone, which will be listed on the next monthly statement, thus saving the use of paper receipts.

Mobile Masts Electromagnetic Radiation Assessment Service

Mobile masts belonging to TWM, TransAsia Telecom and Mobitai Communications all conform to regulatory standards set by the National Communications Commission (NCC). The electromagnetic radiation levels produced have all passed the Environmental Protection Administration's stringent tests, which are all well below national and international limits.

To promote public awareness of electromagnetic radiation safety, TWM participates in various educational promotions and electromagnetic radiation testing services organized by the NCC and Taiwan Telecommunication Industry Development Association. These programs help educate the public and alleviate concerns about electromagnetic radiation. TWM also participates in joint efforts with property owners to develop aesthetic designs for mobile masts that work in harmony with their surroundings.

“Paddle Taiwan Project”

Despite the rich marine ecosystem that surrounds Taiwan, pollution of the sea and destruction of marine resources have steadily worsened. TWM feels this situation has not received due attention.

Canadian national Mark Western initiated a kayaking project in 2004, where he paddles once around the island along the coastline in his kayak. TWM supported him by helping him send daily navigational logs via cell phone, and also jointly initiated the May 2004 “Paddle Taiwan Project” to promote protection of Taiwan’s marine ecology.

TWM mobilized over 300 employees and company resources to support this project with a beach cleaning at the Linshanbi beach in Sanzhi of Taipei County, and also raised donations with sales of project t-shirts at all of the 28 island-wide direct branch stores.

To extend its promise to protect the marine ecology of Taiwan, TWM also sponsored the

marine life educational campaign by SOW (Society of Wilderness), which held over 160 lectures on the subject in schools from elementary to college campuses around the island, as well as a marine ecology monitoring project by Kuroshio Ocean Education Foundation that documented coastal garbage and their sources.

Workplace Environmental and Health Protection Efforts

Because of TWM’s high regard for environmental protection and employees’ health, the company has been active in initiating many related workplace policies and programs, which earned it the “Workplace Health Promotion Supreme Excellence Award” by the Taipei City Government Department of Health in December 2005, and the “Healthy and Safe Workplace Award” from the Taipei City Government in December 2006.

Paperless Office

In recent years, TWM has pushed for a paperless office environment at its store locations, as well as in its offices by making company memos, announcements, notices, etc., electronic. It also advocates repeated uses of envelopes and conservation of paper resources. Meanwhile, to encourage the reuse of printed paper by employees, the company upgraded printing paper type from 70 pounds to 80 pounds, which despite a higher cost, reduces the paper’s light transmission, making it more feasible for reuse.

Garbage sorting and recycling

Every floor of TWM’s office building has conveniently placed recycling bins, including bins for kitchen waste and batteries. In 2006, the amount of photocopy paper ordered at company headquarters was 29.1 percent less than the last year because of successful recycling efforts.

Electricity Conservation

Conservation of electricity is implemented with an office air-conditioning system that is controlled to activate only when actually needed, and shuts down after work hours. Likewise, control of office lighting is limited to individual sections of the floor, and can be turned off during nap times at noon. Neon light signs at store locations are programmed to turn on at 5:30 pm during winter seasons, and later at 6:30 pm during the summer.

Office Water Conservation and Greening

The volumes of water dispensed from faucets and toilets in the office have been reduced to conserve water. Greening and environmental contests are also held to promote environmentally friendly habits among employees.

Smoke-free Workplace

For the sake of its employees and customers’ health, TWM implements a 100 percent smoke-free work environment, prohibiting smoking entirely within its office building, and also provides programs to help employees quit smoking. In November 2006, TWM received the “Earnest Promotion of Smoke-free Workplace” award from the Department of Health’s Bureau of Health Promotion, and the “Best de facto Smoke-free Workplace” award from the Executive Yuan’s Department of Health.

Use of Environmentally-friendly materials

TWM uses environmentally friendly materials in its office construction, including paint, energy-conserving light bulbs, and eco-friendly, soy-based printer ink produced by the American Soybean Association under authorization from the U.S. National Soy Ink Information Center. The intranet equipment purchased by TWM also meets the regulatory standards of the European Union’s Restriction of Hazardous Substances.



Vision for the Future

“myfone” Mobile Composition Competition

Seeing that the literary comprehension and usage of standard Chinese by young people in Taiwan is eroding, TWM hopes to bridge this gap in linguistic skills using the most accessible technology—the mobile phone. This led to the launching of the “myfone” Mobile Composition Competition in 2007. Well-known musicians and writers were invited as spokespersons and judges to encourage the public participation.

Rapid advancements in technology have made information more easily accessible and graphical in nature than ever before, which has considerably replaced traditional means of communication and expression in texts and words. This has led to dwindling reading habits by the younger generation, bringing lower levels of Chinese compositional skills. Deteriorating linguistic skills are also evident in many other cultures around the world.

Other countries respond to this cultural dilemma with designated days such as “World Reading Day” and “Poem Appreciation Day” in the U.S., and “Letter Writing Day” in France. In Taiwan, poet Yu Guang-zhong launched the “Save Our National Language Petition” and other activities to encourage the reading and popularity of Chinese calligraphy.

TWM believes the most accessible communication devices to young people today

– mobile phones and the internet—should be incorporated into this effort. TWM chose the SMS short message medium, popular with young people, and initiated the “SMS Composing Contest”. Entrants are asked to compose an SMS message using exactly 70 words, no more and no less. Lectures were held to drive home the idea of using a familiar technology to help the young gain an appreciation for their mother tongue.

Additionally, TWM collaborated with a digital content enterprise to launch a mobile phone ring tone creativity contest, encouraging professional as well as amateur musicians to participate with original musical creations.

Caring Exchange Project

To inspire more children to have a sense of social responsibility and spirit of volunteerism early on in their life, TWM plans to launch the “Caring Exchange Project”. The theme for the first year of this project will be environmental protection, and students in elementary and junior high schools will be encouraged to come up with creative ideas to protect the environment. As an incentive, TWM will reward the winning school by inviting an arts or cultural organization the company has a working relationship with to perform at the school free of charge.

TWM hopes that the project will instill a strong sense of social responsibility in the younger generation.



A DIY Eco-friendly Halloween

For three consecutive years, the Taiwan Mobile Foundation has invited the Papermill Foundation to organize Halloween activities at elementary schools. The activities teach students to make costumes from recycled materials, thus instilling the concept of recycling in students from an early age.

Advocacy for Employee Volunteerism

To enable more volunteerism in society, the Taiwan Mobile Foundation plans to provide volunteering opportunities throughout Taiwan so that all TWM employees nationwide can use their spare time to put their enthusiasm for social contribution into action to help society's disadvantaged. TWM also allotted two days of paid leave with

transportation subsidies for all of its employees to do volunteer work. The Taiwan Mobile Foundation also plans to take advantage of internet technology to integrate the needs of social welfare organizations with willing volunteers, where volunteers can search for opportunities for contribution online, thus expediting the meeting of resources with needs.



Promotion of Core Values and Extended Technology

Using mobile technology and integrating core business resources for social contributions, TWM plans to collaborate with more member organizations of the Taiwan NPO Self-Regulation Alliance that have sound organizational governance and public credibility as well as excellence in management, thus expanding the effectiveness for 5180 donation hotline fundraising. TWM will also continue to provide telecom resources to social workers, emergency rescue units and those undergoing rehabilitation. The company will also contribute its core business resources to maximize its effect in helping the disadvantaged, crime prevention, and raising overall societal value.

Corporate social responsibility has become increasingly important, a concept that Taiwan's private and media sector has gained a better understanding of in recent years. Despite receiving affirmation from Taiwan's various media, TWM understands that there is still a limit on the capacity of its social contributions. TWM intends, however, to continue its efforts, invite more businesses to do the same, and make the world a better place.