## CHUNGHWA POST CO.,LTD. Income Statements For the years ended Dec.31, 2008 and 2007

Liem   Dec.31,2008   Dec.31,2007   Constraints     Operating revenues   total   total   subtotal   total   total     Postal revenue   24,747,268   24,293,005   385,255,839   1   1     Interest income   140,116,878   132,597,641   385,255,839   1   1     Reversal of premium reserves   142,200,785   96,141,232          Quation gain of financial asets   142,200,785   96,141,232 <th></th> <th colspan="3">Unit:NT\$th</th> <th>Unit:NT\$thousand</th> <th colspan="2">ousand</th>		Unit:NT\$th			Unit:NT\$thousand	ousand	
Dec. 31,200   Dec. 31,200   Dec. 31,200     subtoal   total   subtoal   total     Operating revenues   443,553,005   385,255,839   385,255,839     Postal revenue   125,955,304   115,666,962   385,255,839     Interest income   122,955,304   115,666,962   57,443     Reversal of premium reserves   140,116,878   132,597,641   -     Commission and service fees   2,802,703   2,577,441   -     Gains on investments   2,802,705   96,141,232   -     Valuation gain of financial liabilities   6,448,320   557,449   1,0     Investment gain recognized by using equity method   1,281,747   750,606   -     Operating cost and expenses   1,281,747   750,606   -   -     Postal cost   19,722,288   19,674,954   -   -     Interest expenses   12,459,417   72,421,459   -   -     Provisions for premium reserve   147,159,088   140,059,861   -   -     Service charges   3,600,446   - <th rowspan="2">Item</th> <th colspan="2" rowspan="2">Jan.1,2008- Dec.31,2008</th> <th>Jan.1,2007-</th> <th></th> <th rowspan="2">Variance (%)</th>	Item	Jan.1,2008- Dec.31,2008		Jan.1,2007-		Variance (%)	
Operating revenues   443,553,005   385,255,839     Postal revenue   125,955,304   115,666,962     Insurance premiums   140,116,878   132,597,641     Reversal of premium reserves   142,200,785   96,141,232   -     Commission and service fees   2,802,703   2,574,518   -     Gains on investments   2,802,703   2,574,518   -     Valuation gain of financial assets   2,802,703   557,449   1,0     Valuation gain of financial labilities   6,448,320   557,449   1,0     Oher operating revenues   1,281,747   750,606   -   -     Operating cost and expenses   13,547,471   72,21,894   -   -     Interest expenses   83,547,471   72,421,459   -   -     Claims and benefits   142,459,417   96,458,794   -   -     Provisions for premium reserve   147,159,088   140,659,681   -   -     Service charges   9,070,36   598,277   -   -     Valuation loss of financial Assets   -   4,475 </th <th></th> <th></th>							
Postal revenue   24,747,268   24,293,024   Interest income   115,666,962   Interest income   115,666,962   Interest income   142,200,785   96,141,232   Interest income   Interest income income   Interest income <t< th=""><th></th><th>subtotal</th><th></th><th></th><th></th><th></th></t<>		subtotal					
Interest income   125,955,304   115,666,962   Insurance premiums   140,116,878   132,257,641   Insurance premiums   Insurance premiums   Insurance premiums   Insurance premiums   Insurance premium reserves   142,200,785   96,141,232   Insurance premium reserves   Insurance premium reserves   Insurance premium reserves   Insurance premium reserve   Insurance premium reserve <td< td=""><td></td><td></td><td></td><td></td><td>385,255,839</td><td></td></td<>					385,255,839		
Insurance premiums 140, 116,878 132,597,641 Image: Commission and service fees 2,802,703 2,574,518 Image: Commission and service fees 1,1442,513 Image: Commission and service fees 1,1442,513 Image: Commission and service fees 1,00   Valuation gain of financial assets Image: Commission and service fees 1,281,747 75,0606 Image: Commission and service fees 1,281,747 70,0606 Image: Commission and service fees 368,534,662 Image: Commission and service fees 1,281,747 Image: Commission and service fees 368,534,662 Image: Commission and service fees 1,24,759,417 9,64,58,794 Image: Commission and service fees 142,459,417 Image: Commission and service fees 142,459,417 Image: Commission and service fees<						1.87	
Reversal of premium reserves142,200,78596,141,232Commission and service fees2,802,7032,574,518Gains on investments11,442,513-1Valuation gain of financial lassets11,442,513-1Valuation gain of financial lassets6,448,320557,4491,0Investment gain recognized by using equity methodForeign exchange gains1,231,894-1Other operating revenues1,281,747750,606368,534,662Operating cost and expenses432,068,426368,534,662Postal cost19,722,288140,659,681Interest expenses5,416,832598,277Claims and benefits5,416,832598,277Losses on investments5,416,832598,277Valuation loss of financial Assets997,036598,277Valuation loss of financial liabilities11,484,57934,762Foreign exchange losses2,62,89,97231,993,693Other operating income(loss)2,871,4016,693,042Operating income(loss)2,871,4016,693,042Non-operating expenses and losses2,871,4016,693,042Non-operating income(loss)-1,322,66516,684,459Non-operating income(loss)-1,322,66516,684,459Non-operating income(loss)-1,322,66516,684,459Non-operating income(loss) after tax11,458,20616,684,459Non-operating income(loss) after tax11,458,20616,684,459Net income before tax10,135,54116,223,871Net income lofter						8.89	
Commission and service fees2,802,7032,574,5181Gains on investments11,442,513-1Valuation gain of financial assets6,448,320557,4491,0Investment gain recognized by using equity method Foreign exchange gains6,448,320557,4491,0Other operating revenues1,281,747750,606368,534,662Operating cost and expenses19,722,28819,674,954368,534,662Interest expenses83,547,4717,24,21,4591Claims and benefits142,459,41796,458,794-1Claims and benefits142,459,41796,458,794-1Losses on investments5,416,832598,277-1Valuation loss of financial Assets5,416,832-1Valuation loss of financial assets26,289,97231,993,663-2Valuation loss of financial assets26,289,97231,993,663-2Non-operating expenses and losses2,871,4016,693,042-2Operating expenses and losses2,871,4016,693,042-2Non-operating expenses and losses2,871,401312,716-3,322,137Non-operating expenses and losses-1,322,66516,684,459-1Non-operating expenses and losses-1,322,6654,460,5881Non-operating expenses and losses-1,322,66516,684,459-1Non-operating expenses and losses-1,322,66514,6223,871-1Non-operating expenses and losses-1,322,66514,60,5881Net income tax </td <td>•</td> <td></td> <td></td> <td></td> <td></td> <td>5.67</td>	•					5.67	
Gains on investmentsIn <th< td=""><td>-</td><td>142,200,785</td><td></td><td>96,141,232</td><td></td><td>47.91</td></th<>	-	142,200,785		96,141,232		47.91	
Valuation gain of financial assets Valuation gain of financial liabilities Investment gain recognized by using equity method Foreign exchange gains 	Commission and service fees	2,802,703		2,574,518		8.86	
Valuation gain of financial liabilities6,448,320557,4491,0Investment gain recognized by using equity method Foreign exchange gains1,281,7471,231,894-1Other operating revenues1,281,747750,606368,534,662432,068,426368,534,662Operating cost and expenses19,722,28819,674,954368,534,662432,068,426368,534,662432,068,794-1Claims and benefits142,459,41796,6458,79475,066-1-1-1-1Provisions for premium reserve147,159,088140,659,681-1-1-1-1-1Service charges997,036598,277598,277-1<	Gains on investments			11,442,513		-100.00	
Investment gain recognized by using equity method Foreign exchange gains1,281,7471,231,8941,231,894Other operating revenues1,281,74732,068,426368,534,662368,534,662Postal cost19,722,28819,674,954368,534,662368,534,662Interest expenses83,547,47172,421,459368,534,662368,534,662Claims and benefits142,459,41796,6458,79444,059,681432,068,426Service charges997,036598,277598,27744,059,681Service charges997,036598,277598,27744,059,681Valuation loss of financial Assets3,600,44634,762598,27744,75Valuation loss of financial liabilities3,600,44634,762-Poreign exchange losses2,62,89,97231,993,693Other operating expenses and losses2,871,4016,693,042Operating income(loss)-258,510312,716Non-operating income(loss)-258,73-36,718Net income befor tax11,458,20611,458,20616,684,459-Net income (loss) after tax11,458,20616,684,459Net income (loss) after tax11,458,20616,684,459-Net income (loss) after tax10,135,54116,223,871-Net income (loss) after tax10,135,54116,223,871-Net income (loss) after tax10,135,54110,135,54116,223,871Net income (loss) after t	Valuation gain of financial assets						
Foreign exchange gains Other operating revenues1.281,747 1.281,7471.231,894 750,606-1.Operating cost and expenses19,722,228 83,547,47119,674,954 432,068,426368,534,662Postal cost Interest expenses19,722,228 83,547,47119,674,954 96,458,794368,534,662Claims and benefits142,459,417 96,458,79496,458,794-1.Provisions for premium reserve147,159,088 140,659,681140,659,681 598,277-1.Service charges997,036 5,416,832598,277-1.Losses on investments5,416,832 4,47534,762 6,693,042-1.Valuation loss of financial Assets Valuation loss of financial liabilities5,416,832 2,871,40131,993,693 6,693,042-1.Poreign exchange losses Other operating expenses and losses Non-operating expenses and losses Non-operating expenses and losses2,871,401 2,32,1376,693,042 2,373,193,693-1.Non-operating expenses and losses Non-operating expenses and losses-1.322,665 14,658,459-13.Non-operating expenses and losses Non-operating expenses and losses-1.322,665 14,658,459-13.Non-operating expenses and losses Net income (loss) after tax-111.Net income lofore tax Net income(loss) after tax-1111.Accumulated adjustments on changes of accounting principles-1.322,665-460,588 10,135,541-1.	Valuation gain of financial liabilities	6,448,320		557,449		1,056.76	
Other operating revenues   1,281,747   750,606   368,534,662     Operating cost and expenses   19,722,288   19,674,954   368,534,662     Postal cost   19,722,288   19,674,954   19,674,954     Interest expenses   83,547,471   96,458,794   142,459,417     Provisions for premium reserve   147,159,088   140,659,681   142,459,417     Service charges   997,036   598,277   145     Valuation loss of financial Assets   997,036   598,277   145     Valuation loss of financial Assets   142,459,417   6,693,042   -     Service charges   3,600,446   34,762   -     Appropriation for reserve   4,475   34,762   -     Business and administrative expenses   26,289,972   31,993,693   -     Other operating expenses and losses   2,871,401   6,693,042   -     Non-operating revenue   232,137   275,998   -     Non-operating expenses and losses   258,510   312,716   -     Non-operating income(loss)   -   -   - <td>Investment gain recognized by using equity method</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Investment gain recognized by using equity method						
Operating cost and expenses   432,068,426   368,534,662     Postal cost   19,722,288   19,674,954     Interest expenses   83,547,471   72,421,459     Claims and benefits   142,459,417   96,458,794     Provisions for premium reserve   147,159,088   140,659,681     Service charges   997,036   598,277     Losses on investments   5,416,832   598,277     Valuation loss of financial Assets   5,416,832   598,277     Valuation loss of financial liabilities   5,416,832   598,277     Foreign exchange losses   3,600,446   4,475   34,762     Appropriation for reserve   4,475   34,762   -     Business and administrative expenses   26,289,972   31,993,693   -     Operating revenue   232,137   275,998   -     Non-operating revenue   258,510   312,716   -     Non-operating income(loss)   -26,373   -36,718   -     Income tax (expenses) revenue   -1,322,665   -460,588   1     Net income (loss) after tax   10,135,541	Foreign exchange gains			1,231,894		-100.00	
Postal cost19,722,28819,674,954Interest expenses83,547,47172,421,459Claims and benefits142,459,41796,458,794Provisions for premium reserve147,159,088140,659,681Service charges997,036598,277Losses on investments5,416,832598,277Valuation loss of financial Assets5,416,832598,277Valuation loss of financial liabilities5,416,83234,762Foreign exchange losses3,600,44634,762-Appropriation for reserve4,47534,762-Business and administrative expenses26,289,97231,993,693-Operating expenses and losses2,871,4016,693,042-Operating revenue232,137275,998-Non-operating revenue232,137-36,718-Non-operating income(loss)-26,373-36,718-Net income before tax-1,322,665-460,5881Income tax (expenses) revenue-1,322,665-460,5881Net income(loss) after tax-1,322,665-460,5881Net income(loss) after tax-1,322,665-460,5881 <td< td=""><td>Other operating revenues</td><td>1,281,747</td><td></td><td>750,606</td><td></td><td><math>70.7\epsilon</math></td></td<>	Other operating revenues	1,281,747		750,606		$70.7\epsilon$	
Interest expenses83,547,47172,421,459Claims and benefits142,459,41796,458,7944Provisions for premium reserve147,159,088140,659,681Service charges997,036598,2775Losses on investments5,416,832548,7724Valuation loss of financial Assets5,416,83234,762-Valuation loss of financial liabilities5,416,83234,762-Foreign exchange losses3,600,44634,762-Appropriation for reserve4,47534,762-Business and administrative expenses26,289,97231,993,693-Other operating expenses and losses2,871,4016,693,042-Operating income(loss)11,484,57916,721,177-Non-operating expenses and losses28,510312,716-Non-operating expenses and losses-26,73-36,718-Non-operating income(loss)-1,322,665-460,588-Net income before tax-1,322,665-460,588-Net income(loss) after tax10,135,54116,223,871-Net income(loss) after taxAccumulated adjustments on changes of accounting principles	Operating cost and expenses		432,068,426		368,534,662	17.24	
Claims and benefits142,459,41796,458,794Provisions for premium reserve147,159,088140,659,681Service charges997,036598,277Losses on investments5,416,832Valuation loss of financial liabilities5,416,832Foreign exchange losses3,600,446Appropriation for reserve4,475Business and administrative expenses26,289,972Other operating expenses and losses2,871,401Operating income(loss)11,484,579Non-operating expenses and losses2,871,401Non-operating expenses and losses28,510Non-operating expenses and losses11,458,206Income tax (expenses) revenue-1,322,665Net income (loss) after tax11,458,206Net income (loss) after tax10,135,541Accumulated adjustments on changes of accounting principles11,35,541	Postal cost	19,722,288		19,674,954		0.24	
Provisions for premium reserve147,159,088 997,036140,659,681 598,277Service charges997,036598,277Losses on investments5,416,832Valuation loss of financial Assets5,416,832Valuation loss of financial liabilities3,600,446Appropriation for reserve4,475Business and administrative expenses26,289,972Other operating expenses and losses2,871,401Operating income(loss)11,484,579Non-operating expenses and losses258,510Non-operating income(loss)312,716Non-operating income(loss)11,458,206Not income before tax11,458,206Income tax (expenses) revenue-1,322,665Net income(loss) after tax10,135,541Accumulated adjustments on changes of accounting principles140,155,081	Interest expenses	83,547,471		72,421,459		15.36	
Service charges997,036598,277Losses on investments5,416,832Valuation loss of financial Assets5,416,832Valuation loss of financial liabilities3,600,446Appropriation for reserve4,475Business and administrative expenses26,289,972Other operating expenses and losses2,871,401Operating income(loss)11,484,579Non-operating expenses and losses258,510Non-operating expenses and losses258,510Non-operating income(loss)11,458,206Net income before tax11,458,206Income tax (expenses) revenue-1,322,665Net income(loss) after tax10,135,541Net income(loss) after tax10,135,541Accumulated adjustments on changes of accounting principles14,475	Claims and benefits	142,459,417		96,458,794		47.69	
Losses on investments Valuation loss of financial Assets Valuation loss of financial liabilities5,416,832 sImage: Solution loss of financial liabilitiesForeign exchange losses Appropriation for reserve3,600,446 4,47534,762Business and administrative expenses Other operating expenses and losses26,289,97231,993,693Operating income(loss)11,484,57916,721,177Non-operating expenses and losses2,871,401232,137275,998Non-operating expenses and losses258,510312,716Non-operating income(loss)-26,373-36,718Net income before tax Net income(loss) after tax11,458,20616,684,459Net income(loss) after tax10,135,54116,223,871Accumulated adjustments on changes of accounting principles	Provisions for premium reserve	147,159,088		140,659,681		4.62	
Valuation loss of financial Assets Valuation loss of financial liabilities3,600,446 4,4754,47534,762	Service charges	997,036		598,277		66.65	
Valuation loss of financial liabilities3,600,4464,47534,762Appropriation for reserve4,47534,762Business and administrative expenses26,289,97231,993,693Other operating expenses and losses2,871,4016,693,042Operating income(loss)11,484,57916,721,177Non-operating revenue232,137275,998Non-operating income(loss)-26,373-36,718Non-operating income(loss)-26,373-36,6718Not income before tax11,458,206116,624,459Income tax (expenses) revenue-1,322,665-460,58811Net income(loss) after tax10,135,54116,223,871Net income(loss) after tax1,322,665Net income(loss) after taxAccumulated adjustments on changes of accounting principlesPrinciplesAccumulated adjustments on changes of accounting principlesPrinciplesAccumulated adjustments on changes of accounting principlesPrinciplesAccumulated adjustments on changes of accounting principlesPrinciples </td <td>Losses on investments</td> <td>5,416,832</td> <td></td> <td></td> <td></td> <td></td>	Losses on investments	5,416,832					
Foreign exchange losses3,600,44634,762-Appropriation for reserve4,47534,762-Business and administrative expenses26,289,97231,993,693-Other operating expenses and losses2,871,4016,693,042-Operating income(loss)11,484,57916,721,177-Non-operating expenses and losses2,871,401312,716-Non-operating income(loss)232,137275,998-Non-operating income(loss)-26,373-36,718-Non-operating income(loss)-1,322,665-460,58811Net income before tax11,458,206-1,322,665-460,58811Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Valuation loss of financial Assets						
Appropriation for reserve4,47534,762-Business and administrative expenses26,289,97231,993,693-Other operating expenses and losses2,871,4016,693,042-Operating income(loss)11,484,57916,721,177-Non-operating revenue232,137275,998-Non-operating income(loss)-26,373-36,718-Non-operating income(loss)-26,373-36,718-Net income before tax11,458,20616,684,459-Income tax (expenses) revenue-1,322,665-460,5881Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Valuation loss of financial liabilities						
Business and administrative expenses26,289,97231,993,693-Other operating expenses and losses2,871,4016,693,042-Operating income(loss)11,484,57916,721,177-Non-operating revenue232,137275,998-Non-operating income(loss)-26,373312,716-Non-operating income(loss)-26,373-36,718-Net income before tax11,458,206116,684,459-Income tax (expenses) revenue-1,322,665-460,58811Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Foreign exchange losses	3,600,446					
Other operating expenses and losses2,871,4016,693,042-Operating income(loss)11,484,57916,721,177-Non-operating revenue232,137275,998-Non-operating expenses and losses258,510312,716-Non-operating income(loss)-26,373-36,718-Net income before tax11,458,20616,684,459-Income tax (expenses) revenue-1,322,665-460,58815Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Appropriation for reserve	4,475		34,762		-87.13	
Operating income(loss)11,484,57916,721,177-Non-operating revenue232,137275,998-Non-operating expenses and losses258,510312,716-Non-operating income(loss)-26,373-36,718-Net income before tax11,458,20616,684,459-Income tax (expenses) revenue-1,322,665-460,58816Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Business and administrative expenses	26,289,972		31,993,693		-17.83	
Non-operating revenue232,137275,998-Non-operating expenses and losses258,510312,716-Non-operating income(loss)-26,373-36,718-Net income before tax11,458,20616,684,459-Income tax (expenses) revenue-1,322,665-460,58818Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Other operating expenses and losses	2,871,401		6,693,042		-57.10	
Non-operating expenses and losses258,510312,716Non-operating income(loss)-26,373-36,718Net income before tax11,458,20616,684,459Income tax (expenses) revenue-1,322,665-460,588Net income(loss) after tax10,135,54116,223,871Accumulated adjustments on changes of accounting principles	Operating income(loss)		11,484,579		16,721,177	-31.32	
Non-operating income(loss)-26,373-36,718Net income before tax11,458,20616,684,459Income tax (expenses) revenue-1,322,665-460,588Net income(loss) after tax10,135,54116,223,871Accumulated adjustments on changes of accounting principles-1-1	Non-operating revenue		232,137		275,998	-15.89	
Net income before tax11,458,20616,684,459-Income tax (expenses) revenue-1,322,665-460,58816Net income(loss) after tax10,135,54116,223,871-Accumulated adjustments on changes of accounting principles	Non-operating expenses and losses		258,510		312,716	-17.33	
Income tax (expenses) revenue -1,322,665 -460,588 14   Net income(loss) after tax 10,135,541 16,223,871 -4   Accumulated adjustments on changes of accounting principles -1,322,665 -460,588 14	Non-operating income(loss)		-26,373		-36,718	-28.17	
Net income(loss) after tax 10,135,541 16,223,871 -   Accumulated adjustments on changes of accounting principles Image: Comparison of the second	Net income before tax		11,458,206		16,684,459	-31.32	
Accumulated adjustments on changes of accounting principles	Income tax (expenses) revenue		-1,322,665		-460,588	187.17	
principles	Net income(loss) after tax		10,135,541		16,223,871	-37.53	
principles							
Net income(loss) $[10,135,541]$ $[16,223,871]$ $=$	Net income(loss)		10,135,541		16,223,871	-37.5	

Note : The figure above comes from approved final accounts  $\,\circ\,$