



Chunghwa Telecom

INVESTOR FACTSHEET

Chunghwa Telecom is the largest integrated telecom service provider in Taiwan. The goal of the company is to be a value-creating and trustworthy company in providing information & communication services.

Q2 2018

Mr. Yu Cheng, Chairman and CEO of Chunghwa Telecom, stated "The second quarter of 2018 was a highly competitive quarter. Although there was a slight decrease in revenues year over year, the size of our subscriber base continued to lead in all of our business sectors, establishing a strong basis for future growth. In the mobile business, we are delighted to see subscriber net-adds turn positive during the quarter, mainly due to the NT\$499 short promotion plan offered in May. In broadband, our strategy of guiding customers toward higher-speed services was also effective, resulting in a 10.1% year-over-year increase in the number of users signing up for connection speeds of 100Mbps or higher. Moreover, due to the exclusively broadcasting of the 2018 FIFA World Cup beginning in June, our IPTV/MOD subscribers exceeded 1.8 million alongside year-over-year increases in channel and SVOD sign-ups during the popular game. Based on our leading subscriber numbers, we expect our IPTV/MOD to be one of the largest major video platforms for advertisement in Taiwan. With a 77% increase in accumulated advertisement revenue year over year, we anticipate advertisement to further drive up overall MOD revenue."



Mr. Yu Cheng
Chairman and CEO

"In addition, we remained highly focused on the enterprise customer segment and committed to providing comprehensive ICT solutions based on our strengths in capabilities including IoT, IDC, and CDN. In the second quarter, we rolled out NB-IoT tariff plans for enterprise customers to encourage development on our IoT platform and progressed to the third phase of the establishment of our highest rated IDC in Banqiao to meet forecasted demand. As 5G continues to evolve, we will also develop leading-edge technologies and capabilities to further strengthen our overall competitiveness. We believe that with our ICT capacity and customer scale, we can continue to ensure our leading position going forward."

MARKET FACT

Market Cap	US\$26.82 Billion
NYSE Share Price	CHT US\$34.57
52 Week Low/High	US\$33.10/39.33
TSE Share Price	2412 NT\$105.0
52 Week Low/High	NT\$101.5/115.0
Shares Outstanding	7,757 Million

as of Jul. 25, 2018 Source: Bloomberg

Taiwan's Telecom Leader / Strong Market Positions (a)

Q2 2018 Consolidated Revenue: NT\$53.66 bn (e)

- Domestic Fixed
 - #1 Local
 - 93.2% share by subs (10.58 mn subs)
 - 84.1% share by minutes
 - #1 DLD
 - 83.1% share by minutes
 - #1 Broadband access
 - 72.0% share by subs ^{(b)(c)} (4.48 mn subs)
- Mobile
 - #1 Mobile subscribers
 - 36.4% market share ^(d) (10.52 mn subs)
 - #1 Mobile revenue
 - 38.2% market share ^{(d)(e)}
- Internet
 - #1 ISP
 - 67.4% share by subs (4.11 mn subs)
- International Fixed
 - #1 ILD
 - 66.4% share by minutes

Source: Company data, MOTC, and NCC statistics

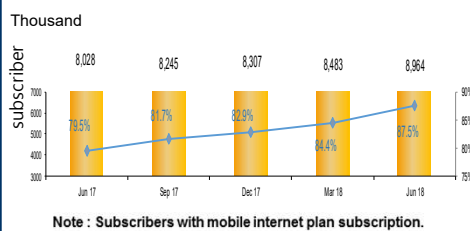
- a) Market share as of May 2018
- b) CHT access circuits were not included
- c) Excluding PWLAN subscriber numbers
- d) Includes 3G and 4G
- e) Revenues are based on T-IFRSs

DIFFERENTIATING FACTORS

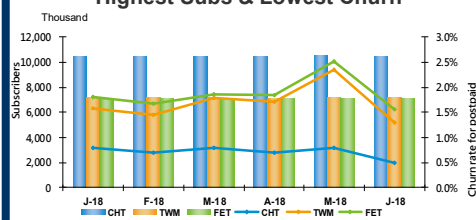
- Leading Position in Customer Access
- Extensive Product Portfolio with High Quality Services
- Branding & Scale Advantages
- Advanced Network & Technology Capabilities
- Financial Strengths

Leading Position in Mobile Market

Mobile Internet Subs as % of Postpaid Subs

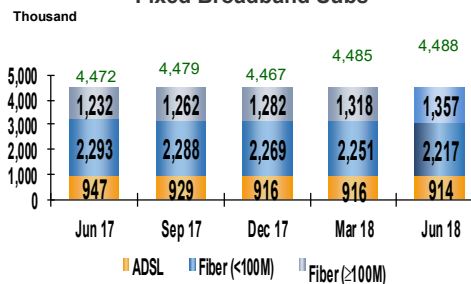


Highest Subs & Lowest Churn

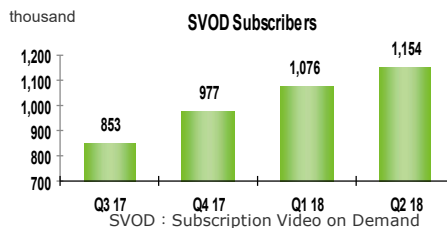


#1 Broadband Provider

Fixed Broadband Subs



SVOD Subscribers



中華電信股份有限公司
Chunghwa Telecom Co., Ltd.
For more information visit:
www.cht.com.tw/ir



Chunghwa Telecom

Solid Financial Performance

Consolidated

(NT\$bn)	Q2 2018 (Upon the adoption of IFRS 15)	Q2 2017 (Before the adoption of IFRS 15)	Growth %	H1 2018 (Upon the adoption of IFRS 15)	H1 2017 (Before the adoption of IFRS 15)	Growth %
Revenues	53.66	55.67	(3.6)	107.29	110.21	(2.6)
Income from Operations	12.05	12.32	(2.2)	23.00	23.85	(3.6)
Net Income	9.86	10.45	(5.6)	18.59	20.04	(7.2)
Net Income Margin (%)	18.75	19.36	-	17.76	18.71	-
EPS	1.27	1.35	(5.6)	2.40	2.58	(7.2)
EBITDA	20.02	20.35	(1.6)	38.93	39.95	(2.6)
EBITDA Margin (%)	37.31	36.54	-	36.28	36.25	-

Note: Financials are prepared in accordance with T-IFRSs. Figures for 2018 are unaudited. /Net income attributable to owners of the parent. /Net income margin is based on consolidated net income (including net income attributable to NCI). /EBITDA = operating income + Depreciation & Amortization. /The calculation of growth rates is based on NT\$m.

Committed to Improving Shareholder Value

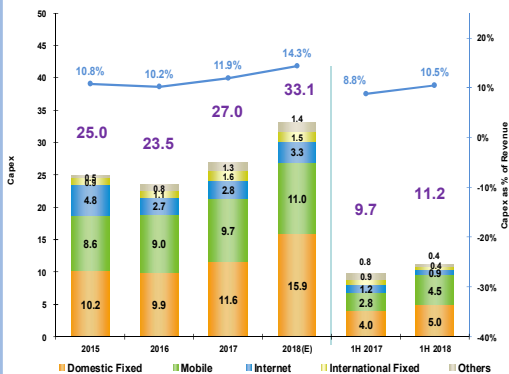


- 2018 AGM resolved to distribute NT\$37.2 billion to shareholders
 - NT\$4.796 per share
 - payout ratio 95.7%

Note:
 1. 1 ADR = 10 common shares
 2. The normal dividend has been calculated based on total share number 7,757,446,545 since year 2011.

Effective and Efficient Capital Expenditure

NT\$ bn Capital Expenditure



- Budgeted capex for 2018: NT\$33.1 bn
- Continue to focus on core businesses for future investments
 - FTTx
 - 4G
 - IDC/ Cloud
 - Service Platforms

Commitment to Corporate Social Responsibility



Awards

- Trusted Brands Platinum Award– by the Reader's Digest for the successive 14 years
- Asia Sustainability Reporting Awards – CSRWorks International
- The Asset Corporate Platinum award by The Asset Magazine for 5 consecutive years since 2013
- Included in Dow Jones Sustainability Emerging Markets Index simultaneously for the successive 6 years
- Winner of the National Brand of the Year Award awarded by World Branding Forum for the three years in a row



Contact:

Fu-Fu Shen
 Assistant Vice President
 Public Affairs
 +886-2-2344-5488
 chtir@cht.com.tw

For more information visit:
www.cht.com.tw/ir