



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.

Q3 2018

Mr. Yu Cheng, Chairman and CEO of Chunghwa Telecom, stated, "The overall market during the third quarter of 2018 remained competitive, which resulted in a slight revenue decrease year over year. However, we are delighted to see that we maintained our leading market position in terms of subscriber base across each of our businesses. In our mobile business, we sustained our market lead with 36.4% market share in mobile subscribers and 37.8% market share in mobile revenue. We are also pleased to see that the number of subscribers in our mobile business experienced another quarter of sequential increase, helped by our Back-to-School promotion in August, which expanded the total number of young subscribers. In our broadband business, our strategy of guiding customers to upgrade to higher speed services resulted in a 10.6% year-over-year increase in users signing up for connection speeds of 100Mbps or higher, and we will continue to upsell higher speed offerings and home-centric services to differentiate our products to further improve this growth.



Mr. Yu Cheng
Chairman and CEO

"This was another strong quarter for our IPTV business; we maintained our leading market share position in Taiwan with more than 1.9 million subscribers. Based on our outstanding subscriber numbers and viewership, we continue to expand advertisement revenue on the IPTV platform. With both IDC revenue and traffic volume increasing during the quarter, we also continue to see increasing demand for ICT services. We plan to strengthen our resource integration platform among sales, product development and research to enlarge internal synergies and further improve margins in ICT-related business. Going forward, as we maintain our competitive advantages to provide reliable and comprehensive ICT solutions and maintain our leading position in the market, we remain committed to developing our leading-edge businesses. As we seek ways to further grow our market and revenues, we will also actively look for ways to enter innovative emerging businesses in the near future," Mr. Cheng concluded.

MARKET FACT

Market Cap	US\$27.0 Billion
NYSE Share Price	CHT US\$34.81
52 Week Low/High	US\$33.65/39.33
TSE Share Price	2412 NT\$109.0
52 Week Low/High	NT\$102.0/115.0
Shares Outstanding	7,757 Million

as of Oct. 25, 2018 Source: Bloomberg

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

Q3 2018 Consolidated Revenue: NT\$52.71 bn (e)

- Domestic Fixed**
 - #1 Local
 - 93.1% share by subs (10.51 mn subs)
 - 84.0% share by minutes
 - #1 DLD
 - 82.9% share by minutes
 - #1 Broadband access
 - 71.6% share by subs ^{(b)(c)} (4.49 mn subs)
- Mobile**
 - #1 Mobile subscribers
 - 36.4% market share ^(d) (10.53 mn subs)
 - #1 Mobile revenue
 - 37.8% market share ^{(d)(e)}
- Internet**
 - #1 ISP
 - 67.2% share by subs (4.10 mn subs)
- International Fixed**
 - #1 ILD
 - 69.6% share by minutes

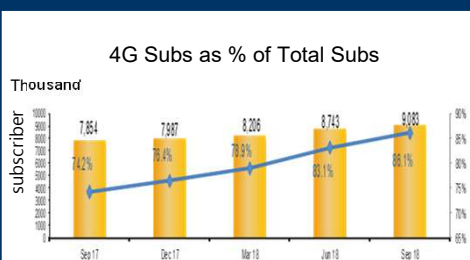
Source: Company data, MOTC, and NCC statistics

- a) Market share as of August 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

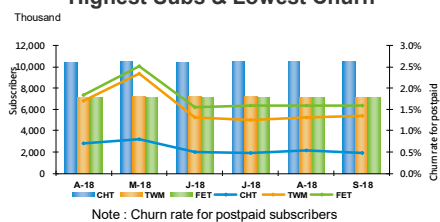
DIFFERENTIATING FACTORS

- 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

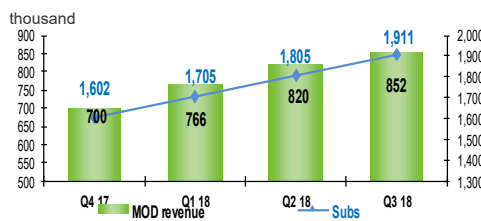
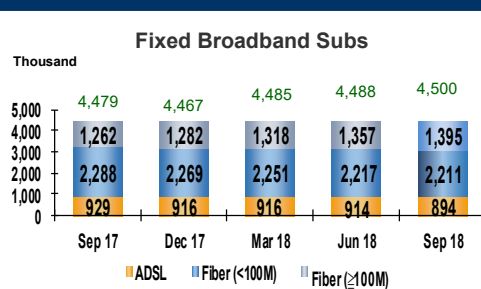


Highest Subs & Lowest Churn



Note: Churn rate for postpaid subscribers

#1 Broadband Provider



Note: Revenue starting from 2018 are calculated in accordance with IFRS 15



中華電信股份有限公司
Chunghwa Telecom Co., Ltd.
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Chunghwa Telecom

Solid Financial Performance

Consolidated

(NT\$b)	Q3 2018 (Upon the adoption of IFRS 15)	Q3 2017 (Before the adoption of IFRS 15)	Growth %	9M 2018 (Upon the adoption of IFRS 15)	9M 2017 (Before the adoption of IFRS 15)	Growth %
Revenues	52.71	56.42	(6.6)	160.00	166.63	(4.0)
Income from Operations	12.05	12.32	(2.2)	23.00	23.85	(3.6)
Net Income	10.42	12.42	(16.1)	33.41	36.27	(7.9)
Net Income Margin (%)	16.55	18.61	-	17.36	18.68	-
EPS	1.10	1.31	(16.2)	3.49	3.89	(10.3)
EBITDA	18.38	20.22	(9.1)	57.31	60.18	(4.8)
EBITDA Margin (%)	34.87	35.84	-	35.82	36.11	-

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

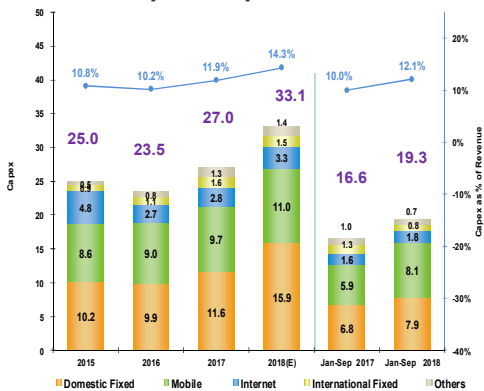


- 2018 AGM resolved to distribute NT\$37.2 billion to shareholders
 - NT\$4.796 per share
 - payout ratio 95.7%

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

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

- Included in Dow Jones Sustainability Emerging Markets Index simultaneously for the successive 7 years
- Winner of the National Brand of the Year Award awarded by World Branding Forum for the four years in a row
- 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



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