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# Chunghwa Telecom Co., Ltd.

## 2021 Annual General Meeting Minutes

**I. Time:** 9:00 a.m. of August 20, 2021

**II. Venue:** Chunghwa Telecom Training Institute

No. 168, Minzu Road, Banchiao District, New Taipei City, Taiwan, R.O.C.

**III. Number of shares represented by shareholders present:**

Shares represented by the shareholders in attendance or by proxies totaled 6,093,035,867 (including the 6,092,490,935 shares represented by the shareholders exercising voting rights through e-voting), accounting for 78.54% of the total shares issued by the Company, i.e. 7,757,446,545 shares.

**IV. Chairman:** Chi-Mau Sheih, Chairman of the Board of Directors

**Recorder:** Hsiu-Chuan Lee

**Directors represent:** Chi-Mau Sheih

Shui-Yi Kuo

Lo-Yu Yen, Chairman of the Audit Committee, Independent Director

Shin-Yi Chang

Hung-Yi Hsiao

JenRan Chen, Independent Director

Yu-Fen Lin, Independent Director

**Attendees:** Chih-Poung Liou, Attorney of Stellex Law Firm

Dien-Sheng Chang, CPA of Deloitte & Touche

**V. Chairman's address:** (omitted)

**VI. Report Items**

1. **2020 business report** (Attachment 1)

2. **2020 audit committee's review report** (Attachment 2)

3. **2020 compensation distribution to directors and employees**

4. **Amendments to the Ethical Corporate Management Best Practice Principles of the Company**

5. **Corporate social responsibility policies, systems and related management guidelines**

6. **Issuance of unsecured straight corporate bonds for 2020**

All report items were acknowledged by present shareholders

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

## VII. Matters for Ratification

### 1. Ratification of 2020 business report and financial statements (proposed by the Board of Directors)

#### Explanation:

- 1) The Company's 2020 financial statements (Attachment 4-7 and Attachment 9-12), including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by Mr. Dien-Sheng Chang and Mr. Cheng-Hung Kuo of Deloitte & Touche. The audit opinions relating to the aforementioned financial statements were issued hereby (Attachment 3 and Attachment 8). The Company's 2020 business report (Attachment 1) and the aforementioned financial statements have been reviewed and determined to be accurate by the Audit Committee members of the Company with review report submitted hereby (Attachment 2).
- 2) This proposal has been approved by the 12th meeting of the 9th Board of Directors on February 23, 2021.
- 3) This proposal is hereby submitted to the Annual General Meeting for ratification.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

#### Resolution:

Voting results: 5,887,637,332 "for" votes, representing 96.62% of the shares present at the time of voting; 3,017,500 "against" votes; 202,381,035 "abstain/non-vote" votes; 0 "invalid" vote

**RESOLVED, the above proposal submitted by the Board of Directors was ratified upon voting.**

### 2. Ratification of 2020 earnings distribution proposal (proposed by the Board of Directors)

#### Explanation:

- 1) The Company's 2020 financial statements have been finalized, and earnings shall be distributed as stipulated in the 2020 Earnings Distribution Proposal (Attachment 13). It is proposed that cash dividends paid to stockholders of NT\$33,403,564,823. Common stockholders will receive cash dividends of NT\$4.306 per share based on their number of shares held as recorded on the ex-dividend base date. The aforementioned cash dividends will be distributed to stockholders from 2020 earnings as a priority.
- 2) Each shareholder's cash dividend shall be issued to the rounded-down full NT dollar (fractional amount be ignored). After which, the Chairman shall be authorized to distribute or reallocate any remaining amount, and set a record date of ex-cash dividend for distribution after ratification by the Annual General Meeting.
- 3) Should the Company's capital position change in the future, requiring adjustments in the cash distribution ratio, it is proposed that the Chairman be authorized to manage the change in the cash distribution ratio.
- 4) This proposal has been approved by the 12th meeting of the 9th Board of Directors on February 23, 2021 and is hereby submitted to the Annual General Meeting for ratification.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

#### Resolution:

Voting results: 5,884,920,751 “for” votes, representing 96.58% of the shares present at the time of voting; 7,857,624 “against” votes; 200,257,492 “abstain/non-vote” votes; 0 “invalid” vote

**RESOLVED, the above proposal submitted by the Board of Directors was ratified upon voting.**

## **VIII. Matters for Discussion**

### **1. Amendments to the Articles of Incorporation of the Company (proposed by the Board of Directors)**

#### Explanation:

- 1) In response to the Company's completion of the telecommunication business conversion registration in accordance with Article 83 of the Telecommunications Management Act on September 30, 2020, and to follow the announcement of the competent authority for registration, the Ministry of Economic Affairs, the Company is requested to conduct the change of registration for business item and code of "Telecommunications Enterprises (G903010)", and delete the business code of "Radio-Frequency Equipment Import Business (F401021)". Also, considering the diversified development of the Company's business operation, and to adjust the allocation of authorities and responsibilities within the Company, Articles 1, 2, 14, 19 and 20 are proposed to be amended accordingly.
- 2) The comparison table for the draft amendments to the Articles of Incorporation of Chunghwa Telecom Co., Ltd. is attached (Attachment 14).
- 3) This proposal has been approved by the 12th meeting of the 9th Board of Directors on February 23, 2021 and is hereby submitted to the Annual General Meeting for resolution.

#### Supplementary explanation :

The date listed in the 22<sup>nd</sup> amendment would be modified to August 20, 2021, the actual convening date of the shareholders' meeting.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

#### Resolution:

Voting results: 5,851,627,797 “for” votes, representing 96.03% of the shares present at the time of voting; 532,974 “against” votes; 240,875,096 “abstain/non-vote” votes; 0 “invalid” vote

**RESOLVED, the above proposal submitted by the Board of Directors was approved upon voting.**

### **2. Amendments to the Ordinance of Shareholders Meetings of the Company (proposed by the Board of Directors)**

#### Explanation:

- 1) In response to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” amended and issued by the Taiwan Stock Exchange Corporation, it is proposed to amend the Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd.
- 2) Articles 2, 2-2, and 15 are proposed to be amended as explained below:
  - ① To add matters that prohibited by law from being proposed as special motions in the

shareholders' meeting, which shall be stated as the reasons for convention, and the main contents shall be enumerated and explained. (Amendment to Paragraph 4 of Article 2).

- ② To add that, according to the official explanation of the Ministry of Economic Affairs (Ref. No. Jing-Shang-Zi 10702417500 issued on 6 August 2018), where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, the inauguration date may not be altered by any special motion or by any other means in the same meeting after the completion of such re-election. (Amendment to Paragraph 5 of Article 2).
  - ③ To add that, according to Article 172-1 of the Company Act, shareholders may only raise one proposal to the agenda of the shareholders' meeting, the number of items so proposed is limited to one only, and to add that the method of acceptance for the shareholders' proposal shall be publicly announced by the Company. (Amendment to Paragraph 1 and Paragraph 2 of Article 2-2).
  - ④ To add that the meeting minutes shall record the voting shares, and disclose the voting rights won by each candidate in an election of directors. (Amendment to Paragraph 3 of Article 15).
- 3) The comparison table for the draft amendment to the Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd. is attached (Attachment 15).
  - 4) This proposal has been approved by the 12th meeting of the 9th Board of Directors on February 23, 2021 and is hereby submitted to the Annual General Meeting for resolution.

Supplementary explanation :

The date listed in the 7<sup>th</sup> amendment would be modified to August 20, 2021, the actual convening date of the shareholders' meeting.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

Resolution:

Voting results: 5,851,587,101 "for" votes, representing 96.03% of the shares present at the time of voting; 586,367 "against" votes; 240,862,399 "abstain/non-vote" votes; 0 "invalid" vote

**RESOLVED, the above proposal submitted by the Board of Directors was approved upon voting.**

**3. Amendments to the Directors Election Regulations of the Company (proposed by the Board of Directors)**

Explanation:

- 1) In response to the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" amended and issued by the Taiwan Stock Exchange Corporation on June 3, 2020, and in line with the Company's practical operation of the election of directors at the shareholders' meeting, it is proposed to amend Articles 2, 9, and 10 of the Directors Election Regulations of Chunghwa Telecom Co., Ltd.
- 2) The comparison table for the draft amendments to the Directors Election Regulations of Chunghwa Telecom Co., Ltd is attached (Attachment 16).
- 3) This proposal has been approved by the 12th meeting of the 9th Board of Directors on

February 23, 2021 and is hereby submitted to the Annual General Meeting for resolution.

Supplementary explanation :

The date listed in the 5<sup>th</sup> amendment would be modified to August 20, 2021, the actual convening date of the shareholders' meeting.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

Resolution:

Voting results: 5,845,679,023 "for" votes, representing 95.94% of the shares present at the time of voting; 705,538 "against" votes; 246,651,306 "abstain/non-vote" votes; 0 "invalid" vote

**RESOLVED, the above proposal submitted by the Board of Directors was approved upon voting.**

**4. Release of non-competition restrictions on directors (proposed by the Board of Directors)**

Explanation:

- 1) According to Article 209 of the Company Act and Article 12 of the Meeting Rules of Order of the Board of Directors of the Company, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall submit to the Board of Directors for discussion and explain to the meeting of shareholders the essential contents of such an act and to obtain its approval.
- 2) One of the Company' independent directors concurrently acts as an independent director or run business for another company which has the same or similar lines of business with the Company. Hence it is proposed to the shareholders' meeting to release the non-competition restrictions on the independent director in accordance with the laws.
- 3) It is proposed to release non-competition restrictions on the independent director Mr. Lo-Yu Yen when he assumes the position at the following company:

Director	Position at the Company with same or similar lines of business	Same or similar lines of business of the company
Lo-Yu Yen, Independent Director	Qisda Corporation (Independent Director)	Computer and Accessories Manufacturing Service, Medical Device Wholesale Business, Medical Device Retail Business

- 4) This proposal has been approved by the 12th meeting of the 9th Board of Directors on February 23, 2021 and is hereby submitted to the Annual General Meeting for resolution.

(The Chairman made responses to shareholders' opinions or designated other relevant managers to do so. These were acknowledged by present shareholders.)

The motion raised by shareholder:

The shareholder, Mr. Su (account no. 40602), proposed to revise the subject of the proposal : Release of non-competition restrictions on Mr. Lo-Yu Yen, the director of the Company. He raised an objection.

Resolution:

The Chairman determined to vote for the origin proposal first in accordance with the Ordinance of Shareholders Meetings of the Company.

Voting results: 4,983,906,932 "for" votes, representing 81.79% of the shares present at the time of voting; 7,777,055 "against" votes; 1,101,351,880 "abstain/non-vote" votes; 0 "invalid" vote

**RESOLVED, the above proposal submitted by the Board of Directors was approved upon voting.**

**IX. Extemporary Motions :**

The inquiries and suggestions raised by shareholders totaled 101.

**X. Meeting Adjourned : 5:39 p.m. of the same day**

# Attachment 1

## 2020 business report

2020 was a challenging year, both for us and for the rest of the world. Despite facing challenges caused by the COVID-19 pandemic, we continued to advance our “customer-centric” transformation strategy, take advantage of market opportunities, develop new telecommunication technologies and applications, and expand our businesses by flexibly allocating our resources in response to environmental changes. Through the efforts of all our employees, we were able to reach a milestone in 2020 by exceeding our profit forecasts and achieving year over year earnings growth.

In terms of the Company’s overall development, we launched our two-pillar "5G + Transformation" strategy, strengthened our business efficiency, and continued to develop and expand business opportunities for the Company. In early 2020, we secured the widest and relatively better frequency allocation for 5G development through auctions. This included 3.42-3.51GHz and 90 MHz of bandwidth in the 3.5GHz band, as well as 27.9-28.5GHz and 600MHz of bandwidth in the 28GHz band. The widest and relatively better bandwidths provide us with crucial resources and significant advantages to drive our growth over the next two decades. We launched 5G services on June 30, 2020, taking a lead in the industry. In addition, we maintained progress in building 5G base stations, covering all the key business districts and transportation hubs, and achieved our goals to consolidate our leading positions in both mobile network speed and mobile coverage. The launch of 5G iPhone 12 in the fourth quarter 2020 successfully drove up the number of 5G sign-ups and allowed us to hit our annual target of 300,000 users well ahead of schedule, cementing our leadership in the mobile market. In the face of ongoing market competition, we strive to improve the performance of our mobile business by maintaining the quality of our mobile network and the design of effective tariffs. In 2020, we successfully maintained a positive growth trend in the number of mobile users for four consecutive quarters, laying the foundation for future mobile service revenues and the upward reversal of mobile ARPU. As of the end of 2020, the total number of mobile subscribers exceeded 11.3 million, and our market shares of both revenues and mobile subscribers continued to increase, allowing us to maintain our leading market position.

The COVID-19 pandemic has accelerated the pace of digitization, not only boosting growth in broadband demand, but also creating digital business opportunities. In 2020, work-from-home policies, online education, and pandemic prevention measures allowed both residential and enterprise customers to welcome our fixed network broadband speed upgrade solutions. As a result, the number of customers signing up for connection speeds of 300Mbps or higher grew by 69% year-over-year, driving ARPU to grow by 2.4% year-over-year. The growth of the broadband business has also driven various home-centric digital services. In 2020, to establish a seamless broadband connected environment via mobile broadband, fixed broadband and Wi-Fi, we allowed users to enjoy smart applications and audio-visual services anytime and anywhere. We also promoted our home Mesh Wi-Fi services, which drove a 226% year-over-year increase in smart device installations. In terms of applications, our MOD platform continued to attract subscribers by 4K high definition content, including the exclusive Netflix 4K service. Together with the 88.6% of free-to-choose channel package users selected the highest fee plans and resulted in upsell, MOD enjoyed a slight growth in revenue.

In 2020, with the launch of 5G service in the second quarter and growing demand in AI-related applications, we leveraged our advantages with the 5G frequency allocation and cooperated with enterprise customers on 5G- and ICT-related businesses to drive sustainable revenue growth in ICT services. In addition, we delivered strong performance in various ICT service businesses, such as smart transportation, smart manufacturing, smart city, IDC, cloud services, technological pandemic prevention, and IoT services, achieving double-digit, year-over-year revenue growth in ICT services. We successfully established the first 5G mmWave enterprise private commercial network and created a 5G smart factory solution for the semiconductor industry. In terms of ICT projects, we completed large-scale bidding projects, including Taipower's Chang-bin Solar PV Project and the Suhua Highway Improvement Project, and implemented IoT applications such as smart electricity meters for Taipower. In 2020, revenue generated from enterprise customers accounted for 40% of our total revenue. In the future, we will continue to focus on developing vertical-based business and various applications that utilize 5G+AIoT. As we continue to strive for one-off bidding projects, we will also strengthen our subscription-based business model to improve sustainable revenue growth.

To accelerate our transformation and embrace greater business opportunities, we continued our investments in network construction and technology advancement. As previously mentioned, as a result of our proper use of the correct strategies in 2020, we succeeded in securing the widest 5G bandwidth and relatively better 5G frequency. By the end of 2020, we built over 4,500 5G base stations, and actively leveraged 5G C-RAN technology to consolidate switch offices to fully integrate fixed and mobile network resources and improve efficiency. In addition, in response to increased outbound communication demands driven by the booming development of OTT, we continued to invest in submarine cable construction. We plan to construct an Asia-Pacific submarine cable double ring that includes Pacific Rim and Southeast Asian countries and promote Taiwan as the undersea cable hub in Asia-Pacific.

In addition, we will continue to expand in strategic emerging businesses with our broad alliance strategy. We plan to form alliances and build ecosystems with suitable domestic and global companies through acquisitions, building, and collaboration, and further expand to overseas markets by promoting smart applications.

## **Financial Performance**

In 2020, Chunghwa Telecom's consolidated operating income was NT\$207.61 billion, which remains flat with that of the same period last year. We are committed to the development of new technologies and enterprise and customer market expansion to increase ICT and internet-related revenues. In addition, although the pandemic has affected our international roaming revenue, we are committed to promoting our core business strategies in the areas of 5G services, higher broadband speed migration, and introducing MOD premium content in order to offset decreases in telecom revenue.

Consolidated costs and expenses for the year 2020 amounted to NT\$166.84 billion, increasing by 0.1% compared to 2019, mainly due to: 1) an increase in construction costs under the ICT business as revenue in ICT services increased; and 2) an increase in 5G amortization after its service launch and subsequent constructions of the network. In 2020, capital expenditures



amounted to NT\$23.51 billion, primarily spent on supporting business growth and consolidating our market position. For example, we expanded fiber coverage, increased 5G construction expenses, and reduced our actual expenditures by strengthening procurement efficiency. As a result of the execution of our business strategies and cost control initiatives, net income attributable to stockholders of the parent company amounted to NT\$33.41 billion, or NT\$4.31 per share. In 2020, overall net investment income amounted to NT\$1.54 billion.

### **Achievements in Research and Development**

In 2020, Chunghwa Telecom's main achievements in R&D include:

1. Core Business: High-speed broadband internet, 5G NSA network, 5G MEC, Mesh Wi-Fi, hcloud public cloud, AWS & MS Azure MSP, international SDN network, enterprise SDN application, etc;
2. Emerging Business: home intelligent voice control, text analytics, AI PaaS intelligent analytics, identity recognition, blockchain, enterprise information security protection, self-driving vehicle management, traffic Big Data, secure communication, multi-view live broadcast, cloud classroom, AR application, 5G videos, intelligent energy, smart railway, health management, AIoT monitoring and analysis, CMP, smart meter communication module, mobile payment.
3. Fundamental capabilities: 5G Fixed-mobile network convergence management, 5G C-RAN, IMS network elements cloudification, PSTN IP, high-speed optical transmission system disaggregation, intelligent bearer network, Telco clouds, 5G trial network, multi-cloud management, smart maintenance, smart customer service.
4. Overall portfolio of our core competencies: In 2020, we applied for 161 patents, and obtained 177 approved patents. Besides, we won 16 important awards at home and abroad.

### **Fulfilling Corporate Social Responsibility**

Chunghwa Telecom continues to uphold our brand's spirit, "Always Ahead," and our longstanding principles of "Sustainable Corporate Development," "Compliance with Global Environmental Trends," and "Supporting Minorities," in order to give back to society.

In 2020, our pioneering "I Love SDGs" (5I SDGs) initiative, in alignment with the United Nations' 17 sustainable development goals, focuses on channeling resources to remote rural areas and vulnerable ethnic groups. We established 89 "Good Digital Neighbor" programs throughout Taiwan to help community residents learn how to use technology. We have invested in the "Outpost Taiwan" project every year for the past twelve consecutive years, helping over 500 loyal youths to record their personal stories with digital technology. We have also promoted the "Reading Partner" community online tutoring service for more than 12 years, enabling nearly 5,000 college students to provide online after school tutoring to more than 3,000 primary school students. Moreover, our "EYE Social Innovation Customer Service Center" has helped more than 150 visually impaired people with education and employment opportunities for nearly 10 years.

Not only have we conducted many positive actions in economic, environmental and social

aspects, but we have also maintained transparent information disclosure and the check and balance mechanism in place. Thus, we were listed as one of the Top Ten Sustainable Model Enterprises at the 2020 Taiwan Corporate Sustainability Awards in the annual CSR report for the services industry, illustrating the hard work that the Company is carrying out to fulfill its corporate social responsibilities. At the same time, we are actively cooperating with international partners and working together to promote sustainability trends. We continue to promote the sustainable hierarchical management system for hundreds of suppliers and work with these partners to implement sustainable procurement processes.

## **Honors and Awards**

Chunghwa Telecom maintains a nationwide infrastructure and services presence, providing high-quality information and communication integration services in Taiwan. We require ourselves to operate in accordance with the concept of a customer-centric service. Our focus on fulfilling customer demands to meet their satisfaction helps us create enterprise value. Our efforts have been recognized through the receipt of major international and domestic awards.

In 2020, as a result of our providing excellent communication services, Chunghwa Telecom received several Frost & Sullivan Best Practice Awards in multiple categories, including Taiwan Mobile Data Service Provider of the Year and Taiwan Data Center Service Provider of the Year; we were also awarded Taiwan Cloud Infrastructure Service Provider of the Year for the first time. For implementing our vision for smart city development through the integration of core business applications, Chunghwa Telecom was awarded the 2020 Smart City Innovation Application Award (Smart Agriculture) and 2020 Smart City Outstand Contribution Award (Smart Health). Based on our trustworthy brand value and as the only award-winning telecom operator in Taiwan, Chunghwa Telecom received the Brand of the Year Award at the World Branding Forum for a sixth consecutive year. We also received the Platinum Award as the highest honor under the "Reader's Digest" reputation brand for the 16<sup>th</sup> consecutive time, as well as the "CSEA Excellent Customer Service Award" for innovative customer service, showing that our services have been highly recognized by consumers. Regarding mobile performance, Chunghwa Telecom was awarded by Speedtest with the Fastest Mobile Network, Best Coverage Mobile Network, and Fastest Mobile Network for iPhone 12, respectively, in 2020. In addition, OpenSignal's December report awarded us with top honors in 4G Network Coverage, Download Speed Experience, Video Experience, and Gaming Experience.

In terms of business operations and sustainable development, Chunghwa Telecom ranked in the top 5% of Taiwan's listed companies for corporate governance for the fifth time. For the ninth year in a row, we were included in the Dow Jones Sustainability Index's Emerging Markets Index. We received the Platinum Award at The Asset ESG Corporate Awards for the eighth consecutive year, which recognized our achievements in environmental, social, and governance. We were also the only telecom operator in Taiwan to pass the highest level of BSI "TCFD Compliance Check" and was listed as one of the Top Ten National Corporate Citizenship Award and CSR influencer, which illustrates professional domestic and international institutions' continued recognition of Chunghwa Telecom's sustainable operations.

## **Future Outlook**

Turning to 2021, we will continue our two-pillar “5G+Transformation” strategy and accelerate the construction of our 5G network. With our advantageous position as the widest bandwidth and relatively better frequency band provider in Taiwan, we will actively expand our 5G enterprise private network, jointly developing 5G + AIoT smart applications with our business partners as we move into the new 5G era. We will also continue to promote our “RISE ON, TOGETHER” transformation plan and implement the “Customer – Centric” operations strategy. Meanwhile, we will strengthen our customer base, including personal, family, corporate, and international customers. To achieve fundamental changes, we will continue to optimize costs and improve our basic capabilities in network, IT, talent, organization and etc.; combined with investments as well as mergers and acquisitions, this will enhance the Company’s competitiveness and advantages for long-term development. We will continue to build a new-generation SDN network that, when combined with a 5G network, will provide instant high-speed broadband services at any time on the three networks – mobile, fixed network, and WiFi – as well as convergent services such as MOD and IPTV. We will increase investments in the construction of submarine cables by constructing the Asia-Pacific submarine cable double ring, formed by the Pacific Rim and Southeast Asia, to turn Taiwan into the Asia-Pacific submarine cable center. We will continue to invest in technology research and development, recruit and cultivate outstanding talent, and explore domestic and overseas markets to secure new growth opportunities in the post-pandemic period and from Taiwan’s Forward-looking Infrastructure Development Phase 2 Program. This will further improve “people’s lives to enjoy smart lifestyles, better manage across industries to create a digital economy,” to help the Company reach its development vision of “Leading in smart lifestyles, and becoming a digital economy enabler.”

We will continue to strengthen ESG initiatives and implement sustainable management practices. Our “Low Carbon Economy, Sustainable Supply Chain” initiative has been adopted by hundreds of suppliers to conduct carbon emissions management. We will strengthen green energy policies and increase the usage of green electricity in our network. We fully support the government's technology initiatives to assist with pandemic prevention measures. To fulfill corporate social responsibilities, we will continue to leverage our digital technology through the Chunghwa Telecom Foundation to promote the prosperity of the entire society and bridge the digital divide. To strengthen our corporate governance, we continue to implement our Code of Integrity Management, strengthen risk management, and improve supply and procurement management. We remain committed to creating sustainable value for Chunghwa’s shareholders, customers, employees, and society as a whole.

Chi-Mau Sheih, Chairman and CEO

Shui-Yi Kuo, President

Shu-Ling Chen, Accounting Officer

February 22, 2021

## Attachment 2

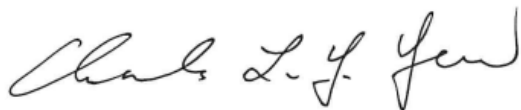
### 2020 audit committee's review report

#### Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 business report, financial statements, and earnings distribution proposal. The CPA firm of Deloitte & Touche was retained to audit the Company's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Chunghwa Telecom Co., Ltd.

Chairman of the Audit Committee



February 23, 2021

# Attachment 3

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Chunghwa Telecom Co., Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Chunghwa Telecom Co., Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the consolidated financial statements for the year ended December 31, 2020 is as follows:

#### Revenue Recognition on Mobile Service

Refer to Notes 3 and 30 to the consolidated financial statements.

The Company's mobile service revenue consists of subscriber-based charges made up of a significant volume of low-dollar transactions. Because of the complexity and a variety of subscriber-based charges as well as a large number of transactions, the Company uses highly automated systems to process and record its revenue transactions.

Given the Company's systems to process and record revenue are highly automated, auditing revenue was complex and challenging due to the extent of audit effort required and involvement of professionals with expertise in information technology (IT) necessary for us to identify, test, and evaluate the Company's IT systems.

Our audit procedures related to the Company's systems to process revenue transactions included the following, among others:

- With the assistance of our IT specialists, we:
  - Identified the significant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls and change management controls.
  - Performed testing of system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to ensure the accuracy and completeness of revenue.
- We tested internal controls within the relevant revenue business processes, including those in place to reconcile the various systems to the Company's accounting system.
- We selected samples from mobile service revenue and agreed to customer contracts and records of cash receipts.

#### **Other Matter**

We have also audited the parent company only financial statements of Chunghwa Telecom Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication..

The engagement partners on the audit resulting in this independent auditors' report are Dien Sheng Chang and Cheng Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 23, 2021

Notice to Readers

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

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



# Attachment 4

## CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 30,419,655	6	\$ 34,049,643	7
Financial assets at fair value through profit or loss	9,897	-	516	-
Hedging financial assets	1,752	-	327	-
Contract assets	5,331,246	1	4,441,196	1
Trade notes and accounts receivable, net	22,621,902	5	26,407,783	6
Receivables from related parties	230,696	-	16,834	-
Inventories	12,408,903	3	17,344,276	4
Prepayments	2,306,246	-	1,883,259	-
Other current monetary assets	6,123,665	1	7,498,564	2
Other current assets	2,349,097	-	2,429,664	-
Total current assets	81,803,059	16	94,072,062	20
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	677,202	-	778,105	-
Financial assets at fair value through other comprehensive income	7,193,174	2	7,268,917	2
Investments accounted for using equity method	6,893,001	1	7,354,226	2
Contract assets	2,495,302	-	2,600,913	-
Property, plant and equipment	281,415,943	56	283,694,215	59
Right-of-use assets	11,009,206	2	11,364,249	2
Investment properties	9,621,322	2	8,169,393	2
Intangible assets	90,284,560	18	47,046,525	10
Deferred income tax assets	3,132,713	1	3,258,607	1
Incremental costs of obtaining contracts	999,593	-	942,652	-
Net defined benefit assets	3,372,555	1	2,127,335	-
Prepayments	2,213,521	-	2,679,335	1
Other noncurrent assets	5,266,841	1	6,101,704	1
Total noncurrent assets	424,574,933	84	383,386,176	80
<b>TOTAL</b>	<b>\$ 506,377,992</b>	<b>100</b>	<b>\$ 477,458,238</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans	\$ 67,000	-	\$ 90,000	-
Short-term bills payable	6,999,198	1	-	-
Financial liabilities at fair value through profit or loss	143	-	239	-
Contract liabilities	13,436,706	3	16,839,830	4
Trade notes and accounts payable	15,590,814	3	15,312,274	3
Payables to related parties	645,944	-	653,983	-
Current tax liabilities	4,369,241	1	4,020,670	1
Lease liabilities	3,381,571	1	3,291,330	1
Other payables	23,987,962	5	22,952,488	5
Provisions	313,555	-	206,942	-
Current portion of long-term loans	1,600,000	-	-	-
Other current liabilities	1,042,977	-	983,789	-
Total current liabilities	71,435,111	14	64,351,545	14
<b>NONCURRENT LIABILITIES</b>				
Long-term loans	-	-	1,600,000	-
Bonds payable	19,980,272	4	-	-
Contract liabilities	7,289,087	2	6,841,485	2
Deferred income tax liabilities	1,966,538	-	1,912,305	-
Provisions	100,616	-	97,382	-
Lease liabilities	6,215,096	1	6,466,808	1
Customers' deposits	4,826,679	1	4,747,644	1
Net defined benefit liabilities	3,415,331	1	3,504,617	1
Other noncurrent liabilities	1,890,805	-	1,542,687	-
Total noncurrent liabilities	45,684,424	9	26,712,928	5
Total liabilities	117,119,535	23	91,064,473	19
<b>EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT</b>				
Common stocks	77,574,465	15	77,574,465	16
Additional paid-in capital	171,261,379	34	171,255,985	36
Retained earnings				
Legal reserve	77,574,465	15	77,574,465	16
Special reserve	2,675,419	1	2,675,419	1
Unappropriated earnings	47,918,166	10	46,341,361	10
Total retained earnings	128,168,050	26	126,591,245	27
Others	927,122	-	688,548	-
Total equity attributable to stockholders of the parent	377,931,016	75	376,110,243	79
<b>NONCONTROLLING INTERESTS</b>	<b>11,327,441</b>	<b>2</b>	<b>10,283,522</b>	<b>2</b>
Total equity	389,258,457	77	386,393,765	81
<b>TOTAL</b>	<b>\$ 506,377,992</b>	<b>100</b>	<b>\$ 477,458,238</b>	<b>100</b>

## Attachment 5

### CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
REVENUES	\$ 207,608,998	100	\$ 207,520,061	100
OPERATING COSTS	<u>137,028,852</u>	<u>66</u>	<u>135,952,540</u>	<u>65</u>
GROSS PROFIT	<u>70,580,146</u>	<u>34</u>	<u>71,567,521</u>	<u>35</u>
OPERATING EXPENSES				
Marketing	20,912,848	10	22,219,688	11
General and administrative	5,005,934	2	4,758,340	2
Research and development	3,849,999	2	3,941,446	2
Expected credit loss (reversal of credit loss)	<u>44,885</u>	<u>-</u>	<u>(125,111)</u>	<u>-</u>
Total operating expenses	<u>29,813,666</u>	<u>14</u>	<u>30,794,363</u>	<u>15</u>
OTHER INCOME AND EXPENSES	<u>1,595,246</u>	<u>1</u>	<u>(127,304)</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>42,361,726</u>	<u>21</u>	<u>40,645,854</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	115,922	-	250,787	-
Other income	469,608	-	531,624	-
Other gains and losses	(152,967)	-	(36,471)	-
Interest expenses	(206,063)	-	(104,142)	-
Share of profits of associates and joint ventures accounted for using equity method	<u>242,745</u>	<u>-</u>	<u>462,140</u>	<u>-</u>
Total non-operating income and expenses	<u>469,245</u>	<u>-</u>	<u>1,103,938</u>	<u>-</u>
INCOME BEFORE INCOME TAX	42,830,971	21	41,749,792	20
INCOME TAX EXPENSE	<u>8,125,428</u>	<u>4</u>	<u>7,985,849</u>	<u>4</u>
NET INCOME	<u>34,705,543</u>	<u>17</u>	<u>33,763,943</u>	<u>16</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	\$ 1,193,149	1	\$ 1,526,353	1
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	404,955	-	286,408	-
Gain or loss on hedging instruments subject to basis adjustment	1,425	-	(742)	-
Share of remeasurements of defined benefit pension plans of associates and joint ventures	(4,282)	-	(2,335)	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(238,630)</u>	<u>-</u>	<u>(305,271)</u>	<u>-</u>
	<u>1,356,617</u>	<u>1</u>	<u>1,504,413</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(177,149)	-	(61,207)	-
Share of exchange differences arising from the translation of the foreign operations of associates and joint ventures	(4,289)	-	(700)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(263)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(181,701)</u>	<u>-</u>	<u>(61,907)</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>1,174,916</u>	<u>1</u>	<u>1,442,506</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 35,880,459</u>	<u>18</u>	<u>\$ 35,206,449</u>	<u>17</u>
NET INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 33,406,130	16	\$ 32,788,546	16
Noncontrolling interests	<u>1,299,413</u>	<u>1</u>	<u>975,397</u>	<u>-</u>
	<u>\$ 34,705,543</u>	<u>17</u>	<u>\$ 33,763,943</u>	<u>16</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
COMPREHENSIVE INCOME ATTRIBUTABLE				
TO				
Stockholders of the parent	\$ 34,598,348	17	\$ 34,225,076	17
Noncontrolling interests	<u>1,282,111</u>	<u>1</u>	<u>981,373</u>	<u>-</u>
	<u>\$ 35,880,459</u>	<u>18</u>	<u>\$ 35,206,449</u>	<u>17</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.31</u>		<u>\$ 4.23</u>	
Diluted	<u>\$ 4.30</u>		<u>\$ 4.22</u>	

(Concluded)

# Attachment 6

## CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Stockholders of the Parent										Noncontrolling Interests	Total Equity
	Common Stocks	Additional Paid-in Capital	Retained Earnings			Exchange Differences Arising from the Translation of the Foreign Operations	Others		Total	Gain or Loss on Hedging Instruments		
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2019	\$ 77,574,465	\$ 171,136,764	\$ 77,574,465	\$ 2,675,419	\$ 47,090,522	\$ (79,427)	\$ 538,272	\$ 1,069	\$ 376,511,549	\$ 9,990,345	\$ 386,501,894	
Appropriation of 2018 earnings	-	-	-	-	(34,745,603)	-	-	-	(34,745,603)	-	(34,745,603)	
Cash dividends distributed by Chunghwa	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(709,817)	(709,817)	
Unclaimed dividend	-	1,266	-	-	-	-	-	-	1,266	-	1,266	
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	118,853	-	-	-	-	-	-	118,853	1,064	119,917	
Net income for the year ended December 31, 2019	-	-	-	-	32,788,546	-	-	-	32,788,546	975,397	33,763,943	
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,207,896	(68,950)	298,326	(742)	1,436,530	5,976	1,442,506	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	33,996,442	(68,950)	298,326	(742)	34,225,076	981,373	35,206,449	
Share-based payment transactions of subsidiaries	-	(898)	-	-	-	-	-	-	(898)	21,320	20,422	
Net decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	(763)	(763)	
BALANCE, DECEMBER 31, 2019	77,574,465	171,255,985	77,574,465	2,675,419	46,341,361	(148,377)	836,598	327	376,110,243	10,283,522	386,393,765	
Appropriation of 2019 earnings	-	-	-	-	(32,782,969)	-	-	-	(32,782,969)	-	(32,782,969)	
Cash dividends distributed by Chunghwa	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(775,420)	(775,420)	
Unclaimed dividend	-	1,605	-	-	-	-	-	-	1,605	-	1,605	
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	(21,918)	-	-	-	-	-	-	(21,918)	(1,817)	(23,735)	
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	(103)	-	-	-	-	-	-	(103)	103	-	
Net income for the year ended December 31, 2020	-	-	-	-	33,406,130	-	-	-	33,406,130	1,299,413	34,705,543	
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	936,958	(166,154)	419,989	1,425	1,192,218	(17,302)	1,174,916	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	34,343,088	(166,154)	419,989	1,425	34,598,348	1,282,111	35,880,459	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	16,686	-	(16,686)	-	-	-	-	
Share-based payment transactions of subsidiaries	-	25,810	-	-	-	-	-	-	25,810	63,063	88,873	
Net increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	475,879	475,879	
BALANCE, DECEMBER 31, 2020	\$ 77,574,465	\$ 171,261,379	\$ 77,574,465	\$ 2,675,419	\$ 47,918,166	\$ (314,531)	\$ 1,239,901	\$ 1,752	\$ 377,931,016	\$ 11,327,441	\$ 389,258,457	

# Attachment 7

## CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 42,830,971	\$ 41,749,792
Adjustments for:		
Depreciation	30,942,330	30,922,991
Amortization	5,424,367	4,252,602
Amortization of incremental costs of obtaining contracts	771,875	1,173,492
Expected credit loss (reversal of credit loss)	44,885	(125,111)
Interest expenses	206,063	104,142
Interest income	(115,922)	(250,787)
Dividend income	(246,084)	(296,360)
Compensation cost of share-based payment transactions	7,578	1,597
Share of profits of associates and joint ventures accounted for using equity method	(242,745)	(462,140)
Loss (gain) on disposal of property, plant and equipment	(1,427,984)	37,785
Gain on disposal of investment properties	(151,357)	-
Loss on disposal of intangible assets	1,858	146
Loss (gain) on disposal of financial instruments	1,788	(3,944)
Gain on disposal of investments accounted for using equity method	(15,946)	(30,152)
Provision for impairment loss and obsolescence of inventory	1,161,281	474,709
Impairment loss on property, plant and equipment	-	93,073
Reversal of impairment loss on investment properties	(27,066)	(56,617)
Impairment loss on intangible assets	9,303	8,946
Impairment loss on other assets	-	43,971
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	99,150	38,314
Others	3,139	(26,524)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(202,628)	172,489
Trade notes and accounts receivable	4,071,260	4,038,731
Receivables from related parties	(213,862)	7,436
Inventories	3,915,328	(2,698,270)
Prepayments	173,243	114,991
Other current monetary assets	354,739	(154,780)
Other current assets	155,324	146,420
Incremental cost of obtaining contracts	(828,816)	(781,114)
Increase (decrease) in:		
Contract liabilities	(3,289,055)	6,701,313
Trade notes and accounts payable	21,015	(5,151,740)
Payables to related parties	(8,039)	(263,968)
Other payables	(924,186)	697,351

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Provisions	\$ 94,589	\$ 97,497
Other current liabilities	46,303	(159,881)
Net defined benefit plans	<u>(173,970)</u>	<u>533,787</u>
Cash generated from operations	82,468,729	80,950,187
Interest paid	(161,251)	(104,142)
Income tax paid	<u>(7,851,522)</u>	<u>(8,419,360)</u>
Net cash provided by operating activities	<u>74,455,956</u>	<u>72,426,685</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(85,246)	(60,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	297,476	-
Proceeds from return of financial assets at fair value through other comprehensive income	-	9,167
Acquisition of financial assets at fair value through profit or loss	(39,253)	(443,064)
Proceeds from disposal of financial assets at fair value through profit or loss	29,741	146,560
Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months	(5,215,859)	(14,381,653)
Acquisition of repurchase agreements collateralized by bonds with maturities of more than three months	-	(14,990)
Proceeds from disposal of time deposits and negotiable certificates of deposit with maturities of more than three months	6,630,359	16,519,781
Proceeds from disposal of repurchase agreements collateralized by bonds with maturities of more than three months	15,335	-
Acquisition of investments accounted for using equity method	(10,200)	(4,190,000)
Proceeds from disposal of investments accounted for using equity method	-	32,470
Acquisition of property, plant and equipment	(23,510,820)	(24,165,857)
Proceeds from disposal of property, plant and equipment	319,089	48,157
Acquisition of intangible assets	(47,605,187)	(362,718)
Acquisition of investment properties	(54,435)	(523)
Proceeds from disposal of investment properties	188,300	-
Increase in other noncurrent assets	(207,616)	(1,122,142)
Interest received	124,653	256,432
Dividends received	515,918	602,086
Net cash inflow on acquisition of subsidiaries	<u>354,056</u>	<u>-</u>
Net cash used in investing activities	<u>(68,253,689)</u>	<u>(27,126,294)</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	\$ 115,000	\$ 575,000
Repayment of short-term loans	(142,000)	(585,000)
Proceeds from short-term bills payable	41,000,000	-
Repayment of short-term bills payable	(34,000,000)	-
Proceeds from issuance of bonds	20,000,000	-
Payments for transaction costs attributable to the issuance of bonds	(21,038)	-
Increase in customers' deposits	61,757	7,311
Payments for the principal of lease liabilities	(3,683,204)	(3,727,792)
Increase in other noncurrent liabilities	343,275	232,357
Cash dividends paid	(32,782,969)	(34,745,603)
Cash dividends distributed to noncontrolling interests	(775,420)	(709,817)
Change in other noncontrolling interests	81,295	18,062
Unclaimed dividend	<u>1,605</u>	<u>1,266</u>
Net cash used in financing activities	<u>(9,801,699)</u>	<u>(38,934,216)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>(30,556)</u>	<u>38,688</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(3,629,988)	6,404,863
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>		
	<u>34,049,643</u>	<u>27,644,780</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>		
	<u>\$ 30,419,655</u>	<u>\$ 34,049,643</u>

(Concluded)



# Attachment 8

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Chunghwa Telecom Co., Ltd.

### Opinion

We have audited the accompanying financial statements of Chunghwa Telecom Co., Ltd. (the Company), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the financial statements for the year ended December 31, 2020 is as follows:

#### Revenue Recognition on Mobile Service

Refer to Notes 3 and 27 to the financial statements.

The Company's mobile service revenue consists of subscriber-based charges made up of a significant volume of low-dollar transactions. Because of the complexity and a variety of subscriber-based charges as well as a large number of transactions, the Company uses highly automated systems to process and record its revenue transactions.

Given the Company's systems to process and record revenue are highly automated, auditing revenue was complex and challenging due to the extent of audit effort required and involvement of professionals with expertise in information technology (IT) necessary for us to identify, test, and evaluate the Company's IT systems.

Our audit procedures related to the Company's systems to process revenue transactions included the following, among others:

- With the assistance of our IT specialists, we:
  - Identified the significant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls and change management controls.
  - Performed testing of system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to ensure the accuracy and completeness of revenue.
- We tested internal controls within the relevant revenue business processes, including those in place to reconcile the various systems to the Company's accounting system.
- We selected samples from mobile service revenue and agreed to customer contracts and records of cash receipts.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Dien Sheng Chang and Cheng Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 23, 2021

Notice to Readers

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

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

# Attachment 9

## CHUNGHWA TELECOM CO., LTD.

### BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 20,090,053	4	\$ 25,081,712	5
Financial assets at fair value through profit or loss	2,271	-	-	-
Hedging financial assets	1,752	-	327	-
Contract assets	1,734,081	1	1,470,985	-
Trade notes and accounts receivable, net	19,554,643	4	23,478,061	5
Receivables from related parties	1,340,550	-	785,570	-
Inventories	7,046,686	1	12,491,728	3
Prepayments	1,691,978	-	1,436,346	-
Other current monetary assets	1,281,393	-	2,866,059	1
Other current assets	2,183,471	1	2,354,215	1
Total current assets	54,926,878	11	69,965,003	15
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	677,202	-	778,105	-
Financial assets at fair value through other comprehensive income	6,903,679	1	6,923,315	2
Investments accounted for using equity method	20,338,212	4	20,320,122	4
Contract assets	1,007,608	-	804,698	-
Property, plant and equipment	272,623,164	56	274,744,872	60
Right-of-use assets	10,028,227	2	10,292,025	2
Investment properties	9,546,547	2	8,094,618	2
Intangible assets	89,723,406	19	46,519,457	10
Deferred income tax assets	2,623,633	1	2,719,035	1
Incremental costs of obtaining contracts	7,015,079	1	6,976,421	2
Net defined benefit assets	3,351,546	1	2,108,176	1
Prepayments	1,152,722	1	1,381,618	-
Other noncurrent assets	4,421,119	1	5,687,816	1
Total noncurrent assets	429,412,144	89	387,350,278	85
<b>TOTAL</b>	<b>\$ 484,339,022</b>	<b>100</b>	<b>\$ 457,315,281</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term bills payable	\$ 6,999,198	1	\$ -	-
Financial liabilities at fair value through profit or loss	-	-	228	-
Contract liabilities	12,661,964	3	16,684,939	3
Trade notes and accounts payable	12,226,935	3	12,052,523	3
Payables to related parties	3,380,488	1	3,663,713	1
Current tax liabilities	3,914,134	1	3,739,435	1
Lease liabilities	2,938,305	1	2,939,410	1
Other payables	20,046,085	4	19,270,583	4
Provisions	214,266	-	107,902	-
Other current liabilities	976,630	-	923,457	-
Total current liabilities	63,358,005	14	59,382,190	13
<b>NONCURRENT LIABILITIES</b>				
Bonds payable	19,980,272	4	-	-
Contract liabilities	5,341,114	1	4,414,979	1
Deferred income tax liabilities	1,935,233	-	1,880,925	-
Provisions	100,616	-	97,382	-
Lease liabilities	5,682,342	1	5,755,804	2
Customers' deposits	4,722,280	1	4,653,517	1
Net defined benefit liabilities	3,316,932	1	3,412,740	1
Other noncurrent liabilities	1,971,212	-	1,607,501	-
Total noncurrent liabilities	43,050,001	8	21,822,848	5
Total liabilities	106,408,006	22	81,205,038	18
<b>EQUITY</b>				
Common stocks	77,574,465	16	77,574,465	17
Additional paid-in capital	171,261,379	35	171,255,985	37
Retained earnings				
Legal reserve	77,574,465	16	77,574,465	17
Special reserve	2,675,419	1	2,675,419	1
Unappropriated earnings	47,918,166	10	46,341,361	10
Total retained earnings	128,168,050	27	126,591,245	28
Others	927,122	-	688,548	-
Total equity	377,931,016	78	376,110,243	82
<b>TOTAL</b>	<b>\$ 484,339,022</b>	<b>100</b>	<b>\$ 457,315,281</b>	<b>100</b>

# Attachment 10

## CHUNGHWA TELECOM CO., LTD.

### STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
REVENUES	\$ 178,622,827	100	\$ 179,321,838	100
OPERATING COSTS	<u>117,206,244</u>	<u>66</u>	<u>116,056,276</u>	<u>65</u>
GROSS PROFIT	<u>61,416,583</u>	<u>34</u>	<u>63,265,562</u>	<u>35</u>
OPERATING EXPENSES				
Marketing	16,596,096	9	18,130,247	10
General and administrative	3,720,192	2	3,558,580	2
Research and development	3,129,236	2	3,341,306	2
Expected credit loss (reversal of credit loss)	<u>45,689</u>	<u>-</u>	<u>(127,019)</u>	<u>-</u>
Total operating expenses	<u>23,491,213</u>	<u>13</u>	<u>24,903,114</u>	<u>14</u>
OTHER INCOME AND EXPENSES	<u>1,614,287</u>	<u>1</u>	<u>(16,583)</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>39,539,657</u>	<u>22</u>	<u>38,345,865</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	52,889	-	157,099	-
Other income	346,745	-	386,747	-
Other gains and losses	(100,341)	-	(5,572)	-
Interest expenses	(171,658)	-	(61,873)	-
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	<u>1,216,137</u>	<u>1</u>	<u>1,440,326</u>	<u>1</u>
Total non-operating income and expenses	<u>1,343,772</u>	<u>1</u>	<u>1,916,727</u>	<u>1</u>
INCOME BEFORE INCOME TAX	40,883,429	23	40,262,592	22
INCOME TAX EXPENSE	<u>7,477,299</u>	<u>4</u>	<u>7,474,046</u>	<u>4</u>
NET INCOME	<u>33,406,130</u>	<u>19</u>	<u>32,788,546</u>	<u>18</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	\$ 1,170,312	1	\$ 1,506,290	1
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	546,879	-	399,429	-
Gain or loss on hedging instruments subject to basis adjustment	1,425	-	(742)	-
Share of unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income of subsidiaries, associates and joint ventures	(126,890)	-	(101,103)	-
Share of remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures	708	-	2,864	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(234,062)</u>	<u>-</u>	<u>(301,258)</u>	<u>-</u>
	<u>1,358,372</u>	<u>1</u>	<u>1,505,480</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(156,990)	-	(71,056)	-
Share of exchange differences arising from the translation of the foreign operations of subsidiaries, associates and joint ventures	<u>(9,164)</u>	<u>-</u>	<u>2,106</u>	<u>-</u>
	<u>(166,154)</u>	<u>-</u>	<u>(68,950)</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>1,192,218</u>	<u>1</u>	<u>1,436,530</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 34,598,348</u>	<u>20</u>	<u>\$ 34,225,076</u>	<u>19</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.31</u>		<u>\$ 4.23</u>	
Diluted	<u>\$ 4.30</u>		<u>\$ 4.22</u>	

(Concluded)

# Attachment 11

## CHUNGHWA TELECOM CO., LTD.

### STATEMENTS OF CHANGES IN EQUITY YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	Common Stocks	Additional Paid-in Capital	Retained Earnings			Others			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income	Gain or Loss on Hedging Instruments	
BALANCE, JANUARY 1, 2019	\$ 77,574,465	\$ 171,136,764	\$ 77,574,465	\$ 2,675,419	\$ 47,090,522	\$ (79,427)	\$ 538,272	\$ 1,069	\$ 376,511,549
Appropriation of 2018 earnings									
Cash dividends	-	-	-	-	(34,745,603)	-	-	-	(34,745,603)
Unclaimed dividend	-	1,266	-	-	-	-	-	-	1,266
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	117,955	-	-	-	-	-	-	117,955
Net income for the year ended December 31, 2019	-	-	-	-	32,788,546	-	-	-	32,788,546
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,207,896	(68,950)	298,326	(742)	1,436,530
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	33,996,442	(68,950)	298,326	(742)	34,225,076
BALANCE, DECEMBER 31, 2019	77,574,465	171,255,985	77,574,465	2,675,419	46,341,361	(148,377)	836,598	327	376,110,243
Appropriation of 2019 earnings									
Cash dividends	-	-	-	-	(32,782,969)	-	-	-	(32,782,969)
Unclaimed dividend	-	1,605	-	-	-	-	-	-	1,605
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	3,789	-	-	-	-	-	-	3,789
Net income for the year ended December 31, 2020	-	-	-	-	33,406,130	-	-	-	33,406,130
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	936,958	(166,154)	419,989	1,425	1,192,218
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	34,343,088	(166,154)	419,989	1,425	34,598,348
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	16,686	-	(16,686)	-	-
BALANCE, DECEMBER 31, 2020	\$ 77,574,465	\$ 171,261,379	\$ 77,574,465	\$ 2,675,419	\$ 47,918,166	\$ (314,531)	\$ 1,239,901	\$ 1,752	\$ 377,931,016



# Attachment 12

## CHUNGHWA TELECOM CO., LTD.

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 40,883,429	\$ 40,262,592
Adjustments for:		
Depreciation	29,852,639	29,852,819
Amortization	5,335,650	4,168,630
Amortization of incremental costs of obtaining contracts	5,395,125	6,269,916
Expected credit loss (reversal of credit loss)	45,689	(127,019)
Interest expenses	171,658	61,873
Interest income	(52,889)	(157,099)
Dividend income	(240,821)	(292,450)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	(1,216,137)	(1,440,326)
Loss (gain) on disposal of property, plant and equipment	(1,435,864)	29,229
Gain on disposal of investment properties	(151,357)	-
Gain on disposal of investments accounted for using equity method	(13,398)	(30,152)
Provision for impairment loss and obsolescence of inventory	1,124,350	475,024
Reversal of impairment loss on investment properties	(27,066)	(56,617)
Impairment loss on other assets	-	43,971
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	98,404	38,588
Others	8,473	(23,322)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(467,335)	46,157
Trade notes and accounts receivable	4,042,945	4,747,965
Receivables from related parties	(554,980)	32,304
Inventories	4,320,692	(2,494,993)
Prepayments	(10,178)	(60,009)
Other current monetary assets	145,786	26,462
Other current assets	170,744	155,357
Incremental cost of obtaining contracts	(5,433,783)	(5,625,633)
Increase (decrease) in:		
Contract liabilities	(3,096,840)	6,785,691
Trade notes and accounts payable	173,789	(4,720,176)
Payables to related parties	(283,225)	(779,499)
Other payables	(1,118,468)	297,078
Provisions	109,598	75,813
Other current liabilities	69,232	(49,362)
Net defined benefit plans	(168,867)	540,389
Cash generated from operations	77,676,995	78,053,201
Interest paid	(126,846)	(61,873)
Income tax paid	(7,386,952)	(7,846,879)
Net cash provided by operating activities	<u>70,163,197</u>	<u>70,144,449</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ 297,476	\$ -
Proceeds from return of financial assets at fair value through other comprehensive income	-	9,167
Acquisition of financial assets at fair value through profit or loss	-	(300,000)
Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months	(11,803)	(9,700,000)
Proceeds from disposal of negotiable certificates of deposit with maturities of more than three months	1,600,000	12,500,000
Acquisition of investments accounted for using equity method	(244,123)	(4,221,032)
Proceeds from disposal of investments accounted for using equity method	-	32,470
Proceeds from capital reduction of investments accounted for using equity method	-	12,932
Acquisition of property, plant and equipment	(22,740,612)	(22,427,073)
Proceeds from disposal of property, plant and equipment	316,940	50,991
Acquisition of intangible assets	(47,539,599)	(283,792)
Acquisition of investment properties	(54,435)	(523)
Proceeds from disposal of investment properties	188,300	-
Decrease (increase) in other noncurrent assets	96,334	(1,240,253)
Interest received	59,538	162,411
Cash dividends received from others	240,821	292,450
Cash dividends received from subsidiaries, associates and joint ventures accounted for using equity method	<u>1,309,769</u>	<u>939,221</u>
Net cash used in investing activities	<u>(66,481,394)</u>	<u>(24,173,031)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term bills payable	41,000,000	-
Repayment of short-term bills payable	(34,000,000)	-
Proceeds from issuance of bonds	20,000,000	-
Payments for transaction costs attributable to the issuance of bonds	(21,038)	-
Increase (decrease) in customers' deposits	52,704	(8,028)
Payments for the principal of lease liabilities	(3,287,475)	(3,306,322)
Increase in other noncurrent liabilities	363,711	246,130
Cash dividends paid	(32,782,969)	(34,745,603)
Unclaimed dividend	<u>1,605</u>	<u>1,266</u>
Net cash used in financing activities	<u>(8,673,462)</u>	<u>(37,812,557)</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

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	2020	2019
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,991,659)	\$ 8,158,861
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>25,081,712</u>	<u>16,922,851</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 20,090,053</u>	<u>\$ 25,081,712</u>

(Concluded)

## Attachment 13

### Chunghwa Telecom Co., Ltd. 2020 Earnings Distribution Proposal

Units: NT\$

<b>Source items:</b>		
Unappropriated retained earnings, beginning balance		13,558,391,059
Transferred disposal gain on investments in equity instruments at fair value through other comprehensive income to retained earnings	16,685,663	
Remeasurements of defined benefit pension plans recognized in retained earnings	936,958,141	
Net income of 2020	33,406,130,451	34,359,774,255
Appropriation of legal reserve (amounted to the authorized capital)		0
Reversal of special reserve according to Securities and Exchange Act		0
<b>Distributable retained earnings for 2020</b>		<b>47,918,165,314</b>
<b>Distribution items:</b>		
Cash dividends to stockholders (total of 7,757,446,545 shares x NT\$4.306 per share)		(33,403,564,823)
<b>Unappropriated retained, ending balance</b>		<b>14,514,600,491</b>
Notes: The amount of "Unappropriated retained earnings, beginning balance" is the same as the amount of "Unappropriated retained, ending balance" on the Earnings Distribution Proposal approved at the 2020 annual general meeting.		

Chi-Mau Sheih, Chairman and CEO

Shui-Yi Kuo, President

Shu-Ling Chen, Accounting Officer

# Attachment 14

## The comparison table of the amendments to the Articles of Incorporation of Chunghwa Telecom Co., Ltd.

1. All of 26 articles adopted by Promoters Meeting on June 11, 1996.
2. Article 15 amended by the Annual General Meeting on December 26, 1997.
3. Articles 2 and 22 amended by the Annual General Meeting on November 25, 1998.
4. Paragraph 1 of Article 21 amended by the Extraordinary General Meeting on July 13, 1999.
5. Articles 2, 3, 6, 7, 10, 12, 13, 19, 21, and 22 amended, and Articles 6-1 and 7-1 added by the Annual General Meeting on June 4, 2001.
6. Articles 2, 7, 8, 9, 10, 19, 21, and 22 amended and Article 5 deleted by the Annual General Meeting on June 21, 2002.
7. Article 2 amended by the Annual General Meeting on June 17, 2003.
8. Articles 2 and 22 amended by the Annual General Meeting on June 25, 2004.
9. Articles 2, 3, 6, 10, 11, 12, 14, 17, 19, 20, 22, 23, and 25 amended, and Articles 12-1, 18-1, and 18-2 added by the Annual General Meeting on May 30, 2006.
10. Articles 2, 12-1, 14, 22, and 23 amended, and Article 18-1 deleted by the Annual General Meeting on June 15, 2007.
11. Articles 2, 6, and 14 amended by the Annual General Meeting on June 19, 2008.
12. Articles 2, 6, 12 and 13 amended, and Article 6-1 deleted by the Annual General Meeting on June 19, 2009.
13. Article 2 amended by the Annual General Meeting on June 18, 2010.
14. The title of Chapter IV and Articles 12, 12-1, 14, 19, 20, and 22 amended by the Annual General Meeting on June 22, 2012.
15. The title of Chapter IV, Articles 2, 12, 13, 18-2, 21 and 22 amended; Articles 17 and 18 deleted, and Article 13-1 added by the Annual General Meeting on June 25, 2013.
16. Articles 2 and 15 amended by the Annual General Meeting on June 24, 2014.
17. Articles 1, 2 and 7-1 amended by the Annual General Meeting on June 26, 2015.
18. Articles 2 and 22 amended, and Article 22-1 added by the Annual General Meeting on June 24, 2016.
19. Article 2 amended by the Annual General Meeting on June 15, 2018.
20. Article 2 amended by the Annual General Meeting on June 21, 2019.
21. Article 2 amended by the Annual General Meeting on May 29, 2020.
22. Articles 1, 2, 14, 19 and 20 amended by the Annual General Meeting on August 20, 2021.

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>Article 1</p> <p>The Company is promoted by the Ministry of Transportation and Communications ("MOTC") and others and organized under the Telecommunication Law and the provisions of the Company Law pertaining to companies limited by shares and is named as "Chunghwa Telecom Co., Ltd."</p>	<p>Article 1</p> <p>The Company is promoted by the Ministry of transportation and Communications ("MOTC") and others and organized under the Telecommunication Law and the provisions of the Company Law pertaining to companies limited by shares and is named as "Chunghwa Telecom Co., Ltd."</p>	<p>The establishment basis of the Company is amended in response to the Company's completion of the telecommunication business registration in accordance with Article 83 of the Telecommunications Management Act on September 30, 2020.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p><u>In response to the implementation of Telecommunications Management Act, the Company has completed the telecommunication business conversion registration on September 30, 2020, and the telecommunication business is changed to be governed under the Telecommunications Management Act.</u></p>		
<p>Article 2 The scope of business of the Company shall be as follows: 1) <u>Telecommunications Enterprises (G903010)</u>; 2) Installation of the Computer Equipment Business (E605010); 3) Telecommunication Equipment Wholesale Business (F113070); 4) Telecommunication Equipment Retail Business (F213060); 5) Telecommunication Engineering Business (E701010); 6) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030); 7) Information Software Service Business (I301010); 8) Rental Business (JE01010); 9) Other Wholesale Businesses (F199990); 10) Management and Consulting Service Business (I103060); 11) Other Corporation Service Businesses (IZ99990); 12) Other Retail Businesses (F299990); 13) Online Certification Service Businesses (IZ13010);</p>	<p>Article 2 The scope of business of the Company shall be as follows: 1) <u>Telecommunications Enterprise of Type 1 (G901011)</u>; 2) <u>Telecommunications Enterprise of Type 2 (G902011)</u>; 3) Installation of the Computer Equipment Business (E605010); 4) Telecommunication Equipment Wholesale Business (F113070); 5) Telecommunication Equipment Retail Business (F213060); 6) Telecommunication Engineering Business (E701010); 7) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030); 8) Information Software Service Business (I301010); 9) Rental Business (JE01010); 10) Other Wholesale Businesses (F199990); 11) Management and Consulting Service Business (I103060); 12) Other Corporation Service Businesses (IZ99990); 13) Other Retail Businesses (F299990);</p>	<p>1. According to the NCC's letter: Ref. Tong-Chuan Ping Tai Jiue Zhi No. 10941029930 and MOEA's announcement: Ref. Jin-Shang-Zi No. 1090241989, Telecommunications Enterprises (G903010) is added while the Telecommunications Enterprise of Type 1 (G901011), Telecommunications Enterprise of Type 2 (G902011), and "Radio-Frequency Equipment Import Business (F401021)" are removed.</p> <p>2. To adjust the numbering of items of the Articles accordingly.</p>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>14) Supply of Electronic Information Service Businesses (I301030);</p> <p>15) Information Process Service Business (I301020);</p> <p>16) Telecommunication Account Application Agency Businesses (IE01010);</p> <p>17) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);</p> <p>18) Development of Special District/Zone Businesses (H701040);</p> <p>19) Real Estate Rental Businesses (H703100);</p> <p>20) Community Common Cable Television Equipment Businesses (J502020);</p> <p>21) Exhibition Service Businesses (JB01010);</p> <p>22) Parking Lot Operation Businesses (G202010);</p> <p>23) Environmental Assessment Service Businesses (J101050);</p> <p>24) Computer and Accessories Manufacturing Service (CC01110);</p> <p>25) Information Storage and Process Equipment Manufacturing Businesses (CC01120);</p> <p>26) Other Electrical and Electronic Machinery &amp; Equipment Manufacturing Businesses (CC01990);</p> <p>27) General Hotel Business (J901020);</p> <p>28) Computer and Administrative Device Wholesale Businesses (F113050);</p> <p>29) Information Software Wholesale Businesses (F118010);</p> <p>30) Computer and Administrative Device</p>	<p>14) Online Certification Service Businesses (IZ13010);</p> <p>15) Supply of Electronic Information Service Businesses (I301030);</p> <p>16) Information Process Service Business (I301020);</p> <p>17) Telecommunication Account Application Agency Businesses (IE01010);</p> <p>18) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);</p> <p>19) Development of Special District/Zone Businesses (H701040);</p> <p>20) Real Estate Rental Businesses (H703100);</p> <p>21) Community Common Cable Television Equipment Businesses (J502020);</p> <p>22) Exhibition Service Businesses (JB01010);</p> <p>23) Parking Lot Operation Businesses (G202010);</p> <p>24) Environmental Assessment Service Businesses (J101050);</p> <p>25) Computer and Accessories Manufacturing Service (CC01110);</p> <p>26) Information Storage and Process Equipment Manufacturing Businesses (CC01120);</p> <p>27) Other Electrical and Electronic Machinery &amp; Equipment Manufacturing Businesses (CC01990);</p> <p><u>28) Radio-Frequency Equipment Import Business (F401021);</u></p> <p>29) General Hotel Business (J901020);</p> <p>30) Computer and Administrative Device Wholesale Businesses (F113050);</p> <p>31) Information Software Wholesale Businesses (F118010);</p>	

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
Retail Businesses (F213030); 31) Information Software Rental Businesses (F218010); 32) Energy Service Business (IG03010); 33) Engineering Consulting Business (I101061); 34) Refrigeration and Air-Conditioning Consulting Business (E602011); 35) Automatic Control Equipment Engineering Business (E603050); 36) Lighting Equipment Installation Business (E603090); 37) Non-store Retailer Business (F399040); 38) Power Equipment Installation and Maintenance Business (E601010); 39) Electrical Appliance Installation Business (E601020); 40) Instrument Installation Engineering Business (EZ05010); 41) Television Program Production Business (J503020); 42) Broadcasting and Television Program Launch Business (J503030); 43) Broadcasting and Television Advertising Business (J503040); 44) Production, Licensed Recording and Supply of Videotape Program Business (J503050); 45) The Third Party Payment Business (I301040); 46) Water Pipe Construction Business (E501011); 47) Machinery and Equipment Manufacturing Business (CB01010);	32) Computer and Administrative Device Retail Businesses (F213030); 33) Information Software Rental Businesses (F218010); 34) Energy Service Business (IG03010); 35) Engineering Consulting Business (I101061); 36) Refrigeration and Air-Conditioning Consulting Business (E602011); 37) Automatic Control Equipment Engineering Business (E603050); 38) Lighting Equipment Installation Business (E603090); 39) Non-store Retailer Business (F399040); 40) Power Equipment Installation and Maintenance Business (E601010); 41) Electrical Appliance Installation Business (E601020); 42) Instrument Installation Engineering Business (EZ05010); 43) Television Program Production Business (J503020); 44) Broadcasting and Television Program Launch Business (J503030); 45) Broadcasting and Television Advertising Business (J503040); 46) Production, Licensed Recording and Supply of Videotape Program Business (J503050); 47) The Third Party Payment Business (I301040); 48) Water Pipe Construction Business (E501011); 49) Machinery and Equipment Manufacturing Business (CB01010);	



<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>48) Traffic Signals Installation and Construction Business (E603080);</p> <p>49) Traffic Labels Construction Business (EZ06010);</p> <p>50) Medical Device Wholesale Business (F108031);</p> <p>51) Medical Device Retail Business (F208031);</p> <p>52) Metrological Instruments Importing Business (F401181);</p> <p>53) Metrological Instruments Repairing Business (JA02051);</p> <p>54) Metrological Instruments Manufacturing Business (CE01021);</p> <p>55) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).</p> <p>The Company may engage in endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company where there is any business need.</p>	<p>50) Traffic Signals Installation and Construction Business (E603080);</p> <p>51) Traffic Labels Construction Business (EZ06010);</p> <p>52) Medical Device Wholesale Business (F108031);</p> <p>53) Medical Device Retail Business (F208031);</p> <p>54) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).</p> <p>The Company may engage in endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company where there is any business need.</p>	
<p>Article 14</p> <p>The duties and authorities of the Board of Directors are as follows:</p> <ol style="list-style-type: none"> <li>1) Increase or reduction of capital of the Company.</li> <li>2) Regulations with regard to the organization of the Company.</li> <li>3) Establishment, amendment, and abolishment of the branch offices within or outside the territory of the Republic of China.</li> <li>4) Examination of annual business budgets and final closing report.</li> </ol>	<p>Article 14</p> <p>The duties and authorities of the Board of Directors are as follows:</p> <ol style="list-style-type: none"> <li>1) Increase or reduction of capital of the Company.</li> <li>2) Regulations with regard to the organization of the Company.</li> <li>3) Establishment, amendment, and abolishment of the branch offices within or outside the territory of the Republic of China.</li> <li>4) Examination of annual business budgets and final closing report.</li> </ol>	<p>Based on the allocation of authorities and responsibilities within the Company and the spirit of hierarchical management, the adjustment of remuneration standard for employees shall be approved by the chief executive officer. The approval of the remuneration standard for employees in item 14 is therefore deleted, and the original item 15 and 16 are adjusted in order accordingly.</p>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>5) Distribution of profits or off-set of deficit.</p> <p>6) Amount and term of domestic and foreign loan.</p> <p>7) Amount of Investment.</p> <p>8) Issuance of corporate bonds.</p> <p>9) Policies regarding personnel matters, material purchase, accounting, and internal control.</p> <p>10) Amendment and modifications of regulations of organization of the Board of Directors and the functional committee.</p> <p>11) Amendment and modification of regulations with regard to the scope of duties and responsibilities of independent directors.</p> <p>12) Appointment and removal of the president, executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute.</p> <p>13) Appointment and removal of the chiefs of finance, accounting and internal audit.</p> <p>14) Policies regarding recommendation of chairman and president to subsidiaries.</p> <p>15) Other duties and authorities granted by the law or by shareholders' meeting.</p>	<p>5) Distribution of profits or off-set of deficit.</p> <p>6) Amount and term of domestic and foreign loan.</p> <p>7) Amount of Investment.</p> <p>8) Issuance of corporate bonds.</p> <p>9) Policies regarding personnel matters, material purchase, accounting, and internal control.</p> <p>10) Amendment and modifications of regulations of organization of the Board of Directors and the functional committee.</p> <p>11) Amendment and modification of regulations with regard to the scope of duties and responsibilities of independent directors.</p> <p>12) Appointment and removal of the president, executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute.</p> <p>13) Appointment and removal of the chiefs of finance, accounting and internal audit.</p> <p><u>14) Remuneration standard for employees.</u></p> <p><u>15) Policies regarding recommendation of chairman and president to subsidiaries.</u></p> <p><u>16) Other duties and authorities granted by the law or by shareholders' meeting.</u></p>	
<p>Article 19</p> <p>The Company shall have one (1) chief executive officer, to be served as a concurrent post by the chairman or by the president, to lead the managers in proposing and making significant policy decisions</p>	<p>Article 19</p> <p>The Company shall have one (1) chief executive officer, to be served as a concurrent post by the chairman or by the president, to lead the managers in proposing and making significant policy decisions</p>	<p>Considering the diversified development of the Company's business, paragraph 3 is amended to add that a director with expertise in technology may serve as the Company's president.</p>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>regarding to the Company and all affiliates of the Company.</p> <p>The Company shall have one (1) president, several executive vice presidents and presidents of branch offices, and one (1) president for each of Telecommunication Laboratories and Telecommunication Training Institute.</p> <p>The president shall be a director with professional knowledge in <u>business of telecommunication or technology</u>.</p>	<p>regarding to the Company and all affiliates of the Company.</p> <p>The Company shall have one (1) president, several executive vice presidents and presidents of branch offices, and one (1) president for each of Telecommunication Laboratories and Telecommunication Training Institute.</p> <p>The president shall be a director with professional knowledge in <u>telecommunication business</u>.</p>	
<p>Article 20</p> <p>The president shall, in accordance with the decision made by the Board of Directors and with instruction from the chief executive officer, take charge of the affairs of the Company, and shall have the authority to sign on behalf of the Company; the executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute shall assist the president in all affairs, and shall have the authority to sign on behalf of the Company within the scope set by rules decided by the president or authorized in writing by the president.</p> <p>The allocation of authorities and responsibilities of the Board of Directors and <u>the managers</u> shall be determined in accordance with the Chart for Allocation of Authorities and Responsibilities.</p>	<p>Article 20</p> <p>The president shall, in accordance with the decision made by the Board of Directors and with instruction from the chief executive officer, take charge of the affairs of the Company, and shall have the authority to sign on behalf of the Company; the executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute shall assist the president in all affairs, and shall have the authority to sign on behalf of the Company within the scope set by rules decided by the president or authorized in writing by the president.</p> <p>The allocation of authorities and responsibilities of the Board of Directors and <u>the president</u> shall be determined in accordance with the Chart for Allocation of Authorities and Responsibilities.</p>	<p>The article is amended accordingly to be in line with the current practice of allocation of authorities and responsibilities.</p>

# Attachment 15

## The comparison table of the amendments to the Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd.

1. All 25 articles adopted by Annual General Meeting on December 26, 1997.
2. Articles 3, 4, 8, 11, 12, and 13 amended by Annual General Meeting on June 4, 2001.
3. Articles 4, 5, 9, 12, 13, and 15 amended by Annual General Meeting on June 21, 2002.
4. All 18 articles amended by Annual General Meeting on June 25, 2004.
5. Articles 2, 4, 10, 12, and 15 amended, and articles 2-1, 2-2, 13, 13-1, 13-2, and 19 added by Annual General Meeting on May 30, 2006.
6. Articles 2, 2-1, 2-2, 4, 5, 8, 12, 13, 13-1, 14, 15 and 19 amended by the 2012 Annual General Meeting on June 22, 2012.
7. Articles 2, 2-2 and 15 amended by the 2021 Annual General Meeting on August 20, 2021.

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p><b>Article 2 (Convening a shareholders' meeting and notification)</b></p> <p>Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.</p> <p>All shareholders shall be notified 30 days in advance of an annual general meeting. Those shareholders who hold less than 1,000 shares of registered stock may be notified 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website.</p> <p>The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their</p>	<p><b>Article 2 (Convening a shareholders' meeting and notification)</b></p> <p>Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.</p> <p>All shareholders shall be notified 30 days in advance of an annual general meeting. Those shareholders who hold less than 1,000 shares of registered stock may be notified 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website.</p> <p>The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their</p>	<ol style="list-style-type: none"> <li>1. Paragraph 4 of this Article is amended in accordance with Paragraph 5 of Article 172 of the Company Act and other laws and regulations to add that matters which cannot be raised at a shareholders' meeting as special motions in accordance with laws and regulations, and to stipulate that the said matters shall be listed in the reasons for convening and the main subject of which shall be explained.</li> <li>2. Paragraph 5 of this Article is added to follow the official explanation of the Ministry of Economic Affairs (Ref. No. Jing-Shang-Zi 10702417500 issued on 6 August 2018).</li> </ol>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>consent, notification may be performed using electronics means.</p> <p>The election or dismissal of directors, amendment to the Articles of Incorporation, <u>reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares,</u> the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, <u>Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers,</u> or any other issues prohibited by law from being proposed as special motions in the shareholders' meeting shall be stated as the causes of convention, <u>and the main contents shall be enumerated and explained</u> and shall not be proposed as special motions in the meeting.</p> <p><u>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any special motion or otherwise in the same meeting.</u></p>	<p>consent, notification may be performed using electronics means.</p> <p>The election or dismissal of directors, <u>supervisors,</u> amendment to the Articles of Incorporation, the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or any other issues prohibited by law from being proposed as special motions in the shareholders meeting shall be stated as the causes of convention and shall not be proposed as special motions in the meeting.</p>	
<b>Article 2-2 (Handling of</b>	<b>Article 2-2 (Handling of</b>	1. To stipulate that,

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p><b>proposals made before the shareholders' meeting)</b></p> <p>Shareholders holding at least 1% of the total number of issued shares may submit <u>a proposal to general meeting to the Company, the number of items so proposed is limited to one only</u>; such proposals shall be included among discussion proposals after approval by the Board of Directors.</p> <p>The company shall publicly announce acceptance of shareholders' proposals, <u>the method of acceptance</u>, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may be no shorter than 10 days.</p> <p>Shareholders' proposals shall be included in the agenda and <u>listed in the meeting notice</u> of the annual general meeting when, following review by the board, none of the following circumstances apply:</p> <ol style="list-style-type: none"> <li>1. The proposal is not a matter that may be resolved at the annual general meeting.</li> <li>2. The proposing shareholder holds less than 1% of issued shares at the time of book closure date prior to that annual general meeting.</li> <li>3. The proposal was not submitted during the publicly announced acceptance period in the foregoing paragraph.</li> <li>4. The proposing shareholder has submitted</li> </ol>	<p><b>proposals made before the shareholders' meeting)</b></p> <p>Shareholders holding at least 1% of the total number of issued shares may submit <u>annual general meeting proposals to the Company in writing</u>; such proposals shall be <u>formally included</u> among discussion proposals after approval by the Board of Directors.</p> <p>The company shall publicly announce acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may be no shorter than 10 days.</p> <p>Shareholders' proposals shall be included in the agenda and <u>stated in the subject</u> of the annual general meeting when, following review by the board, none of the following circumstances apply:</p> <ol style="list-style-type: none"> <li>1. The proposal is not a matter that may be resolved at the annual general meeting.</li> <li>2. The proposing shareholder holds less than 1% of issued shares at the time of book closure date prior to that annual general meeting.</li> <li>3. The proposal was not submitted during the publicly announced acceptance period in the foregoing paragraph.</li> <li>4. The proposing shareholder has submitted more than one proposal, the proposal</li> </ol>	<p>according to Paragraph 1 of Article 172-1 of the Company Act, a shareholder's proposal submitted in the shareholders' meeting may contain only one matter.</p> <ol style="list-style-type: none"> <li>2. Paragraph 2 of this Article adds that the Company shall publicly announce the method of acceptance for the shareholders' proposal.</li> <li>3. Paragraph 3 of this Article is amended slightly on wordings.</li> </ol>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>more than one proposal, the proposal exceeds 300 characters in length (including punctuation marks).</p> <p>The Company shall notify those shareholders who submitted proposals of the results of process of the proposals prior to the notification of annual general meeting. With regard to any shareholder proposals not included in the meeting agenda, the Board shall include in the meeting handbook an explanation of why each proposal was not included; such proposals shall not be included in the agenda, and shall not be mentioned in the minutes.</p> <p>If the shareholders' proposals to be included in the meeting agenda according to Paragraph 3 are of the same kind, they may be joined as a whole.</p>	<p>exceeds 300 characters in length (including punctuation marks), <u>or the proposal was not submitted in writing.</u></p> <p>The Company shall notify those shareholders who submitted proposals of the results of process of the proposals prior to the notification of annual general meeting. With regard to any shareholder proposals not included in the meeting agenda, the Board shall include in the meeting handbook an explanation of why each proposal was not included; such proposals shall not be included in the agenda, and shall not be mentioned in the minutes.</p> <p>If the shareholders' proposals to be included in the meeting agenda according to Paragraph 3 are of the same kind, they may be joined as a whole.</p>	
<p><b>Article 15 (Meeting minutes and signing)</b></p> <p>The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The chairman shall sign or affix his or her seal to the minutes. The minutes shall be issued to all shareholders within 20 days after the shareholders' meeting. The production and distribution of minutes may be performed using electronic means.</p> <p>The release of the minutes of meeting on record as aforementioned may be</p>	<p><b>Article 15 (Meeting minutes and signing)</b></p> <p>The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The chairman shall sign or affix his or her seal to the minutes. The minutes shall be issued to all shareholders within 20 days after the shareholders' meeting. The production and distribution of minutes may be performed using electronic means.</p> <p>The release of the minutes of meeting on record as aforementioned may be announced by the Company</p>	<p>Paragraph 3 of this Article is added that the meeting minutes shall record the voting shares, and disclose the voting rights won by each candidate in an election of directors, with reference to Paragraph 3 of Article 15 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced by the Taiwan Stock Exchange Corporation.</p>

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>announced by the Company through posting at Market Observation Post System.</p> <p>The minutes shall record the year, month, day, and place of the meeting, the name of the chairman, the resolution method, a summary of deliberation, and the results of deliberation <u>(including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.</u> The minutes of shareholders' meetings must be preserved for as long as the company is in existence.</p>	<p>through posting at Market Observation Post System.</p> <p>The minutes shall record the year, month, day, and place of the meeting, the name of the chairman, the resolution method, a summary of deliberation, and the results of deliberation. The minutes of shareholders' meetings must be preserved for as long as the company is in existence.</p>	



# Attachment 16

## The comparison table of the amendments to the Directors Election Regulations of Chunghwa Telecom Co., Ltd.

1. All 10 articles adopted by Annual General Meeting on June 4, 2001.
2. Articles 2, 3, 5, 6, 7, 8 and 9 amended by Annual General Meeting on June 21, 2002.
3. All 14 articles amended by Annual General Meeting on June 15, 2007.
4. All 13 articles and the title of the Regulation amended by Annual General Meeting on June 22, 2012 (the previous title: Directors and Supervisors Election Regulations of Chunghwa Telecom)
5. Articles 2, 9, 10 amended by Annual General Meeting on August 20, 2021.

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 2 (The <u>qualifications</u> of Directors)</p> <p>The election of this Company’s directors shall take into consideration the overall composition of the board of directors.</p> <p>Board members shall possess the knowledge, skills, and qualifications required to perform their duties <u>and comply with Articles 20 and 21 of the Code of Corporate Governance for Chunghwa Telecom Co., Ltd.</u></p> <p>The overall capabilities of the board of directors shall possess as the followings:</p> <ol style="list-style-type: none"> <li>1. The capability to make operational judgments;</li> <li>2. Accounting and financial analysis capabilities;</li> <li>3. Business management capabilities;</li> <li>4. Capability to handle crisis management;</li> <li>5. Industrial knowledge;</li> <li>6. International insight;</li> <li>7. Leadership;</li> <li>8. Decision-making capability.</li> </ol>	<p>Article 2 (The <u>abilities</u> of Directors)</p> <p>The election of this Company’s directors shall take into consideration the overall composition of the board of directors.</p> <p>Board members shall possess the knowledge, skills, and qualifications required to perform their duties. The overall capabilities of the board of directors shall possess as the followings:</p> <ol style="list-style-type: none"> <li>1. The capability to make operational judgments;</li> <li>2. Accounting and financial analysis capabilities;</li> <li>3. Business management capabilities;</li> <li>4. Capability to handle crisis management;</li> <li>5. Industrial knowledge;</li> <li>6. International insight;</li> <li>7. Leadership;</li> <li>8. Decision-making capability.</li> </ol>	<p>Paragraph 1 of this Article is hereby proposed to be amended referring to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors, and in accordance with Article 20, Paragraph 3 of the Company’s Code of Corporate Governance regarding Board Diversity and Article 21 of the same code which stipulates that a spousal relationship or a familial relationship within a second-degree of kinship may not exist among more than half of the directors of the Company.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 9 (<u>The selection on the ballots</u>)</p> <p><u>Where on-site voting is adopted pursuant to Article 5, in the column of "elected person" on each ballot, the voters shall select one person from the list of the "candidates" compiled by the Company.</u></p> <p>The persons to be elected shall have legal capacity.</p> <p>Where the voters deem it necessary, they may distribute the voting rights in compliance with applicable laws and regulations.</p>	<p>Article 9 (<u>Particulars for inscription in the ballot</u>)</p> <p><u>For on-site voting in the shareholders' meeting, when the persons to be elected are natural persons, the voters shall fill in the followings in the ballot and put it into the ballot box:</u></p> <p><u>1. The name of the person to be elected.</u></p> <p><u>2. The shareholder account number or ID card number of the person to be elected.</u></p> <p><u>For on-site voting in the shareholders' meeting, when the persons to be elected are juristic persons, the voters shall fill in the followings in the ballot and put it into the ballot box:</u></p> <p><u>1. The full name of the juristic person, or the full name of the juristic person and the name of its representative.</u></p> <p><u>2. The shareholder account number or the uniform number of corporation of the person to be elected.</u></p> <p>The persons to be elected shall have legal capacity.</p> <p>Where the voters deem it necessary, they may distribute the voting rights in compliance with applicable laws and regulations <u>and the Handling Guidelines of Stock Affairs of the Company.</u></p>	<p>1. Considering the Company has adopted a candidate nomination mechanism for the election of directors that the shareholders shall elect the person from the list of candidates complied by the Company, shareholders shall be able to learn the information of the name, academic and working experiences of each candidate from the candidate list before the shareholders' meeting. Given that it is unnecessary to identify the candidates by means of the shareholders' account number or ID card number, paragraph 1 of this Article is amended and paragraph 2 hereof is deleted accordingly.</p>

Draft Amendment	Current Articles	Explanatory Notes
		<p>2. Considering the Handling Guidelines of Stock Affairs of the Company are formulated in accordance with the laws and regulations and do not differ from the related laws such as Company Act or Securities and Exchange Act, the words “and the Handling Guidelines of Stock Affairs of the Company” under paragraph 4 of this Article is hereby deleted.</p> <p>3. Due to the deletion of paragraph 2, the current paragraphs 3 and 4 are adjusted in sequence.</p>
<p>Article 10 ( Invalid ballot ) If any of the followings applies to on-site voting in shareholders’ meeting, the ballot shall be counted as invalid:</p> <p>1. The ballot was not prepared as prescribed in Article 7 of these regulations <u>or not prepared by a person with the right to convene.</u></p>	<p>Article 10 ( Invalid ballot ) If any of the followings applies to on-site voting in shareholders’ meeting, the ballot shall be counted as invalid:</p> <p>1. The ballot was not prepared as prescribed in Article 7 of these regulations.</p>	<p>1. Referring to the Sample Template for XXX Co., Ltd. Procedures for Election of Directors and in line with the Company’s current director election practices at its Annual General</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>2. The ballot are not placed into the ballot box.</p> <p>3. The ballot are blank when placed into the ballot box.</p> <p>4. <u>Except for selecting the person from the list of the candidates compiled by the Company, the voter writes other words on the ballots, selects two or more candidates, or there is incomplete information, writing error, correction, inscription of other symbols, graphics, or wording on the ballots.</u></p>	<p>2. The ballot was not placed into the ballot box.</p> <p>3. The ballot was blank when placed into the ballot box.</p> <p>4. <u>The ballot is inscribed with the name of a candidate not nominated in accordance with Article 4 of this regulation, or the number of candidates nominated exceeds the mandatory number of seats for election.</u></p> <p>5. There is incomplete information, writing error, correction, <u>blurred wording that cannot be identified,</u> inscription of other symbols, graphics, or wording <u>in the ballot for the particulars required to fill in pursuant to Paragraphs 1 and 2 of Article 9.</u></p> <p>6. <u>The total number of voting rights exercised by the voters exceeds the total number of voting rights the voters entitled to.</u></p>	<p>Meeting of Shareholders and the draft amendment of Article 9, paragraph 4 and 6 of this Article is hereby deleted and paragraph 5 of this Article is amended.</p> <p>2. The current paragraph 5 is adjusted to paragraph 4 in sequence.</p>