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Chunghwa Telecom Co., Ltd.

2024 Annual General Meeting Handbook

Date: May 31, 2024, Friday

Venue: Chunghwa Telecom Training Institute
No. 168, Minzu Road, Banchiao District,
New Taipei City, Taiwan, R.O.C.

Chunghwa Telecom Co., Ltd.

2024 Annual General Meeting Handbook

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Agenda

Method for holding the meeting: physical

Meeting Date: Friday, May 31, 2024

**Meeting Venue: Chunghwa Telecom Training Institute
No. 168, Minzu Road, Banchiao District, New Taipei City 220,
Taiwan, R.O.C.**

The Chairman Calls the Meeting to Order

Chairman's Address

Report Items

- I. 2023 business report
- II. 2023 audit committee's review report
- III. 2023 compensation distribution to directors and employees
- IV. 2023 compensation to directors
- V. Amendments to the Ethical Corporate Management Best Practice Principles

Matters for Ratification

- I. Ratification of 2023 business report and financial statements
- II. Ratification of 2023 earnings distribution proposal

Matters for Discussion

- I. Amendments to the Articles of Incorporation
- II. Release of non-competition restrictions on Directors

Extemporary Motions

Meeting Adjourned

Report Items

I. 2023 business report

Dear Shareholders,

In 2023, the world ushered in recovery and business opportunities following the lifting of Covid-19 pandemic restrictions. The opening of borders drove international roaming revenue growth; relief in supply chain pressures facilitated increased sales of high-end phones, further boosting 5G penetration rates; digital transformation persisted despite pandemic slowdown and even became a crucial driver for sustainable transformation. On the other hand, as global dynamics, and geopolitical risks change rapidly, network resilience and digital adaptability continued to bring both opportunities and challenges for the telecommunications industry.

Taiwan's telecommunication industry completed its consolidation in December 2023, reverting to the new three-player landscape. Under this domestic environment and international context, Chunghwa Telecom, with the hard work of its management team and all employees, delivered impressive operational performance, maintaining and expanding its leading position in the industry. In 2023, our consolidated revenue reached NT\$223.2 billion, net income attributable to stockholders of the parent company was NT\$36.9 billion, and basic earnings per share was NT\$4.76. Notably, our revenue and profit measures not only beat the high end of our financial forecasts but also set a six-year high, living up to shareholders' expectations.

Steady Growth Across the Three Major Business Groups Innovating and Creating Value for Customers

In 2023, leveraging its advantages in mainstream frequency bands (below 6 GHz) with the widest bandwidths, the highest number of nationwide mobile base stations, and the largest mobile data capacity in the telecom industry, Chunghwa Telecom was once again recognized and awarded by Speedtest® and Opensignal as Taiwan's number one operator with the best 5G network speed and the most extensive mobile coverage, making it Taiwan's premier 5G mobile operator. With outstanding mobile network quality and innovative applications, coupled with a strong reputation for customer service, our overall number of mobile broadband subscribers continued to grow, reaching 13.1 million. Among these, the total number of 5G subscribers exceeded three million, continuing its leading position in Taiwan. The stable 5G penetration rate also continued robust growth in mobile revenue. As of the end of 2023, our mobile subscriber market share and mobile revenue market share were 37.6% and 40%, respectively, and our revenue market share consistently outperforming mobile subscriber market share and significantly surpassing its peers.

The overall number of Taiwan's mobile subscribers decreased in 2023, while, during the market consolidation process, we made an inspiring increase in the number of our monthly postpaid mobile subscribers. Meanwhile, the number of our monthly subscribers experienced positive year-over-year (YoY) growth in all months throughout the year. We believe steady customer growth is the driving force promoting our continuous upward momentum in this new industry landscape. In addition, in 2023, driven by the subscriber growth and the upgrade of 5G, Chunghwa Telecom's mobile business revenue increased by 6.4% YoY and mobile 090 postpaid

ARPU rose by 4.2% YoY, taking the lead in the industry. Notably, the average mobile monthly fee uplift resulting from 4G to 5G migration increased to 44.9%, delivering impressive performance.

In terms of the fixed broadband business, in 2023, Chunghwa Telecom continued its strategy to provide incentives to customers to upgrade to higher speeds, and successfully elevated high-speed products with speeds exceeding 300 Mbps to become the mainstream among our portfolio, as well as bringing in a 32.4% increase in the number of customers. On the other hand, we encouraged low-speed customers to upgrade as well to strengthen the overall performance. In December 2023, our fixed broadband ARPU reached NT\$783, representing a 1.1% YoY growth. Moving forward, we will continue to optimize customer structure, provide high-speed Gbps services, and encourage customer upgrades, maintaining sustained ARPU growth.

In 2023, all three of our business groups actively seized business opportunities and launched popular services to deliver year-over-year steady revenue growth. For our Customer Business Group, in addition to the continuous growth of mobile and fixed broadband businesses, we continued to invest in content, including acquiring the broadcasting rights of popular events such as the World Baseball Classic, the Summer World University Games in Chengdu, and the Asian Games in Hangzhou, garnering the enthusiasm of audiences in Taiwan for sports events. Additionally, our investments in high-quality TV content were recognized by Taiwan's first-tier awards like the Golden Bell Awards and others. The subscribers of our IPTV/MOD and Hami Video continued to grow and reached new highs, maintaining our position as Taiwan's largest audiovisual platform. In 2023, we even established the "Chunghwa Digital Cultural and Creative Management Consulting Co., Ltd", to enhance cultural and creative businesses, enlarge investments in content creation and explore limitless opportunities for IP applications.

To support our Enterprise Group Business, we continued to leverage AI, big data, cloud, cybersecurity, and other technologies to develop Information, Communications, and Technology (ICT) solutions for different industries. In 2023, our ICT business revenue delivered double-digit growth year-over-year, mainly driven by three major application services: IDC/cloud, cybersecurity, and AIoT, as well as emerging services like 5G private network. We have successfully empowered hundreds of enterprises across various industries during the digital transformation wave, earning significant recognition from our customers. In addition to providing technical expertise for project implementation, we actively developed monthly subscription-based services to create stable and sustained recurring income. In 2023, the recurring revenue from IDC, cloud, and cybersecurity services showed robust growth. Furthermore, to enhance operations and innovation for small and medium-sized enterprises through 5G private networks, we introduced a 'lease-to-own' model, lowering the entry threshold for customers who wanted to enter the 5G vertical domain, which successfully create stable revenue streams and expand our market share in the 5G private network space. Looking ahead, we will continue to leverage our collective strengths, deepen our engagement with key enterprise customers, and expand our digital ecosystem through strategic alliances, to further strengthen our growth momentum.

As a leader in Taiwan's telecom industry, Chunghwa Telecom has boundless markets globally. In 2023, Chunghwa Telecom celebrated the 20th anniversary of its listing of American Depositary Receipts on the New York Stock Exchange, as well as the 15th anniversary of our subsidiary in Japan, demonstrating our commitment to international markets and years of

globalization efforts. In 2023, we achieved remarkable milestones in international expansion. In addition to bringing international customers to Taiwan and promoting Internet Data Center (IDC) and cloud business services, we followed the footsteps of other Taiwanese enterprises, extending Taiwan's influence globally and are actively developing business partnerships in international markets with local strategic allies. We successfully obtained a specific construction license for telecommunications and communication work in Japan, facilitating the expansion of our information and communications services in Japan. Meanwhile, we also signed a collaboration Memorandum of Understanding (MoU) with hospitals and local governments in Thailand, focusing on developing telemedicine and smart city application; as well as an MoU in partnership with Poland's EXATEL, aiming to explore emerging business opportunities in Europe. In addition to our longstanding presence in the United States, Japan, and Southeast Asia, we are poised to extend our reach to Europe in 2024. By establishing subsidiaries and replicating successful overseas experiences, we are committed to advancing our European business endeavors.

Advancing Technological Excellence, Strengthening Network Resilience and Venturing into Emerging Sectors

We continuously pursue excellence in technology, aligning ourselves with international telecom industry leaders. In 2023, the 3rd Generation Partnership Project (3GPP), an organization leading the global development of mobile communication technology, hosted a conference in Taiwan and Chunghwa Telecom was invited to speak on the development of 6G, underscoring Taiwan's contribution to international mobile standards. To advance innovative telecommunications technology centered around all-optical networks, we signed an MoU with Japan's NTT Corporation to jointly develop IOWN (Innovative Optical and Wireless Network) innovative applications. In response to the increasing global demand for network resilience and the widespread commercial use of low-earth orbit satellites, Chunghwa Telecom leveraged on its satellite technology to secure an exclusive agency contract for OneWeb's Taiwan low-earth orbit satellite in 2023. This not only enhances Taiwan's overall network resilience but also leads Taiwan into a new era of low-earth orbit satellite applications.

Robust Financial Health, Actively Rewarding Shareholders and Investing for the Future

As our core business continued to exhibit stable growth and ICT gross margin continued to grow, coupled with an increase in sales revenue following the ease of supply chain pressures, our EPS grew by 1.3% in 2023. With effective planning and resource allocation, we continued to maintain a robust financial position and strong cash flow. International credit rating agency Standard & Poor's continues to assign us a foreign long-term rating of "AA," making us the best and only telecommunications company globally to receive this rating. Adhering to our intention of returning earnings to shareholders, in 2023, we maintained a cash dividend payout ratio approximately 100%. In the future, we will continue to uphold a stable dividend policy, actively responding to shareholder expectations.

A robust financial position serves as the cornerstone for our continued investment in the future. In 2023, our capital expenditures were NT\$30.7 billion, primarily allocated to precision construction of 5G and core access networks, establishing Internet Data Centers (IDCs), and expanding international submarine cables in response to the digital transformation demands and opportunities driven by services like Over-the-top (OTT). We also continue to phase out

high-energy-consuming equipment, accelerating our efforts to achieve carbon reduction targets.

Sustainable Development, Staying Ahead of the Curve

Our vision is to become an internationally recognized benchmark enterprise grounded in sustainable development. In 2023, we received validation of greenhouse gas reduction near-term targets from the SBTi, and further submitted long-term net-zero commitment. Simultaneously, we were approved to join RE100 with a pledge to achieve 100% renewable energy usage by 2040. To meet this objective, we have elevated our renewable energy procurement target to 69 million kWh annually. To promptly access the entire company's power data, we're driving the development of an "Environmental and Energy Central Monitoring Center," overseeing all the 4G and 5G base stations and switch rooms. To comprehensively understand the group's carbon emissions, the greenhouse gas inventory and verification now extend to include Scope 1 and Scope 2 emissions of the group's subsidiaries. To effectively monetize carbon emissions, we have implemented an internal carbon pricing and carbon fee fund system, incentivizing technological carbon reduction and energy-saving innovations. In addition, we participated in the initial batch of carbon trading on the Taiwan Carbon Solution Exchange after its establishment, and will tap on the carbon trading market in accordance with the Company's roadmap towards carbon neutrality of its products. We recognize the corporate responsibility to preserve and promote biodiversity and are committed to achieving net positive impact and net zero deforestation by 2030. Additionally, we are expanding our tree planting and afforestation initiatives.

We prioritize digital equity. In 2023, we collaborated with the Chunghwa Telecom Foundation to launch the "Smart Classroom Program," focusing on educating the elderly on mobile phone fraud prevention to enhance their ability to protect themselves from scams. We have also offered online courses for seniors to enhance their digital literacy and learning capabilities. We are committed to building a happy workplace, offering flexible working hours tailored to the nature of each business unit's work. To reassure employees about their ability to balance work and childcare duties, we have widened the criteria for reduced working hours to accommodate childcare needs. We have launched the women empowerment initiative, organizing seminars featuring female CEOs and parenting experts to promote gender equality awareness. Additionally, we have introduced leadership development courses tailored for potential managers, with over 30% female participants.

To enhance the supervision and decision-making on sustainable development within the Company's highest governance unit, in 2023, we elevated the Sustainability Committee to the level of a functional committee of the board of directors. It was merged with the original "Board Strategy Committee" and renamed the "Board Sustainable Development and Strategy Committee." Additionally, the Chairman assumed the role of our Chief Sustainability Officer to oversee the Company's sustainable development efforts. We understand that fostering ESG initiatives is primarily about mindset. To cultivate a corporate culture that integrates these values into our daily operations, in 2023, we increased the variable proportion of executive compensation linked to ESG outcomes to 15%. In 2024, we will further raise this to 25%, demonstrating our commitment to sustainable governance from the top down. To strengthen compliance with intellectual property laws, we became the first telecommunications company in Taiwan to be certified under the Taiwan Intellectual Property Management System (TIPS).

We further lead our industry by implementing a compensation claw back mechanism, reinforcing the alignment between senior executives and shareholder interests to achieve international best practices in corporate governance.

Our significant progress in sustainable development has garnered international recognition, as evidenced by our consecutive inclusion in the Dow Jones Sustainability Index (DJSI) World Index, where we have been ranked as the top global telecommunications company. Our MSCI rating has been upgraded from A to AA. Moreover, we are honored to once again receive the prestigious Jade Award, the highest accolade in The Asset ESG Corporate Awards. This marks our third consecutive win, making us the only company to achieve this distinction in Taiwan.

Future Outlook

In light of the global trends towards ESG sustainability and industrial transformation, and in alignment with macro policies in Taiwan, we have conducted a thorough analysis that integrates the external industry environment with our internal core strengths. Looking forward to 2024, our company will leverage our four abundant assets: "customers and partners, technology platforms, infrastructure, and talent" to fulfill our mission of creating value for stakeholders. We will uphold four core values: "Integrity, Trust, Innovation, Accountability," to advance towards the Company's three major visions: "becoming an international benchmark enterprise built upon sustainable development, becoming a leading brand of digital co-creation ecosystems, and becoming a first-rate technology group with trillions in market value."

Chairman and Chief Executive Officer: Shui-Yi Kuo

President: Chau-Young Lin

Vice President, Accounting Department: Shu-Ling Chen

February 23, 2024

II. 2023 audit committee's review report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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, 2024

III. 2023 compensation distribution to directors and employees

- 1. The 2023 compensation distribution to directors and employees was approved by the 10th meeting of the 10th Board of Directors on February 23, 2024.
- 2. The 2023 compensation distribution to directors and employees :

Item		NT\$
Net income		36,916,707,800
Profit	(A)	46,819,656,640
Ratio of Directors' compensation to profit	(B)	0.085%
Directors' compensation	(C)=(A)*(B)	39,796,708
Ratio of Employees' compensation to profit	(D)	3.2518%
Employees' compensation	(E)=(A)*(D)	1,522,481,595

IV. 2023 compensation to directors

1. The compensation of directors in year 2023, of which the compensation policy, the content and amount of individual compensation, and the relationship with the performance evaluation results:

- (1) Compensation Policy

As approved by the Board of Directors, directors receive a fixed amount of compensation on a monthly basis and was distributed with directors' compensation according to the Articles of Incorporation; however, independent directors are excluded from the Company's annual compensation program as approved by the Board of Directors.

- (2) Compensation Content and Amount

The compensation of directors in year 2023 including a fixed amount of compensation on a monthly basis, the directors' compensation, professional fee, etc., and the names and compensation are disclosed individually.

- (3) Compensation and Performance

Upon the Company's performance target, financial status, and the director's respective responsibilities, the Compensation Committee shall periodically review and assess compensation packages for the Board of Directors, which are then approved by the Board of Directors.

2. Details of the compensation of directors in year 2023 are shown in the following table.

Table : Compensation of Directors (including Independent Directors)

Unit: NT\$'000

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees						Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)						
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)										
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)			Pension / Severance (F)		Parent-only	Consolidated (Note 7)		
																		Cash	Stock		Cash	Stock				
	MOTC	0	0	0	0	39,797	39,797	0	0	39,797	39,797	0	0	0	0	0	0	0	0	0	0	39,797	39,797	0.11%	0.11%	None
Director	Shui-Yi Kuo	0	0	0	0	0	0	0	0	0	0	8,681	8,681	0	0	0	0	0	0	0	0	8,681	8,681	0.02%	0.02%	None
Director	Chi-Mau Sheih (dismissed on May 5, 2023)	0	0	0	0	0	0	0	0	0	0	5,687	5,687	14,631	14,631	0	0	0	0	0	0	20,318	20,318	0.06%	0.06%	None
Director	Chau-Young Lin (succeeded on July 7, 2023)	0	0	0	0	0	0	0	0	0	0	6,570	6,818	0	0	237	0	237	0	0	0	6,808	7,056	0.02%	0.02%	None
Director	Shin-Yi Chang	102	102	0	0	0	0	0	0	102	102	0	0	0	0	0	0	0	0	0	0	102	102	0.00%	0.00%	None
Director	Sin-Horng Chen	342	342	0	0	0	0	0	0	342	342	0	0	0	0	0	0	0	0	0	0	342	342	0.00%	0.00%	None
Director	Hsiang-Ling Hu	102	102	0	0	0	0	0	0	102	102	0	0	0	0	0	0	0	0	0	0	102	102	0.00%	0.00%	None
Director	Ching-Hwi Lee	102	102	0	0	0	0	0	0	102	102	0	0	0	0	0	0	0	0	0	0	102	102	0.00%	0.00%	None
Director	Shiu-Chuan Tsai	360	360	0	0	0	0	10	10	370	370	0	0	0	0	0	0	0	0	0	0	370	370	0.00%	0.00%	None

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees						Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)						
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)										
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)			Pension / Severance (F)		Parent-only	Consolidated (Note 7)		
																		Cash	Stock		Cash	Stock				
Director	Shih-Hung Tseng	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	1,641	1,641	0	0	93	0	93	0	1,734	1,734	0.00%	0.00%	None
Independent Director	Yu-Fen Lin	720	720	0	0	0	0	220	220	940	940	0.00%	0.00%	0	0	0	0	0	0	0	0	940	940	0.00%	0.00%	None
Independent Director	Chung-Chin Lu	720	720	0	0	0	0	180	180	900	900	0.00%	0.00%	0	0	0	0	0	0	0	0	900	900	0.00%	0.00%	None
Independent Director	Yi-Chin Tu	720	720	0	0	0	0	180	180	900	900	0.00%	0.00%	0	0	0	0	0	0	0	0	900	900	0.00%	0.00%	None
Independent Director	Chia-Chung Chen	720	720	0	0	0	0	230	230	950	950	0.00%	0.00%	0	0	0	0	0	0	0	0	950	950	0.00%	0.00%	None
Independent Director	Su-ming Lin	720	720	0	0	0	0	250	250	970	970	0.00%	0.00%	0	0	0	0	0	0	0	0	970	970	0.00%	0.00%	None

A. Please explain the policy, system, standards, and structure of independent directors' compensation, and describe the correlation with the amount of compensation based on responsibilities, risks, working hours, etc.: The compensation of independent directors of the Company is processed in accordance with the resolution of the 5th meeting of the 7th Board of Directors of the Company, and the amount of fixed part-time compensation and business execution expenses are paid separately according to position ; the independent directors of the Company do not participate in the distribution of Directors' compensation.

B. Compensation to Directors providing service to entities within the Company's most recent financial reporting period (such as serving as non-employee consultants of parent company/all companies listed in the financial reports/investee companies), in addition to compensation disclosed in the above table: None

Note 1: Excluding the independent directors of the Company, all other directors are representatives of the MOTC, the legal shareholding entity of the Company. All directors' names are listed separately by position, including by director and independent director, and compensation is disclosed individually. Mr. Chau-Young Lin, Director and President, is listed under "Compensation of the President, Senior Executive Vice President, Subsidiary President, and Department Heads."

Note 2: Refers to directors' fixed part-time compensation in fiscal year 2023.

Note 3: Refers to the amount of compensation for the fiscal year 2023, approved by the Board of Directors in the most recent year and distributed to MOTC, the legal shareholding entity represented by the respective directors, not as personal compensation. Independent directors did not participate in the allocation.

Note 4: Refers to directors' related business execution expenses for fiscal year 2023 (including traveling expenses, etc.)

Note 5: Refers to directors who also concurrently work as employees of the Company (including serving as President, Senior Executive Vice President, other manager or employees) in fiscal year 2023, and received salaries, commissions, severance payments, and different types of bonuses, rewards, travel expenses, special expenses, allowances, etc. The Company does not have share-based compensation as per IFRS 2, including employee stock option certificate, restricted stock, cash-based share subscription, etc.

Note 6: Refers to directors who also concurrently work as employees of the Company (including serving as President, Senior Executive Vice President, other manager or employees) in fiscal year 2023, and has received employee compensation (including stock and cash). These compensations as approved by the Board of Directors must be fully disclosed. The distribution amount stated is an estimated amount. After the report of the 2024 annual general meeting, the issuance calculation will be carried out in accordance with the relevant issuance regulations.

Note 7: Fully discloses the total amount of various director compensation items on a consolidated basis.

Note 8: Net income for the year refers to net income on the 2023 parent-only financial report.

Note 9: a. This column shall clearly state the amount of compensation that Company directors received from investee Companies or the parent company (if none, please state "None").

b. Compensation refers to Company directors' compensation related to salaries, rewards (including compensation as employees, or directors, or supervisors), and business execution expenses earned while serving as directors, supervisors, managers, etc., of investee companies.

*The table above is for compensation disclosure only, and is different for taxable income, so the table cannot be used for taxable income purpose.

V. Amendments to the Ethical Corporate Management Best Practice Principles

1. In accordance with the Chairman of the Company serving as the highest responsible person for "Ethical Corporate Management and Anti-Corruption," it is proposed to amend the Ethical Corporate Management Best Practice Principles of Chunghwa Telecom Co., Ltd, which was resolved by the 6th interim meeting of the 10th Board of Directors.
2. The amendment is to amend Article 17, which relates to organization and responsibility, incorporating the information that the Chairman of the Company serves as the highest responsible person for Ethical Corporate Management into the article, and specifying the management and supervision mechanism for Ethical Corporate Management within the Company.

Matters for Ratification

I. Ratification of 2023 business report and financial statements

Proposed by the Board of Directors

Explanation:

1. The Company's 2023 financial statements (page 19-26 and page 30-35), including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by Ms. Yih-Shin Kao and Ms. Mei Yen Chiang of Deloitte & Touche. The audit opinions relating to the aforementioned financial statements were issued hereby (page 15-18 and page 27-29). The Company's 2023 business report (page 2-6) 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 (page 7).
2. This proposal was approved by the 10th meeting of the 10th Board of Directors on February 23, 2024 and is hereby submitted to the Annual General Meeting for ratification.

Resolution:

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, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 is as follows:

Revenue Recognition on Mobile Service

Refer to Notes 3 and 42 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 manual 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, 2023 and 2022, 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 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 Standards on Auditing of 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 Standards on Auditing of 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 and appropriate audit evidence regarding the financial information of 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, 2023, 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 audits resulting in this independent auditors' report are Yih-Shin Kao and Mei Yen Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

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.

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 33,823,884	6	\$ 50,192,604	10
Financial assets at fair value through profit or loss	904	-	3,953	-
Hedging financial assets	-	-	12,891	-
Contract assets	6,713,227	1	6,055,343	1
Trade notes and accounts receivable, net	24,841,995	5	24,672,473	5
Receivables from related parties	78,089	-	75,061	-
Inventories	11,520,765	2	11,316,406	2
Prepayments	2,839,471	1	2,398,608	-
Other current monetary assets	20,352,050	4	3,618,902	1
Incremental costs of obtaining contracts	210,923	-	-	-
Other current assets	2,822,259	1	3,555,423	1
Total current assets	103,203,567	20	101,901,664	20
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss	1,035,701	-	1,020,203	-
Financial assets at fair value through other comprehensive income	4,412,343	1	3,491,381	1
Investments accounted for using equity method	8,450,199	2	7,155,851	1
Contract assets	3,768,645	1	3,136,801	1
Property, plant and equipment	292,337,742	56	291,527,910	56
Right-of-use assets	11,237,814	2	11,102,549	2
Investment properties	9,805,463	2	9,803,861	2
Intangible assets	72,726,545	13	79,187,087	15
Deferred income tax assets	2,099,439	-	2,196,645	-
Incremental costs of obtaining contracts	939,409	-	979,914	-
Net defined benefit assets	5,963,259	1	5,265,721	1
Prepayments	3,330,583	1	1,728,277	-
Other noncurrent assets	4,628,692	1	4,705,624	1
Total noncurrent assets	420,735,834	80	421,301,824	80
TOTAL	\$ 523,939,401	100	\$ 523,203,488	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans	\$ 585,000	-	\$ 722,000	-
Hedging financial liabilities	44	-	-	-
Contract liabilities	14,088,416	3	13,390,439	3
Trade notes and accounts payable	14,395,740	3	16,428,856	3
Payables to related parties	385,089	-	539,194	-
Current tax liabilities	4,626,265	1	4,956,465	1
Lease liabilities	3,504,990	1	3,338,813	1
Other payables	25,256,926	5	25,079,960	5
Provisions	337,406	-	226,019	-
Current portion of long-term loans	1,600,000	-	-	-
Other current liabilities	983,339	-	1,016,179	-
Total current liabilities	65,763,215	13	65,697,925	13
NONCURRENT LIABILITIES				
Long-term loans	-	-	1,600,000	-
Bonds payable	30,482,766	6	30,477,357	6
Contract liabilities	7,560,352	2	7,674,095	2
Deferred income tax liabilities	2,460,509	-	2,300,845	-
Provisions	485,267	-	173,033	-
Lease liabilities	7,470,191	2	7,333,694	2
Customers' deposits	5,309,097	1	5,156,700	1
Net defined benefit liabilities	2,098,106	-	2,285,224	-
Other noncurrent liabilities	7,405,558	1	6,726,187	1
Total noncurrent liabilities	63,271,846	12	63,727,135	12
Total liabilities	129,035,061	25	129,425,060	25
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT				
Common stocks	77,574,465	15	77,574,465	15
Additional paid-in capital	171,289,086	32	171,300,898	32
Retained earnings				
Legal reserve	77,574,465	15	77,574,465	15
Special reserve	2,898,503	1	3,083,569	1
Unappropriated earnings	52,618,677	10	51,868,574	10
Total retained earnings	133,091,645	26	132,526,608	26
Others	352,892	-	(223,084)	-
Total equity attributable to stockholders of the parent	382,308,088	73	381,178,887	73
NONCONTROLLING INTERESTS				
	12,596,252	2	12,599,541	2
Total equity	394,904,340	75	393,778,428	75
TOTAL	\$ 523,939,401	100	\$ 523,203,488	100

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
REVENUES	\$ 223,199,260	100	\$ 216,739,234	100
OPERATING COSTS	<u>141,766,718</u>	<u>64</u>	<u>136,717,375</u>	<u>63</u>
GROSS PROFIT	<u>81,432,542</u>	<u>36</u>	<u>80,021,859</u>	<u>37</u>
OPERATING EXPENSES				
Marketing	23,599,302	10	22,819,067	10
General and administrative	6,801,190	3	6,579,537	3
Research and development	3,891,381	2	3,774,309	2
Expected credit loss	<u>152,067</u>	<u>-</u>	<u>117,070</u>	<u>-</u>
Total operating expenses	<u>34,443,940</u>	<u>15</u>	<u>33,289,983</u>	<u>15</u>
OTHER INCOME AND EXPENSES	<u>(635,367)</u>	<u>-</u>	<u>93,013</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>46,353,235</u>	<u>21</u>	<u>46,824,889</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	617,609	-	249,129	-
Other income	381,835	-	368,523	-
Other gains and losses	(284,244)	-	(403,784)	-
Interest expense	(319,163)	-	(262,738)	-
Share of profits of associates and joint ventures accounted for using equity method	<u>243,374</u>	<u>-</u>	<u>452,931</u>	<u>-</u>
Total non-operating income and expenses	<u>639,411</u>	<u>-</u>	<u>404,061</u>	<u>-</u>
INCOME BEFORE INCOME TAX	46,992,646	21	47,228,950	22
INCOME TAX EXPENSE	<u>9,002,110</u>	<u>4</u>	<u>9,228,911</u>	<u>4</u>
NET INCOME	<u>37,990,536</u>	<u>17</u>	<u>38,000,039</u>	<u>18</u>

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	\$ 156,860	-	\$ 1,153,576	-
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	619,468	-	(136,563)	-
Gain or loss on hedging instruments subject to basis adjustment	(12,935)	-	21,177	-
Share of other comprehensive income of associates and joint ventures	6,334	-	2,802	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(31,372)</u>	<u>-</u>	<u>(230,715)</u>	<u>-</u>
	<u>738,355</u>	<u>-</u>	<u>810,277</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(45,743)	-	296,484	-
Share of other comprehensive income (loss) of associates and joint ventures	<u>(23,399)</u>	<u>-</u>	<u>5,961</u>	<u>-</u>
	<u>(69,142)</u>	<u>-</u>	<u>302,445</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>669,213</u>	<u>-</u>	<u>1,112,722</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 38,659,749</u>	<u>17</u>	<u>\$ 39,112,761</u>	<u>18</u>
NET INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 36,916,708	17	\$ 36,477,157	17
Noncontrolling interests	<u>1,073,828</u>	<u>-</u>	<u>1,522,882</u>	<u>1</u>
	<u>\$ 37,990,536</u>	<u>17</u>	<u>\$ 38,000,039</u>	<u>18</u>

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
COMPREHENSIVE INCOME ATTRIBUTABLE				
TO				
Stockholders of the parent	\$ 37,616,527	17	\$ 37,569,082	17
Noncontrolling interests	<u>1,043,222</u>	<u>-</u>	<u>1,543,679</u>	<u>1</u>
	<u>\$ 38,659,749</u>	<u>17</u>	<u>\$ 39,112,761</u>	<u>18</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.76</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.75</u>		<u>\$ 4.70</u>	

(Concluded)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022	\$ 77,574,465	\$ 171,279,625	\$ 77,574,465	\$ 2,675,419	\$ 50,639,022	\$ (392,276)	\$ (7,588)	\$ (8,286)	\$ 379,334,846	\$ 11,927,604	\$ 391,262,450	
Appropriation of 2021 earnings	-	-	-	408,150	(408,150)	-	-	-	-	-	-	
Special reserve	-	-	-	-	(35,746,314)	-	-	-	(35,746,314)	-	(35,746,314)	
Cash dividends distributed by Chunghwa	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(1,053,240)	(1,053,240)	
Unclaimed dividend	-	1,632	-	-	-	-	-	-	1,632	-	1,632	
Change in investments in associates and joint ventures accounted for using equity method	-	(12,719)	-	-	-	-	-	-	(12,719)	(1,491)	(14,210)	
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	5,153	-	-	-	-	-	-	5,153	9,847	15,000	
Net income for the year ended December 31, 2022	-	-	-	-	36,477,157	-	-	-	36,477,157	1,522,882	38,000,039	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	906,975	281,063	(117,290)	21,177	1,091,925	20,797	1,112,722	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	37,384,132	281,063	(117,290)	21,177	37,569,082	1,543,679	39,112,761	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(116)	-	116	-	-	-	-	
Share-based payment transactions of subsidiaries	-	27,207	-	-	-	-	-	-	27,207	62,385	89,592	
Net increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	110,757	110,757	
BALANCE, DECEMBER 31, 2022	77,574,465	171,300,898	77,574,465	3,083,569	51,868,574	(111,213)	(124,762)	12,891	381,178,887	12,599,541	393,778,428	
Appropriation of 2022 earnings	-	-	-	(185,066)	185,066	-	-	-	-	-	-	
Special reserve	-	-	-	-	(36,475,514)	-	-	-	(36,475,514)	-	(36,475,514)	
Cash dividends distributed by Chunghwa	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(1,091,670)	(1,091,670)	
Unclaimed dividend	-	2,217	-	-	-	-	-	-	2,217	-	2,217	
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	(21,720)	-	-	-	-	-	-	(21,720)	1,623	(20,097)	
Actual acquisition of interests in subsidiaries	-	(4)	-	-	-	-	-	-	(4)	(37)	(41)	
Net income for the year ended December 31, 2023	-	-	-	-	36,916,708	-	-	-	36,916,708	1,073,828	37,990,536	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	123,843	(56,599)	645,510	(12,935)	699,819	(30,606)	669,213	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	37,040,551	(56,599)	645,510	(12,935)	37,616,527	1,043,222	38,659,749	
Share-based payment transactions of subsidiaries	-	7,695	-	-	-	-	-	-	7,695	24,774	32,469	
Net increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	18,799	18,799	
BALANCE, DECEMBER 31, 2023	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)	\$ 382,308,088	\$ 12,596,252	\$ 394,904,340	

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 46,992,646	\$ 47,228,950
Adjustments for:		
Depreciation	32,955,842	32,785,526
Amortization	6,699,551	6,642,657
Amortization of incremental costs of obtaining contracts	855,754	840,553
Expected credit loss	152,067	117,070
Interest expense	319,163	262,738
Interest income	(617,609)	(249,129)
Dividend income	(167,112)	(157,465)
Compensation cost of share-based payment transactions	8,352	15,513
Share of profits of associates and joint ventures accounted for using equity method	(243,374)	(452,931)
Loss on disposal of property, plant and equipment	573	4,907
Gain on disposal of financial instruments	-	(726)
Provision for impairment loss and obsolescence of inventory	22,962	34,167
Impairment loss on property, plant and equipment	298,891	-
Impairment loss (reversal of impairment loss) on investment properties	335,903	(107,467)
Impairment loss on intangible assets	-	9,547
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	98,460	205,805
Others	(61,876)	254,276
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(1,291,881)	(1,031,379)
Trade notes and accounts receivable	(287,045)	(785,476)
Receivables from related parties	(3,028)	(33,533)
Inventories	(177,321)	(23,164)
Prepayments	(314,051)	1,675
Other current monetary assets	105,747	(164,346)
Other current assets	733,164	(576,643)
Incremental cost of obtaining contracts	(1,026,172)	(832,811)
Increase (decrease) in:		
Contract liabilities	584,234	1,990,202
Trade notes and accounts payable	(2,032,909)	(1,630,693)
Payables to related parties	(154,105)	147,836
Other payables	561,873	782,340
Provisions	373,621	(27,626)
Other current liabilities	(14,236)	60,163
Net defined benefit plans	(727,796)	(723,507)
Cash generated from operations	83,980,288	84,587,029

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interests paid	\$ (313,683)	\$ (239,357)
Income taxes paid	<u>(9,106,812)</u>	<u>(8,396,824)</u>
Net cash provided by operating activities	<u>74,559,793</u>	<u>75,950,848</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(304,820)	(19,394)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	154
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	7,184
Acquisition of financial assets at fair value through profit or loss	(133,171)	(360,214)
Proceeds from disposal of financial assets at fair value through profit or loss	-	14,573
Proceeds from capital reduction and profit distribution of financial assets at fair value through profit or loss	22,262	65,967
Acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	(45,238,781)	(5,669,860)
Proceeds from disposal of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	28,577,219	7,310,021
Acquisition of investments accounted for using equity method	(1,555,314)	(52,175)
Proceeds from capital reduction of investments accounted for using equity method	-	340,182
Acquisition of property, plant and equipment	(30,741,309)	(31,534,946)
Proceeds from disposal of property, plant and equipment	19,399	15,743
Acquisition of intangible assets	(237,205)	(1,892,675)
Acquisition of investment properties	(54,081)	(18,333)
Decrease in other noncurrent assets	165,982	235,178
Increase in prepayments for leases	(1,729,118)	-
Interests received	567,842	219,092
Dividends received	<u>467,082</u>	<u>550,310</u>
Net cash used in investing activities	<u>(50,174,013)</u>	<u>(30,789,193)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	2,589,800	1,292,000
Repayments of short-term loans	(2,726,800)	(635,000)
Proceeds from issuance of bonds	-	3,500,000
Payments for transaction costs attributable to the issuance of bonds	-	(4,463)
Increase (decrease) in customers' deposits	133,793	(221,994)
Payments for the principal of lease liabilities	(3,884,120)	(3,776,965)

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in other noncurrent liabilities	\$ 679,371	\$ 1,644,277
Cash dividends paid	(36,475,514)	(35,746,314)
Acquisition of additional interests in subsidiaries	(41)	-
Cash dividends distributed to noncontrolling interests	(1,091,670)	(1,053,240)
Change in other noncontrolling interests	42,916	199,836
Unclaimed dividend	<u>2,217</u>	<u>1,632</u>
Net cash used in financing activities	<u>(40,730,048)</u>	<u>(34,800,231)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(24,452)</u>	<u>52,556</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,368,720)	10,413,980
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>50,192,604</u>	<u>39,778,624</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 33,823,884</u>	<u>\$ 50,192,604</u>

(Concluded)

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, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 is as follows:

Revenue Recognition on Mobile Service

Refer to Notes 3 and 37 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 manual 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 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 Standards on Auditing of 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 Standards on Auditing of 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 and appropriate audit evidence regarding the financial information of 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, 2023, 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 audits resulting in this independent auditors' report are Yih-Shin Kao and Mei Yen Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

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.

CHUNGHWA TELECOM CO., LTD.

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 22,759,222	5	\$ 37,976,062	8
Financial assets at fair value through profit or loss	483	-	3,514	-
Hedging financial assets	-	-	12,891	-
Contract assets	2,378,557	1	2,114,559	1
Trade notes and accounts receivable, net	21,501,983	4	21,449,052	4
Receivables from related parties	915,515	-	1,209,306	-
Inventories	5,556,391	1	4,903,003	1
Prepayments	1,786,418	-	1,428,124	-
Other current monetary assets	17,440,198	3	1,376,203	-
Other current assets	2,234,481	1	3,382,727	1
Total current assets	74,573,248	15	73,855,441	15
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss	983,799	-	978,196	-
Financial assets at fair value through other comprehensive income	4,100,121	1	3,143,866	1
Investments accounted for using equity method	21,800,280	4	20,396,082	4
Contract assets	1,470,048	-	1,212,847	-
Property, plant and equipment	280,957,955	56	281,135,193	56
Right-of-use assets	10,448,737	2	10,533,019	2
Investment properties	9,975,729	2	9,974,127	2
Intangible assets	72,268,996	15	78,697,640	16
Deferred income tax assets	1,939,947	-	1,935,053	-
Incremental costs of obtaining contracts	8,570,626	2	7,704,427	2
Net defined benefit assets	5,937,496	1	5,240,239	1
Prepayments	2,542,668	1	878,600	-
Other noncurrent assets	3,823,228	1	3,940,642	1
Total noncurrent assets	424,819,630	85	425,769,931	85
TOTAL	\$ 499,392,878	100	\$ 499,625,372	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Hedging financial liabilities	\$ 44	-	\$ -	-
Contract liabilities	12,518,134	3	12,790,467	3
Trade notes and accounts payable	10,554,797	2	12,438,047	3
Payables to related parties	4,143,175	1	3,715,122	1
Current tax liabilities	4,296,534	1	4,580,440	1
Lease liabilities	3,127,254	1	3,038,698	1
Other payables	20,439,778	4	21,102,682	4
Provisions	238,130	-	130,161	-
Other current liabilities	941,518	-	952,411	-
Total current liabilities	56,259,364	12	58,748,028	13
NONCURRENT LIABILITIES				
Contract liabilities	5,736,939	1	5,680,583	1
Bonds payable	30,482,766	6	30,477,357	6
Deferred income tax liabilities	2,428,652	-	2,276,910	-
Provisions	475,122	-	169,168	-
Lease liabilities	7,059,756	1	7,066,749	1
Customers' deposits	5,079,887	1	4,991,461	1
Net defined benefit liabilities	2,069,464	-	2,224,847	-
Other noncurrent liabilities	7,492,840	2	6,811,382	1
Total noncurrent liabilities	60,825,426	11	59,698,457	10
Total liabilities	117,084,790	23	118,446,485	23
EQUITY				
Common stocks	77,574,465	16	77,574,465	16
Additional paid-in capital	171,289,086	34	171,300,898	34
Retained earnings				
Legal reserve	77,574,465	16	77,574,465	16
Special reserve	2,898,503	1	3,083,569	1
Unappropriated earnings	52,618,677	10	51,868,574	10
Total retained earnings	133,091,645	27	132,526,608	27
Others	352,892	-	(223,084)	-
Total equity	382,308,088	77	381,178,887	77
TOTAL	\$ 499,392,878	100	\$ 499,625,372	100

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
REVENUES	\$ 188,729,545	100	\$ 182,254,339	100
OPERATING COSTS	<u>118,106,266</u>	<u>63</u>	<u>113,210,698</u>	<u>62</u>
GROSS PROFIT	<u>70,623,279</u>	<u>37</u>	<u>69,043,641</u>	<u>38</u>
OPERATING EXPENSES				
Marketing	18,189,050	10	17,583,419	10
General and administrative	5,330,388	3	5,242,664	3
Research and development	2,902,230	2	2,812,225	2
Expected credit loss	<u>131,417</u>	<u>-</u>	<u>115,870</u>	<u>-</u>
Total operating expenses	<u>26,553,085</u>	<u>15</u>	<u>25,754,178</u>	<u>15</u>
OTHER INCOME AND EXPENSES	<u>(633,364)</u>	<u>-</u>	<u>102,882</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>43,436,830</u>	<u>22</u>	<u>43,392,345</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	477,903	-	191,932	-
Other income	244,659	-	255,214	-
Other gains and losses	(320,304)	-	(494,392)	-
Interest expense	(255,446)	-	(220,498)	-
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	<u>1,673,737</u>	<u>1</u>	<u>1,784,364</u>	<u>1</u>
Total non-operating income and expenses	<u>1,820,549</u>	<u>1</u>	<u>1,516,620</u>	<u>1</u>
INCOME BEFORE INCOME TAX	45,257,379	23	44,908,965	24
INCOME TAX EXPENSE	<u>8,340,671</u>	<u>4</u>	<u>8,431,808</u>	<u>5</u>
NET INCOME	<u>36,916,708</u>	<u>19</u>	<u>36,477,157</u>	<u>19</u>

(Continued)

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	\$ 139,498	-	\$ 1,116,673	1
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	669,581	-	92,444	-
Gain or loss on hedging instruments subject to basis adjustment	(12,935)	-	21,177	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method	(17,878)	-	(191,987)	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(27,900)</u>	<u>-</u>	<u>(223,335)</u>	<u>-</u>
	<u>750,366</u>	<u>-</u>	<u>814,972</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(41,369)	-	262,176	-
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(9,178)</u>	<u>-</u>	<u>14,777</u>	<u>-</u>
	<u>(50,547)</u>	<u>-</u>	<u>276,953</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>699,819</u>	<u>-</u>	<u>1,091,925</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 37,616,527</u>	<u>19</u>	<u>\$ 37,569,082</u>	<u>20</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.76</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.75</u>		<u>\$ 4.70</u>	

(Concluded)

CHUNGHWA TELECOM CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Common Stocks	Additional Paid-in Capital	Retained Earnings			Exchange Differences Arising from the Translation of the Foreign Operations	Others		Gain or Loss on Hedging Instruments	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income			
BALANCE, JANUARY 1, 2022	\$ 77,574,465	\$ 171,279,625	\$ 77,574,465	\$ 2,675,419	\$ 50,639,022	\$ (392,276)	\$ (7,588)	\$ (8,286)	\$ 379,334,846	
Appropriation of 2021 earnings										
Special reserve	-	-	-	408,150	(408,150)	-	-	-	-	
Cash dividends	-	-	-	-	(35,746,314)	-	-	-	(35,746,314)	
Unclaimed dividend	-	1,632	-	-	-	-	-	-	1,632	
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	14,488	-	-	-	-	-	-	14,488	
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	5,153	-	-	-	-	-	-	5,153	
Net income for the year ended December 31, 2022	-	-	-	-	36,477,157	-	-	-	36,477,157	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	906,975	281,063	(117,290)	21,177	1,091,925	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	37,384,132	281,063	(117,290)	21,177	37,569,082	
Disposal of investments in equity instruments at fair value through other comprehensive income by subsidiaries	-	-	-	-	(116)	-	116	-	-	
BALANCE, DECEMBER 31, 2022	77,574,465	171,300,898	77,574,465	3,083,569	51,868,574	(111,213)	(124,762)	12,891	381,178,887	
Appropriation of 2022 earnings										
Special reserve	-	-	-	(185,066)	185,066	-	-	-	-	
Cash dividends	-	-	-	-	(36,475,514)	-	-	-	(36,475,514)	
Unclaimed dividend	-	2,217	-	-	-	-	-	-	2,217	
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	(14,029)	-	-	-	-	-	-	(14,029)	
Net income for the year ended December 31, 2023	-	-	-	-	36,916,708	-	-	-	36,916,708	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	123,843	(56,599)	645,510	(12,935)	699,819	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	37,040,551	(56,599)	645,510	(12,935)	37,616,527	
BALANCE, DECEMBER 31, 2023	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)	\$ 382,308,088	

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 45,257,379	\$ 44,908,965
Adjustments for:		
Depreciation	31,729,339	31,637,715
Amortization	6,612,749	6,545,816
Amortization of incremental costs of obtaining contracts	6,115,128	5,787,729
Expected credit loss	131,417	115,870
Interest expense	255,446	220,498
Interest income	(477,903)	(191,932)
Dividend income	(161,652)	(150,569)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	(1,673,737)	(1,784,364)
Loss (gain) on disposal of property, plant and equipment	(1,430)	4,585
Provision for impairment loss and obsolescence of inventory	26,235	9,252
Impairment loss on property, plant and equipment	298,891	-
Impairment loss (reversal of impairment loss) on investment properties	335,903	(107,467)
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	108,337	198,534
Others	(63,548)	251,791
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(522,412)	(239,255)
Trade notes and accounts receivable	(162,494)	(817,154)
Receivables from related parties	293,791	580,653
Inventories	(629,623)	365,889
Prepayments	(293,244)	274,327
Other current monetary assets	(84,890)	84,274
Other current assets	1,148,246	(537,755)
Incremental cost of obtaining contracts	(6,981,327)	(6,592,916)
Increase (decrease) in:		
Contract liabilities	(215,977)	1,870,728
Trade notes and accounts payable	(1,885,721)	(1,678,057)
Payables to related parties	428,053	266,863
Other payables	152,377	791,532
Provisions	363,923	(17,990)
Other current liabilities	(8,347)	35,291
Net defined benefit plans	(713,142)	(717,588)
Cash generated from operations	79,381,767	81,115,265
Interests paid	(247,358)	(59,037)
Income taxes paid	(8,505,629)	(7,701,426)
Net cash provided by operating activities	<u>70,628,780</u>	<u>73,354,802</u>

(Continued)

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (290,000)	\$ -
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	7,184
Acquisition of financial assets at fair value through profit or loss	(133,171)	(323,321)
Proceeds from capital reduction and profit distribution of financial assets at fair value through profit or loss	22,262	65,967
Acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	(42,950,609)	(4,013,040)
Proceeds from disposal of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	27,019,811	4,033,853
Acquisition of investments accounted for using equity method	(1,543,847)	-
Acquisition of property, plant and equipment	(29,278,569)	(29,630,706)
Proceeds from disposal of property, plant and equipment	13,491	15,413
Acquisition of intangible assets	(184,105)	(1,808,038)
Acquisition of investment properties	(54,081)	(18,333)
Decrease in other noncurrent assets	109,040	104,902
Increase in prepayments for leases	(1,729,118)	-
Interests received	428,539	164,371
Cash dividends received from others	161,652	150,569
Cash dividends received from subsidiaries, associates and joint ventures accounted for using equity method	<u>1,727,560</u>	<u>1,465,692</u>
Net cash used in investing activities	<u>(46,681,145)</u>	<u>(29,785,487)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	-	3,500,000
Payments for transaction costs attributable to the issuance of bonds	-	(4,463)
Increase in customers' deposits	85,880	87,139
Payments for the principal of lease liabilities	(3,458,516)	(3,368,085)
Increase in other noncurrent liabilities	681,458	1,647,282
Cash dividends paid	(36,475,514)	(35,746,314)
Unclaimed dividend	<u>2,217</u>	<u>1,632</u>
Net cash used in financing activities	<u>(39,164,475)</u>	<u>(33,882,809)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,216,840)	9,686,506
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>37,976,062</u>	<u>28,289,556</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 22,759,222</u>	<u>\$ 37,976,062</u>

(Concluded)

II. Ratification of 2023 earnings distribution proposal

Proposed by the Board of Directors

Explanation:

1. The Company's 2023 financial statements have been finalized, and earnings shall be distributed as indicated in the 2023 Earnings Distribution Proposal on the following page. It is proposed that cash dividends paid to stockholders of NT\$36,909,930,661. Common stockholders will receive cash dividends of NT\$4.758 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 2023 earnings as a priority.
2. Each shareholder's cash dividend shall be issued to the rounded-down full NT dollar (fractional amount be ignored). The sum of all cash dividends less than NT\$1 shall be allocated in line with a progressive decrease in decimal numbers and a progressive increase in shareholders' ID number so that the total dividend distribution is fully paid. After which, the Chairman shall 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 was approved by the 10th meeting of the 10th Board of Directors on February 23, 2024 and is hereby submitted to the Annual General Meeting for ratification.

Resolution:

Chunghwa Telecom Co., Ltd.
2023 Earnings Distribution Proposal

Units: NT\$

Source items:		
Unappropriated retained earnings, beginning balance		15,578,128,345
Remeasurements of defined benefit pension plans recognized in retained earnings	123,841,302	
Net income of 2023	36,916,707,800	37,040,549,102
Appropriation of legal reserve (amounted to the authorized capital)		0
Reversal of special reserves according to Securities and Exchange Act		223,083,559
Distributable retained earnings for 2023		52,841,761,006
Distribution items:		
Cash dividends to stockholders (total of 7,757,446,545 shares x NT\$4.758 per share)		(36,909,930,661)
Unappropriated retained earnings, ending balance		15,931,830,345
Notes: The amount of "Unappropriated retained earnings, beginning balance" is the same as the amount of "Unappropriated retained earnings, ending balance" on the Earnings Distribution Proposal approved at the 2023 annual general meeting.		

Chairman and Chief Executive Officer: Shui-Yi Kuo

President: Chau-Young Lin

Vice President, Accounting Department: Shu-Ling Chen

Matters for Discussion

I. Amendments to the Articles of Incorporation

Proposed by the Board of Directors

Explanation:

1. In light of the new procedures established by The Bankers Association of the Republic of China regarding the financial accounts of The Third Party Payment providers, and to ensure the protection of our company's financial account-related interests, and taking into account that our company is currently not engaged in any activities related to The Third Party Payment, it is proposed to delete the business item of "The Third Party Payment (I301040)" from Article 2 of the Articles of Incorporation.
2. In response to the adjustments to the Company's business operation strategies and environmental factors such as changes to the electric power generation industry, the Company currently plans to position itself as a co-creator, aiming at collaborating with industry-leading enterprises to jointly expand the electricity market. Therefore, at this stage, the Company will not directly engage in the operation of the electric power generation industry and hereby deletes the business item of "Electric Power Generation (D101011)" from Article 2 of the Articles of Incorporation so that the Company's Articles of Incorporation can be aligned with the registration information at the Ministry of Economic Affairs.
3. To enhance motivational effectiveness and encourage employees to achieve outstanding performance, the Company, to the extent permitted by laws and regulations, proposes to raise the upper-lower limits of the employee compensation ratio standards in order to allocate greater operational performance results to employees. We hereby propose to amend Article 22 of the Articles of Incorporation to adjust the upper-lower limits of distribution ratio standard for employee compensation to be 2%-5%.
4. The comparison table for the draft amendment to the revised articles of the Articles of Incorporation of Chunghwa Telecom Co., Ltd. is attached.
5. This proposal was approved by the 10th meeting of the 10th Board of Directors on February 23, 2024 and is hereby submitted to the Annual General Meeting of Shareholders for resolution.

Resolution:

The comparison table of the proposed amendments to Article 2 of 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. Article 1, 2, 14, 19 and 20 amended by the Annual General Meeting on August 20, 2021.
23. Article 8 amended by the Annual General Meeting on May 27, 2022.
24. Article 2 amended by the Annual General Meeting on May 26, 2023.
25. Articles 2 and 22 amended by the Annual General Meeting on May 31, 2024.

The comparison table of the proposed amendments to revised articles of the Articles of Incorporation of Chunghwa Telecom Co., Ltd.

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 2</p> <p>The scope of business of the Company shall be as follows:</p> <p>1) Telecommunications Enterprises (G903010);</p> <p>2) Installation of the Computer Equipment Business (E605010);</p> <p>3) Telecommunication Equipment Wholesale Business (F113070);</p> <p>4) Telecommunication Equipment Retail Business (F213060);</p> <p>5) Telecommunication Engineering Business (E701010);</p> <p>6) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030);</p> <p>7) Information Software Service Business (I301010);</p> <p>8) Rental Business (JE01010);</p> <p>9) Other Wholesale Businesses (F199990);</p> <p>10) Management and Consulting Service Business (I103060);</p> <p>11) Other Corporation Service Businesses (IZ99990);</p> <p>12) Other Retail Businesses (F299990);</p> <p>13) Online Certification Service Businesses (IZ13010);</p> <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</p>	<p>Article 2</p> <p>The scope of business of the Company shall be as follows:</p> <p>1) Telecommunications Enterprises (G903010);</p> <p>2) Installation of the Computer Equipment Business (E605010);</p> <p>3) Telecommunication Equipment Wholesale Business (F113070);</p> <p>4) Telecommunication Equipment Retail Business (F213060);</p> <p>5) Telecommunication Engineering Business (E701010);</p> <p>6) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030);</p> <p>7) Information Software Service Business (I301010);</p> <p>8) Rental Business (JE01010);</p> <p>9) Other Wholesale Businesses (F199990);</p> <p>10) Management and Consulting Service Business (I103060);</p> <p>11) Other Corporation Service Businesses (IZ99990);</p> <p>12) Other Retail Businesses (F299990);</p> <p>13) Online Certification Service Businesses (IZ13010);</p> <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</p>	<p>1. Deletion of business item 45, "The Third Party Payment (I301040)" and business item 55, "Electric Power Generation (D101011)", with adjustments to the sequence accordingly.</p> <p>2. In light of the new procedures established by The Bankers Association of the Republic of China regarding the financial accounts of The Third Party Payment providers, and to ensure the protection of our company's financial account-related interests, and taking into account that our company is currently not engaged in any activities related to The Third Party Payment, it is proposed to delete the business item of "The Third Party Payment (I301040)" from Article 2 of the Articles of Incorporation.</p> <p>3. In response to the adjustments to the Company's business operation strategies and environmental factors such as changes to the electric power generation industry, the Company will not</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>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 & 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 Retail Businesses (F213030);</p> <p>31) Information Software Rental Businesses (F218010);</p> <p>32) Energy Service Business (IG03010);</p> <p>33) Engineering Consulting Business (I101061);</p> <p>34) Refrigeration and Air-Conditioning Consulting Business (E602011);</p>	<p>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 & 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 Retail Businesses (F213030);</p> <p>31) Information Software Rental Businesses (F218010);</p> <p>32) Energy Service Business (IG03010);</p> <p>33) Engineering Consulting Business (I101061);</p> <p>34) Refrigeration and Air-Conditioning Consulting Business (E602011);</p>	<p>directly engage in the operation of the electric power generation industry at this stage and hereby deletes the business item of "Electric Power Generation (D101011)" from the Articles of Incorporation.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>35) Automatic Control Equipment Engineering Business (E603050);</p> <p>36) Lighting Equipment Installation Business (E603090);</p> <p>37) Non-store Retailer Business (F399040);</p> <p>38) Power Equipment Installation and Maintenance Business (E601010);</p> <p>39) Electrical Appliance Installation Business (E601020);</p> <p>40) Instrument Installation Engineering Business (EZ05010);</p> <p>41) Television Program Production Business (J503020);</p> <p>42) Broadcasting and Television Program Launch Business (J503030);</p> <p>43) Broadcasting and Television Advertising Business (J503040);</p> <p>44) Production, Licensed Recording and Supply of Videotape Program Business (J503050);</p>	<p>35) Automatic Control Equipment Engineering Business (E603050);</p> <p>36) Lighting Equipment Installation Business (E603090);</p> <p>37) Non-store Retailer Business (F399040);</p> <p>38) Power Equipment Installation and Maintenance Business (E601010);</p> <p>39) Electrical Appliance Installation Business (E601020);</p> <p>40) Instrument Installation Engineering Business (EZ05010);</p> <p>41) Television Program Production Business (J503020);</p> <p>42) Broadcasting and Television Program Launch Business (J503030);</p> <p>43) Broadcasting and Television Advertising Business (J503040);</p> <p>44) Production, Licensed Recording and Supply of Videotape Program Business (J503050);</p> <p><u>45)The Third Party Payment Business (I301040);</u></p>	
<p><u>45)Water Pipe Construction Business (E501011);</u></p> <p><u>46)Machinery and Equipment Manufacturing Business (CB01010);</u></p> <p><u>47)Traffic Signals Installation and Construction Business (E603080);</u></p> <p><u>48)Traffic Labels Construction Business (EZ06010);</u></p> <p><u>49)Medical Device Wholesale Business (F108031);</u></p> <p><u>50)Medical Device Retail Business (F208031);</u></p> <p><u>51)Metrological Instruments Importing Business (F401181);</u></p>	<p>46) Water Pipe Construction Business (E501011);</p> <p>47) Machinery and Equipment Manufacturing Business (CB01010);</p> <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>	

Draft Amendment	Current Articles	Explanatory Notes
<p><u>52)</u> Metrological Instruments Repairing Business (JA02051);</p> <p><u>53)</u> Metrological Instruments Manufacturing Business (CE01021);</p> <p><u>54)</u> Commercial Port Area Ship-repair (CD01070);</p> <p><u>55)</u> 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 handle endorsement and guaranty affair accordance with the Operation Procedures for the Endorsement Guaranty of the Company if there any business need.</p>	<p>53) Metrological Instruments Repairing Business (JA02051);</p> <p>54) Metrological Instruments Manufacturing Business (CE01021);</p> <p><u>55) Electric Power Generation (D101011)</u></p> <p><u>56)</u> Commercial Port Area Ship-repair (CD01070)</p> <p><u>57)</u> 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 handle endorsement and guaranty affair accordance with the Operation Procedures for the Endorsement Guaranty of the Company if there any business need.</p>	
<p>Article 22</p> <p>In annual profit-making year, the Company should distribute <u>2.0%</u> - <u>5.0%</u> of profit as employees' compensation, and not more than 0.17% of profit should be distributed as Directors' compensation, however, that if the Company has any accumulated losses, an amount to offset should be reserved in advance.</p> <p>The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the General Meeting of shareholders.</p>	<p>Article 22</p> <p>In annual profit-making year, the Company should distribute <u>1.7%</u> - <u>4.3%</u> of profit as employees' compensation, and not more than 0.17% of profit should be distributed as Directors' compensation, however, that if the Company has any accumulated losses, an amount to offset should be reserved in advance.</p> <p>The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the General Meeting of shareholders.</p>	<p>1. Adjustment to the upper-lower limits of the employee compensation distribution ratio in Paragraph 1.</p> <p>2. Amendment to Paragraph 3 regarding the applicable fiscal year.</p>

Draft Amendment	Current Articles	Explanatory Notes
The provisions in the two preceding Paragraphs have retrospective effect and should apply to the determination of compensation employees and Directors for the fiscal year of <u>2024</u> .	The provisions in the two preceding Paragraphs have retrospective effect and should apply to the determination of compensation employees and Directors for the fiscal year of <u>2015</u> .	

II. 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 Chunghwa Telecom Co., Ltd., 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. Some of the Company's directors concurrently serve as directors or run business for the other companies or institution that have the same or similar lines of business with the Company. Hence it is proposed to the shareholders' meeting to release the restriction on competitive activities for the following identified directors in accordance with the laws.

Director	Position at the companies/institution with same or similar lines of business	Same or similar lines of business of the Company
Chau-Young Lin (Director)	Institute For Information Industry (Director)	Telecommunications Enterprises, Telecommunication Engineering Business, Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business, Information Software Service Business, Management and Consulting Service Business, Online Certification Service Businesses, Supply of Electronic Information Service Businesses, Information Process Service Business, Development of Special District/Zone Businesses, Exhibition Service Businesses, Environmental Assessment Service Businesses, Information Storage and Process Equipment Manufacturing Businesses, Information Software Wholesale Businesses, Information Software Rental Businesses, Energy Service Business, Engineering Consulting Business, Refrigeration and Air-Conditioning Consulting Business, Automatic Control Equipment Engineering Business, Lighting Equipment Installation Business, The Third Party Payment Business

Director	Position at the companies/institution with same or similar lines of business	Same or similar lines of business of the Company
Yu-Fen Lin (Independent Director)	Infinity Communication Tech Inc. (Supervisor)	Telecommunication Equipment Retail Business
Yi-Chin Tu (Independent Director)	PChome Online Inc. (Independent Director)	Installation of the Computer Equipment, Business, Telecommunication Equipment Wholesale Business, Telecommunication Equipment Retail Business, Information Software Service Business, Rental Business, Management and Consulting Service Business, Other Corporation Service Businesses, Other Retail Businesses, Online Certification Service Businesses, Supply of Electronic Information Service Businesses, Information Process Service Business, Telecommunication Account Application Agency Businesses, Exhibition Service Businesses, Computer and Administrative Device Wholesale Businesses, Information Software Wholesale Businesses, Computer and Administrative Device Retail Businesses, Non-store Retailer Business, The Third Party Payment Business, Medical Device Retail Business
Su-ming Lin (Independent Director)	AP Biosciences, Inc. (Independent Director)	Other Corporation Service Businesses
Su-ming Lin (Independent Director)	Sunny Friend Environmental Technology Co., Ltd. (Independent Director)	Management and Consulting Service Business, Environmental Assessment Service Businesses
Chia-Chung Chen (Independent Director)	SysJust Co., Ltd. (Director)	Installation of the Computer Equipment Business, Information Software Service Business, Supply of Electronic Information Service Businesses, Information Process Service Business, Information Software Wholesale Businesses, Information Software Rental Businesses

Director	Position at the companies/institution with same or similar lines of business	Same or similar lines of business of the Company
Chia-Chung Chen (Independent Director)	MOSPEC SEMICONDUCTOR CORP. (Independent Director)	Computer and Accessories Manufacturing Service

3. This proposal was approved by the 7th meeting of the 10th Board of Directors on August 9, 2023, and the 9th meeting of the 10th Board of Directors on January 26, 2024. It is hereby submitted to the Annual General Meeting of Shareholders for resolution.

Resolution:

Extemporaneous Motions

Meeting Adjourned

The Company's Rules

I. 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. Article 1, 2, 14, 19 and 20 amended by the Annual General Meeting on August 20, 2021.
23. Article 8 amended by the Annual General Meeting on May 27, 2022.
24. Article 2 amended by the Annual General Meeting on May 26, 2023.

Chapter I - General Provisions

Article 1 - 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 "Chunghwa Telecom Co., Ltd."

The English name of the Company is "Chunghwa Telecom Co., Ltd."

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.

Article 2 - The scope of business of the Company shall be as follows:

- 1) Telecommunications Enterprises (G903010);
- 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);
- 14) Supply of Electronic Information Service Businesses (I301030);
- 15) Information Process Service Business (I301020);
- 16) Telecommunication Account Application Agency Businesses (IE01010);
- 17) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);
- 18) Development of Special District/Zone Businesses (H701040);
- 19) Real Estate Rental Businesses (H703100);
- 20) Community Common Cable Television Equipment Businesses (J502020);
- 21) Exhibition Service Businesses (JB01010);
- 22) Parking Lot Operation Businesses (G202010);
- 23) Environmental Assessment Service Businesses (J101050);
- 24) Computer and Accessories Manufacturing Service (CC01110);
- 25) Information Storage and Process Equipment Manufacturing Businesses (CC01120);
- 26) Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses (CC01990);
- 27) General Hotel Business (J901020);
- 28) Computer and Administrative Device Wholesale Businesses (F113050);
- 29) Information Software Wholesale Businesses (F118010);
- 30) Computer and Administrative Device 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);
- 48) Traffic Signals Installation and Construction Business (E603080);
- 49) Traffic Labels Construction Business (EZ06010);
- 50) Medical Device Wholesale Business (F108031);
- 51) Medical Device Retail Business (F208031);
- 52) Metrological Instruments Importing Business (F401181);
- 53) Metrological Instruments Repairing Business (JA02051);
- 54) Metrological Instruments Manufacturing Business (CE01021);
- 55) Electric Power Generation (D101011)
- 56) Commercial Port Area Ship-repair (CD01070)
- 57) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).

The Company may handle endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company if there is any business needs.

Article 3 - In the event that the Company invests in another business as a limited-liability shareholder, the total investment amount may not exceed the total paid-in capital of the Company. Investment not related to telecommunications may not exceed 20% of the total paid-in capital of the Company.

Article 4 - The head office of the Company is located in Taipei City and the Company may establish branch office(s) and liaison office(s) at appropriate locations within or outside the territory of the Republic of China.

Article 5 - (Deleted)

Chapter II - Shares

Article 6 - The registered capital of the Company shall be One Hundred Twenty Billion New Taiwan Dollars (NT\$120,000,000,000), divided into Twelve Billion (12,000,000,000) common shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. All the shares shall be issued in increments.

Two Hundred Million shares shall be set aside from the aforementioned common shares for the use as Stock Warrants, Preferred Shares with Warrants, and Bonds with Warrants.

For issuance of Stock Warrants where the price is less than the closing price of the Company shares on the date of issuance, or where the price of the treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders shall be required.

Article 6-1 - (Deleted)

Article 7 - The share certificates of the Company shall bear the shareholders' names, be signed or sealed by the Chairman and at least two other directors, be serially numbered, affixed with the corporate seal of the Company, and legalized by the Ministry of Economic Affairs ("MOEA") (hereinafter referred to as the "Competent Authority") or its certified issuance registration agency before they are issued in accordance with the relevant laws.

When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time, and shall arrange for the certificate to be kept by a centralized securities custodian institution, in which case the preceding requirement for serial numbering of share certificates shall not apply.

Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution, in which case the preceding 2 paragraphs shall not apply.

Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company.

Article 7-1 - The stocks issued by the Company, upon the request of the centralized securities custodian institution, may be merged in exchange for the security with large par value.

Chapter III - Shareholders' Meeting

Article 8 - Shareholders' meetings shall be of two types: annual general meeting and extraordinary general meeting. Except as otherwise provided in the Company Law, shareholders' meetings shall be convened by the Board of Directors.

The annual general meeting shall be convened at least once every year and shall be convened within six (6) months after the close of each fiscal year except as otherwise approved by the Competent Authority for good cause shown.

The extraordinary general meeting shall be convened at such time as may be deemed necessary pursuant to relevant laws and regulations.

The shareholders' meetings may be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9 - Where a shareholders' meeting is convened by the Board of Directors, the chairman of the Company shall act as the chairman of the shareholders' meeting. In the event that the chairman is to be on leave of absence or cannot attend the meeting for any cause whatsoever, the vice-chairman, or where the chairman and the vice-chairman are both to be on leave of absence or cannot attend the meeting for any cause whatsoever, one of the directors appointed by the chairman, or, where there is no

appointment, a director elected among all the directors, may act on behalf of the chairman.

Where a shareholders' meeting is convened by a person with authority other than the Board of Directors, such convener shall act as the chairman of the shareholders' meeting. Where there are two (2) or more conveners, the chairman of the meeting shall be elected amongst such conveners.

Article 10 - Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

Article 11 - (Deleted)

Chapter IV – Directors and Audit Committee

Article 12 - The Company shall have seven (7) to fifteen (15) directors to form the Board of Directors, one-fifth (1/5) of whom shall be expert representatives.

The Board of Directors shall have one (1) chairman elected by and from among the directors with the concurrence of a general majority of the directors present at a meeting attended by at least two-thirds (2/3) of the directors and shall have one (1) vice-chairman elected in the same way.

The Board of Directors may establish various functional committees according to the laws and regulations or business needs.

The Company shall establish an audit committee starting from the 7th Board of Directors. The provisions related to supervisors under the Company Act, Securities and Exchange Act and other laws shall apply mutatis mutandis to the audit committee.

Article 12-1 In accordance with Articles 181-2 and 183 of the Securities and Exchange Act, the Company shall, beginning in the fifth commencement, establish at least three (3) independent directors to be included in the number of directors designated in the preceding Article.

The elections for directors of the Company shall proceed with the candidate nomination system; the shareholders shall elect the directors from among the nominees listed in the roster of candidates.

Elections for independent and non-independent directors shall proceed concurrently, and the number of elected directors shall be calculated separately.

The professional qualifications, restrictions on shareholding and concurrent post, affirmation of independence, nomination and election processes, exercise of authority and other requirements of independent directors shall be determined and

executed in accordance with the Securities and Exchange Law and related regulations.

Article 13- The tenure of office of the directors will be three (3) years and they will be eligible for re-election.

In the event that the representative of a government or corporate body is elected as the director, the government or corporate body may reappoint such representative at anytime to supplement the original tenure.

Article 13-1- The remuneration and compensation of the directors shall be determined by the Board of Directors based on the participation and the contribution of each director in the business operation of the Company and referencing the regular standards of other corporations in the similar industry.

Article 14 - The following items shall be decided by the Board of Directors:

- 1) Increase or reduction of capital of the Company.
- 2) Regulations with regard to the organization of the Company.
- 3) Establishment, amendment, and abolishment of the branch offices within or outside the territory of the Republic of China.
- 4) Examination of annual business budgets and final closing report.
- 5) Distribution of earnings or off-set of deficit.
- 6) The amount and term of domestic and foreign loan.
- 7) The amount of Investment.
- 8) Issuance of corporate bonds.
- 9) Policies regarding personnel matters, material purchase, accounting, and internal control.
- 10) Amendment and modifications of regulations of organization of the Board of Directors and the functional committee.
- 11) Amendment and modification of regulations with regard to the scope of duties of independent directors.
- 12) Appointment and removal of the president, executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute.
- 13) Appointment and removal of the chiefs of finance, accounting and internal audit.
- 14) Policies regarding recommendation of chairman and president to subsidiaries.
- 15) Other duties and powers granted by the law or by shareholders' meeting.

Article 15 - The Board of Directors' meeting shall be convened at least one time a quarter. The special Board of Directors' meeting shall be convened at such time as may be deemed necessary. Both meetings shall be convened by the chairman of the Company and such chairman shall act as the chairman of the meeting. In the event that the chairman cannot attend the meeting for any cause whatsoever, the vice-chairman, or where the chairman and the vice-chairman are both to be on leave of absence or cannot attend the meeting for any cause whatsoever, one of the directors appointed by the chairman, or, where there is no appointment, a director elected among all the directors, may act on behalf of the chairman.

Article 16 - All directors shall attend every Board of Directors' meeting; in case any of the directors cannot attend the meeting for any cause whatsoever, he/she may designate the other directors to act on his/her behalf and such agent shall present the proxy setting forth the vested power of the purpose of the meeting each time. However, each agent shall only accept one appointment from the directors.

Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting a general majority of the directors present vote in favor of such resolution.

Minutes of meetings shall be prepared for all resolutions adopted at a Board of Directors' meeting.

Article 17 - (Deleted).

Article 18 - (Deleted).

Article 18-1 (Deleted).

Article 18-2 The Company may purchase liability insurance policies for directors during the term of their offices and within the scope of damages results from the performances of their official duties in order to reduce and disperse the risks for the Company and shareholders due to the fault, mistake, violation of duty, and inaccurate or misleading statements on part of the directors during the performance of their duties.

Chapter V - Managerial Officers

Article 19 - 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 regarding to the Company and all affiliates of the Company.

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.

The president shall be a director with professional knowledge in business of telecommunication or technology.

Article 20 - 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 power to sign on

behalf of the Company within the scope set by rules decided by the president or authorized in writing by the president.

The division of powers and duties between the Board of Directors and the managers shall be determined in accordance with the Powers and Duties Chart.

Chapter VI - Accounting

Article 21 - The fiscal year of the Company shall be from January 1 to December 31 of each year.

At the end of each fiscal year, the Board of Directors shall prepare the following statements and reports, and shall submit the same to the annual general meeting for adoption according to the relevant legal procedures.

- 1) Report of Operations;
- 2) Financial statements;
- 3) Resolution governing the distribution of earnings or the making-up of losses.

Article 22 - In annual profit-making year, the Company should distribute 1.7% - 4.3% of profit as employees' compensation, and not more than 0.17% of profit should be distributed as Directors' compensation, however, that if the Company has any accumulated losses, an amount to offset should be reserved in advance.

The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the General Meeting of shareholders.

The provisions in the two preceding Paragraphs have retrospective effect and should apply to the determination of compensation to employees and Directors for the fiscal year of 2015.

Article 22-1- After the Company has paid all taxes due at the end of each fiscal year, the Company shall make up its accumulated losses and set aside ten percent (10 %) earning as a statutory revenue reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals to the Company's total authorized capital. The Company may also set aside or reverse special reserve(s) according to the business needs or laws and regulations. A minimum of fifty percent (50%) of the total amount of the remaining amount, along with the accumulated retained earnings from the previous year, shall be distributed to shareholders. Cash dividends shall not be less than fifty percent (50%) of the total dividends, but when the cash dividends fall below NT\$0.1 per share, dividends may be distributed in the form of shares.

The percentage of distribution stipulated in the preceding paragraph shall take actual profitability of the year, capital budgeting, and status of finance into consideration, and shall be executed following a resolution of shareholders' meeting.

Dividends and bonuses shall not be distributed where the Company has no earning.

Where the Company has no loss, it may distribute the capital reserve derived from the income of issuance of new shares at a premium, in whole or in part, by issuing new shares or by cash to shareholders in proportion to the number of their existing shares being held by each of them.

Article 23 - In the event that the Company issues new shares, excluding ad hoc ratification by the central competent authority, the Company shall reserve ten percent (10%) to fifteen percent (15%) of the total newly issued shares for preemptive subscription by employees of the Company.

Chapter VII - Supplementary Provisions

Article 24 - The regulations with regard to the organization of the Board of Directors and the Company shall be separately adopted.

Article 25 - Matters not specified herein shall be resolved in accordance with the Company Law.

Article 26 - This Articles of Incorporation was adopted on June 11, 1996.

II. Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd.

1. All 25 articles adopted by Annual General Meeting on December 26th, 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.
8. Articles 2, 3, 4, 5, 7, 8, 10, 12, 15, 16, 23 and 24 amended, and articles 19, 20, 21 and 22 added by Annual General Meeting on May 27, 2022.

Article 1 (Applicable principles)

Except where prescribed by laws and regulations or Articles of Incorporation of Chunghwa Telecom Co., Ltd. (herein referred to as "the Company"), the rules of procedure at shareholders' meetings shall be as prescribed in this ordinance.

Article 2 (Convening a shareholders' meeting and notification)

Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.

Changes to methods for holding a Company's shareholders' meeting shall be resolved by the Board of Directors, which shall be conducted no later than the time when the shareholders' meeting notice is sent out.

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.

The Company shall provide the shareholders' meeting agenda handbook and supplemental materials of the meeting by the following methods for the shareholders' reference on the day of shareholders' meeting :

1. Distributed on-site at the shareholders' meeting place when a physical shareholders' meeting is held.
2. Distributed on-site at the shareholders' meeting place as well as transmission in electronic form to the video conference platform, when a shareholders' meeting supported by video conference is held.
3. Transmission in electronic form to the video conference platform when a video shareholders' meeting is held.

The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their consent, notification may be performed using electronics means.

The election or dismissal of directors, amendment to the Articles of Incorporation, 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, the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, 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 the main contents shall be enumerated and explained and shall not be proposed as special motions in the meeting.

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.

Article 2-1 (Preparation and public announcement of the shareholders' meeting handbook)

A handbook shall be prepared for the convention of shareholders meeting. This handbook and other materials for the meeting shall be publicly announced in compliance with the regulations of the competent authority.

The time and method of the public announcement mentioned in the foregoing paragraph, the main items stated in the meeting handbook, and other compliance requirements shall in all cases be as prescribed by the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Handbooks of Public Companies."

Article 2-2 (Handling of proposals made before the shareholders' meeting)

Shareholders holding at least 1% of the total number of issued shares may submit a proposal to general meeting to the Company, the number of items so proposed is limited to one only; such proposals shall be included among discussion proposals after approval by the Board of Directors.

The company shall publicly announce acceptance of shareholders' proposals, the method of acceptance, 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.

Shareholders' proposals shall be included in the agenda and listed in the meeting notice of the annual general meeting when, following review by the board, none of the following circumstances apply:

1. The proposal is not a matter that may be resolved at the annual general meeting.
2. The proposing shareholder holds less than 1% of issued shares at the time of book closure date prior to that annual general meeting.
3. The proposal was not submitted during the publicly announced acceptance period in the foregoing paragraph.
4. The proposing shareholder has submitted more than one proposal, the proposal exceeds 300 characters in length (including punctuation marks).

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.

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.

Article 3 (Location and time of meeting)

A shareholders' meeting shall be held at the Company's business premises or at another location convenient for shareholders' attendance and suitable for holding such a meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m.

The holding of a shareholders' meeting by the Company by video conference is not subject to any restriction on the venue of the shareholders' meetings set forth in the preceding paragraph.

Article 4 (The exercise of voting rights and attendance by proxy)

When the Company calls for shareholders' meeting, shareholders may elect to exercise the voting right through electronic voting or on the site.

The aforementioned exercise of voting right through electronic voting by shareholders shall be made at the designated electronic voting platform of the Company in compliance with the Company Act, Securities and Exchange Act, and Regulations Governing the Administration of shareholders services of Public Companies (hereinafter, "Regulations Governing the Administration of shareholders services").

For a shareholder having exercised voting right by electronic means and wishing to attend the shareholders' meeting in person or through video conference, the shareholder shall, no later than 2 days before the shareholders' meeting and in the same manner previously used in exercising the voting right, revoke his/her/its expression of intent in exercising the voting right under the preceding paragraph; the voting right exercised by way of electronic means will prevail for failing of such revocation by the deadline.

A shareholder who cannot attend a shareholders' meeting in person may present a proxy letter issued by the Company, stating scope of authorization and designating a proxy.

One shareholder may present one proxy letter and appoint only one proxy. A proxy letter must be delivered to the Company at least five days before the shareholders' meeting. The first proxy letter shall have precedence if repeated proxy letters are delivered. This restriction shall not apply, however, to those shareholders who declare to retract their prior appointment of a proxy.

For a shareholder wishing to attend a shareholders' meeting in person or through video conference after a proxy letter is delivered to the Company, the shareholder shall, no later than at least 2 days before the shareholders' meeting, notify the Company in writing to revoke his/her/its proxy appointment; the vote cast by the proxy in the meeting under authorization shall prevail for failing of such revocation by the deadline.

Where specific shareholder exercises voting right through electronic voting and also appoints a proxy with proxy letter to attend the shareholders' meeting, the vote cast by the proxy in the meeting under authorization shall stand.

Article 5 (Registration of shareholders for attendance)

Shareholders or their proxies shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance sign-in cards, or other attendance verification. Those persons soliciting proxy letters shall carry other personal identification to facilitate checking.

The Company shall set up a registration desk for the registration of the shareholders or proxies to the meeting by presenting the attendance sign-in cards.

Government or juristic shareholders may send more than one representative to a

shareholders' meeting. However, a juristic person attending a shareholders' meeting as a proxy may send only one representative to attend.

For a shareholders' meeting by video conference, the attendance registration shall be available on the video conference platform for 30 minutes immediately before the meeting. Shareholders having completed the attendance registration shall be deemed to have attended the shareholders' meeting in person.

For a shareholders' meeting by video conference, the shareholder wishing to attend by video conference shall register with the Company by 2 days before the meeting.

For a shareholders' meetings by video conference, the Company shall, at least 30 minutes before the commencement of the meeting, upload shareholders' meeting agenda handbook, annual report and other relevant materials to the video conference platform for the shareholders' meeting, which shall be continuously disclosed until the end of the meeting.

Article 6 (Chairman, personnel attending in a non-voting capacity)

The Chairman shall serve as chairman of a shareholders' meeting convened by the Board. If the Chairman has taken leave of absence or cannot attend for some reason, the Vice Chairman shall act in his stead. If the Chairman and Vice Chairman have both taken leave of absence or cannot attend for some reason, the Chairman shall designate one director to act in his stead. If the Chairman has not designated anyone to act as chairman, the directors shall jointly elect one from among themselves to serve as meeting chairman.

If a shareholders' meeting has been convened by a person with convening powers other than the Board of Directors, the convener shall serve as the chairman. If there are two or more conveners, they shall jointly elect one from among themselves to serve as the chairman.

The company may designate commissioned lawyers, certified public accountants, or other relevant personnel to attend the shareholders' meeting in a non-voting capacity.

Article 7 (Audio or video recording of shareholders' meeting)

The Company shall make an audio or video recording of the entire proceedings of the shareholders' meeting, and shall preserve the recording for at least one year. If, however, a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, such a recording shall be preserved until the conclusion of the lawsuit.

For a shareholders' meeting by video conference, the Company shall retain the records for registration, attendance registration, questions raised, voting rights exercised, and vote counting results, and the Company shall continuously make the audio and video recording across the whole video conference without an interruption.

The materials and the audio and video recording under the preceding paragraph shall be properly preserved by the Company during the Company's existence, and the Company shall provide the audio and video records to those entrusted to handle the video conference affairs for retention.

Article 8 (Calculation of number of shares present, holding of meeting)

The calculation of attendance at a shareholders' meeting of the Company shall be based on the number of shares being represented. The number of shares attending the meeting shall be calculated based on the number of shares indicated in the attendance registration cards and those registered for attendance with the video conference platform, plus number of shares being voted by electronic means, provided that there shall be no double counting of the attending shares for shares voted by electronic means while the shareholders of which attended the shareholders' meeting in person or through video conference.

When the designated meeting time arrives, the chairman shall immediately announce to commence the meeting if shareholders representing a majority of the total number of issued shares are in attendance. The chairman may announce to delay the commencement of the meeting if the statutory number of shares has not been reached. The commencement of the meeting may be delayed for no more than twice, and the total time delayed may not exceed one hour. If the number of shareholders present is still below one-third or more of the total number of issued shares after two times of delay, the chairman shall announce that the meeting has failed to be convened for lack of quorum; for a shareholders' meeting by video conference, the Company shall separately announce the same on the video conference platform.

Where the number of shares present is still insufficient after two delays under the preceding paragraph, but shareholders representing at least one-third of all issued shares are present, the meeting may make tentative resolutions with the consent of a majority of the voting rights in attendance. The Company shall then notify all shareholders of the tentative resolutions, and another shareholders' meeting shall be convened within one month. For a shareholders' meeting by video conference, the shareholder wishing to attend the meeting by video conference shall register again with the Company according to the Article 5 of the Ordinance of Shareholders Meetings of the Company.

If, after making a tentative resolution according to the procedures in the foregoing paragraph, shareholders representing a majority of issued shares become present at an in-progress meeting, the chairman may, in accordance with Article 174 of the Company Act, resubmit any tentative resolutions already made at the meeting for another vote.

Article 9 (Discussion of proposals)

The Board shall determine the agenda of a shareholders' meeting if it has convened that meeting. The meeting shall proceed in accordance with the agenda. The agenda may not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting has been convened by some person with convening powers other than the Board, the regulations of the foregoing paragraph shall still apply.

The chairman may not arbitrarily announce adjournment in the absence of a resolution to that effect before the conclusion of deliberation of items (including special motions) on the agenda determined as prescribed in the two foregoing paragraphs. If the chairman announces adjournment in violation of the rules of procedure, the attending shareholders may select a person to serve as chairman and continue the meeting with the consent of shareholders representing a majority of voting rights present.

Apart from the circumstances in the foregoing paragraph, after a meeting has adjourned, shareholders may not further select a chairman and continue the meeting at the original site or some other location.

The chairman must provide opportunities for adequate explanations and discussion in connection with proposals, revised proposals and special motions submitted by shareholders. The chairman may announce an end of discussion and put the motion to a vote when he considers it has reached the extent for making a resolution.

Article 10 (Speaking)

Before speaking, an attending shareholder or proxy shall first fill out a speaking slip specifying therein the major points of his or her speech, his or her shareholder account number (or attendance pass number), and account name. The chairman shall determine speaking order.

An attending shareholder or proxy who only submits a speaking slip but fails to actually speak shall be deemed to have not spoken. If the content of a shareholder's speech is inconsistent with that stated on his or her speaking slip, the content actually spoken shall take precedence.

An attending shareholder or proxy may question about report items on the agenda only after the chairman or person designated by the chairman has read or reported all report items. Each speaker may speak no more than twice concerning each motion, and each instance may not exceed 5 minutes. Although a speaker may speak an additional five minutes with the chairman's approval, only one such extension may be given.

When an attending shareholder or proxy gives a speech with regard to the items for ratification and discussion listed on the agenda, and to the proposals made in the special motion session, the regulations in the foregoing paragraph governing speaking time and number of speaking opportunities shall apply.

When an attending shareholder or proxy gives a speech with regard to non-proposal issues during the special motion session, the regulations in Paragraph 3 governing speaking time and number of speaking opportunities shall apply.

The chairman may stop an attending shareholder or proxy if the person's speech goes past the prescribed time limit or exceeds the bounds of the issue at hand. The chairman may direct disciplinary personnel (or security personnel) to take necessary measures to maintain order in the meeting place or ensure the smooth progress of the meeting if a speaker still refuses to stop talking or other circumstances interfering with meeting procedures occur.

Other shareholders may not interfere with a speaking shareholder or proxy without obtaining the consent of the chairman and the speaking shareholder or proxy. The chairman shall stop anyone who violates this rule, and the regulations in the foregoing paragraph shall apply.

When a government or juristic shareholder sends two or more representatives to attend the shareholders' meeting, the shareholder may designate only one person to speak on each occasion.

The chairman may personally respond, or designate another relevant person to do so, after a shareholder has spoken.

For a shareholders' meeting held by video conference, a shareholder attending the meeting through video conference may, during the period that the meeting is announced to commence until the meeting is announced for the adjournment by the chairman, raise questions in writing through the video conference platform for shareholders' meetings, provided that questions raised for each proposal shall not exceed two times, 200 words for each question, and Paragraphs 1 to 8 shall not apply.

Article 11 (Calculation of number of voting shares, recusal system)

Votes at shareholders' meetings shall be calculated on the basis of number of shares.

When votes are taken on resolutions, the number of shares held by shareholders without voting rights shall not be included in the total number of issued shares.

A shareholder may not vote on a matter, and may not appoint another shareholder to exercise his or her voting rights, if the shareholder's conflict of interest with regard the motion may be detrimental to the company's interests.

In the foregoing paragraph, the number of voting rights that may not be exercised shall not be calculated among the total voting rights of the shareholders in attendance.

With the exception of trust enterprises and agents of stock affairs approved by the competent authority in charge of securities, a single person acting as the proxy for two or more shareholders may exercise voting rights not exceeding 3% of the voting rights of total issued shares. Any excess voting rights shall not be counted.

Article 12 (Voting on resolutions)

A shareholder shall receive one voting right for each share. However, this rule shall not apply to those shareholders with restricted or no voting rights.

Although a government or juristic shareholder may appoint more than one person as a representative, the shareholder's voting rights are still calculated on the basis of the total number of shares held by that shareholder.

If, in the foregoing paragraph, a shareholder has sent two or more representatives, the representatives shall jointly exercise the shareholder's voting rights.

Proposals shall be resolved through voting by poll. Unless otherwise specified by the Company Act and the Articles of Incorporation of the Company, a resolution in favor of the proposal may be made with a simple majority of the voting rights represented by the total votes of on-site voting, voting right exercised through video conference, and electronic voting.

After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. If any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

The chairman shall determine the order for discussion and vote for the proposals made during the special motion session. The chairman may also combine proposals that are of the same type.

When the Company holds a shareholders' meeting by video conference, a shareholder attending the meeting through video conference, after the chairman announces to commence the meeting, shall vote for each proposal and election proposal through video conference platform before the chairman announces to close the voting. Voting rights shall be deemed waived for failure of doing so by the time required.

For a shareholders' meetings held by video conference, votes shall be calculated at once after the chairman announces to close the voting, and the results of resolution and election shall be announced accordingly.

When the Company holds a shareholders' meeting supported by video conference, for a shareholder having registered to attend the meeting by video conference in accordance with Article 5 of the Ordinance of Shareholders Meetings of the Company but wishing to attend the meeting in person thereafter shall, by 2 days before the shareholders' meeting and in the same manner previously used for the registration, revoke the registration. For those failing of doing so by the time required may only attend the meeting by video conference.

For those shareholders having exercised voting rights by electronic voting without revoking their expression of intent but attending the shareholders' meeting by video conference, except for the extraordinary motion, they are not allowed to vote for original proposals, raise a proposal to amend the original proposals, or vote for the amendment to the original proposal.

Article 13 (Monitoring the voting, counting, and retention of ballots)

When a proposal is put to a vote on the scene of the shareholders meeting, the chairman of the meeting shall appoint two watchers for monitoring the voting and a number of counting officers to read and count the votes. Only shareholders may act as the watchers.

The votes on the proposals shall be counted in silence. The voting result on proposals, including votes cast on the site and through electronic voting, shall be announced on the site and kept as minutes on record. The watchers shall keep all counted ballot cast on the site together with the document stating the result of electronic voting in a package, affix their signatures or seals to the package, and forward the package to the Company for retention.

The calculation of aforementioned voting result through electronic voting shall be verified by a functional unit which meets the requirements provided in Article 44 – 6 of Regulations Governing the Administration of Shareholder Services before the shareholders meeting.

Article 13-1 (Determine the validity of the ballots cast on the site)

If any of the following applies to a ballot cast for voting on the site of the shareholders meeting as determined by all watchers of voting, such ballot shall be deemed invalid:

1. The ballot is not prepared by the Company.
2. The ballot in the ballot box is left blank or not the one designated for voting on specific proposals.
3. The ballot is not being put in the ballot box.
4. The ballot is illegible due to damage or indistinct writing.
5. The ballot bears corrections or extraneous written text or symbols.
6. Both consent and oppose have been marked.

Article 13-2 (Resolution of disputes)

The chairman shall make a decision if a shareholder disputes any matters such as the voting process, the ballot counting method, or the validity of ballots. As requested by shareholders who dispute any points, the minutes shall state the shareholder's account number and the number of voting rights, and the subject of the dispute.

Article 14 (Matters concerning elections)

The proposal for the election of directors in the shareholders meeting shall be processed in compliance with the Directors Election Regulations of Chunghwa Telecom and the result of which shall be announced on the scene.

In the process of aforementioned proposal for election, watchers shall keep the ballots cast on the site together with the document stating the result of electronic voting in a package, affix their signatures or seals to the package, and forward the package to the Company for retention of at least one year, or as long as the conclusion of legal action instituted pursuant to Article 189 of the Company Act, where applicable.

Article 15 (Meeting minutes and signing)

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.

The release of the minutes of meeting on record as aforementioned may be announced by

the Company through posting at Market Observation Post System.

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 (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. The minutes of shareholders' meetings must be preserved for as long as the company is in existence.

For a shareholders' meeting by video conference, the meeting minutes, other than the mandatory contents under the preceding paragraph, shall also be recorded with the commencement time and the time that the meeting is adjourned, the method for holding the meeting, the names of the chairman and secretary, and the contingency plans for disconnection issues due to natural disasters, incidents or other force majeure events that prevent the operating of the video conference platforms or that prevent shareholders from attending meetings by video conference.

For a shareholders' meeting held by video conference, in addition to complying with the provisions in the preceding paragraph, the meeting minutes shall also be recorded with alternative measures for shareholders who have difficulty in attending the shareholders' meeting by video conference.

Article 16 (Public announcements)

The company shall, on the day of the shareholders' meeting, compile a statistical table in prescribed format of the number of shares obtained by solicitors, by consigned agents and by shareholders exercising voting rights by electronic means on the day of the shareholders' meeting. This table shall be clearly displayed in the meeting venue. For a shareholders' meeting held by video conference, the Company shall, at least by 30 minutes before the meeting, upload the abovementioned materials to the video conference platform for shareholders' meeting which shall be continuously disclosed until the meeting is adjourned.

For a shareholders' meeting held by video conference by the Company, the total number of shares by shareholders attended shall be disclosed on the video conference platform when the meeting is announced to commence. Where the total number of shares and voting rights of shareholders attended are separately calculated during the meeting, the same rules shall apply.

Article 17 (Maintenance of order)

Personnel in charge of running a shareholders' meeting shall wear identification badges or armbands.

The chairman may ask disciplinary or security personnel to help maintain order at a meeting. Such personnel shall wear identification badges or armbands bearing the words "disciplinary personnel" when maintaining order at a meeting.

The meeting premises shall be equipped with loudspeaker equipment. The chairman may stop any shareholder speaking with loudspeaker equipment other than that arranged for by the Company.

The chairman may instruct disciplinary or security personnel to ask that any shareholder who violates the meeting rules of procedure and fails to heed a warning from the chairman, or impedes the progress of the meeting and fails to heed a call for restraint, to leave the premises.

Article 18 (Intermission, resumption)

The chairman may announce an intermission at an appropriate time during a shareholders'

meeting. The chairman may also temporarily suspend a shareholders' meeting in the event of Force Majeure, and, if the circumstances permit, shall announce the time at which the meeting will resume.

If the meeting premises can no longer be used for the shareholders' meeting before the conclusion of deliberation of motions on the agenda (including special motions), the shareholders may make a resolution to seek another venue and continue the meeting.

In accordance with Article 182 of the Company Act, a shareholders' meeting may make a resolution to postpone the meeting until or resume the meeting at some other time within 5 days.

Article 19 (Information disclosure of the video conference)

For a shareholders' meeting held by video conference, the Company shall, after the close of the voting, timely disclose the voting results for each proposal and election on the video conference platform for shareholders' meeting for at least 15 minutes on a continuous basis after the chairman announces to adjourn the meeting.

Article 20 (Location of chairman and secretary of the shareholders' meeting by the video conference)

When the Company holds a shareholders' meeting by video conference, the chairman and secretary shall be at the same location in the R.O.C., and the chairman shall also announce the address of the location when the meeting is announced to be commenced.

Article 21 (Handling of disconnection)

For a shareholders' meeting held by video conference, the Chairman shall, when announcing to commence the meeting, separately announce that, in addition to the situation in which there is no need to postpone or continue the meeting specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of shareholders services, before the Chairman announces to adjourn the meeting, if any disconnection issues occurred due to natural disasters, incidents or other force majeure events that prevent the operating of the video conference platforms or that prevent shareholders from attending meetings by video conference lasts for 30 minutes or more, the dates when the meeting shall be postponed to or continued within 5 days, provided that Article 182 of the Company Act shall not apply.

In the event that the meeting is postponed or continued under the preceding paragraph, a shareholder who have not registered to attend the original shareholders' meeting through video conference shall not attend the postponed or continued meeting.

For a meeting being postponed or continued under Paragraph 1, shareholders having registered to attend the original shareholders' meeting by video conference and completed the attendance registration, but not attending the postponed or continued meeting, the number of shares attended, the voting rights exercised and votes for the election made in the original shareholders' meeting shall be counted in the total number of shares attended, voting rights and votes for election made in the postponed or continued meeting.

Where a shareholders' meeting is postponed or continued under Paragraph 1, for a proposal that the voting and counting of votes have been completed and the voting result or the list of elected directors and supervisors have been announced, there is no need to re-discuss and resolve the proposal.

When a shareholders' meeting supported by video conference is held and the meeting cannot be continued through video conference due to the reason under Paragraph 1, the shareholders' meeting shall continue if the total number of shares attended still reaches the

statutory quorum for the shareholders' meeting after deducting the number of shares attended by video conference and it is no longer required to postpone or continue the meeting under Paragraph 1.

In the event that the meeting shall be continued under the preceding paragraph, the number of shares of shareholders attended through video conference shall be counted in the number of shares attended, provided that voting rights of which shall be deemed waived for all the proposals of the shareholders' meeting.

Where the Company postpones or continues a meeting in accordance with Paragraph 1, the Company shall, according to the provisions in paragraph 7 of Article 44-20 of the Regulations Governing the Administration of shareholders services, conduct the relevant preparatory works in the same way as the date of the original shareholders' meeting and related provisions.

For the period specified in the last paragraph of Article 12, Paragraph 3 of Article 13 of the Regulations Governing Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of shareholders services, the Company shall postpone or continue the shareholders' meeting on the date specified in Paragraph 1.

Article 22 (Handling of digital divide)

Where the Company holds a shareholders' meeting by video conference, the Company shall provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders' meetings by video conference.

Article 23 (Supplementary provisions)

Except where explicitly prescribed in the laws and regulations and the Company's Articles of Incorporation, the chairman shall decide any matters not prescribed in these rules. Any matters still disputed by shareholders shall be handled in accordance with appropriate legal procedures, and shall not constitute a pretext for obstructing or disturbing deliberative procedures.

Article 24 (Enforcement)

These meeting rules of procedure shall take effect after being passed by the shareholders' meeting; likewise in the case of revisions.

III. Ethical Corporate Management Best Practice Principles of Chunghwa Telecom Co., Ltd.

1. All articles adopted by the 6th Board of Directors at the 5th meeting on December 28, 2010.
2. Amended by the 7th Board of Directors at the 2nd meeting on August 13, 2013.
3. Amended by the 9th Board of Directors at the 8th meeting on August 5, 2020.
4. Amended by the 9th Board of Directors at the 5th interim meeting on September 28, 2021.
5. Amended by the 10th Board of Directors at the 6th interim meeting on April 17, 2024.

Article 1 (Purpose of enactment and applicable scope)

The Ethical Corporate Management Best Practice Principles ("Principles") is enacted to assist Chunghwa Telecom Co., Ltd. and its affiliated institutions (hereinafter referred to as the "Company") to establish a corporate culture of ethical management and sound development.

The applicable scope of the Principles covers the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company (hereinafter referred to as the "Business Groups").

Article 2 (Prohibition of unethical conducts)

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as the "substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as the "unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and directors, supervisors, managers, employees or substantial controllers or other interested parties of the same.

Article 3 (Types of benefits)

"Benefits" mentioned in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Legal compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing related rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Guidelines for conduct)

The Company has established the "Procedures for Ethical Management and Guidelines for Conduct of Chunghwa Telecom Co., Ltd." (hereinafter referred to as the " Guidelines for Conduct") in order to implement the operational philosophies and policies prescribed in the preceding article, which includes operating procedures, behavior guidelines, and training, etc.

The Guidelines for Conduct established in accordance with the previous paragraph shall comply with relevant laws and regulations of the territory where the Company and its Business Groups are operating.

Article 7 (The scope of the Guidelines for Conduct)

The Company shall analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish its Guidelines for Conduct accordingly and review their adequacy and effectiveness.

The Company should refer to prevailing domestic and foreign standards or guidance in establishing the "Guidelines for Conduct", which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Promises and executions)

The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and its Business Groups shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 (Engaging in commercial activities under ethics)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 (Prohibition of offering and acceptance of bribery)

When conducting business, the Company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11 (Prohibition of offering illegal political donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (Prohibition of improper charitable donation or sponsorship)

When making or offering donations and sponsorship, the Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Prohibition of unreasonable presents, hospitality or other improper benefits)

The Company and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (Prohibition of infringement of intellectual property rights)

The Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 (Prohibition of unfair competition)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 (Prevent products or services from harming stakeholders)

In the course of research and development, procurement, make, provision, or sale of products and services, the Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17 (Organization and responsibility)

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the chairman of the Company serving as the highest responsible person for Ethical Corporate Management and Anti-Corruption. "The Organization and Talent Development Department" (hereinafter referred as HR Department) shall allocate resources and personnel to formulate ethical corporate management policies and guidelines for conduct, supervise all departments to implement these policies and guidelines. Besides, the top manager who supervises HR Department, Senior Executive Vice President shall report on the execution to the Sustainable Development & Strategy Committee and report on the implementation results to the board of directors regularly (at least once a year):

According to the provisions of the preceding paragraph, the main responsibilities of the HR Department are as follows:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18 (Legal compliance for business operation)

Directors, managers, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 (Interest avoidance)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 (Accounting and internal control)

The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the guidelines for conduct. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21 (Procedures and guidelines of conduct)

The Company shall establish “Guidelines for Conduct” in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22 (Education training and review)

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company’s commercial transaction counterparties so they understand the Company’s determination to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23 (Whistleblowing system)

The Company shall adopt a concrete whistle-blowing system, and should be implemented in accordance with the principle of segregation of power for the investigation of violations

of the Company's employees and the guidelines for handling employee appeals. . The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or the Audit Committee in written form.

Article 24(Disciplinary and appeal system)

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management principles, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25(Disclosure of information)

The Company shall collect quantitative data about the promotion of ethical corporate management and continuously analyze and assess the effectiveness of the promotion of ethical corporate management policy, and shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company websites, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.

Article 26 (Review and revision of the ethical corporate management policies and measures)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical

corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical corporate management.

Article 27 (Enforcement)

The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to report at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Appendix : Shares held by the directors

As of April 2, 2024 (book closure date for 2024 AGM)

Title	Name	Term	Representative	Number of shares	Shareholding ratio
Chairman and Chief Executive Officer	MOTC	2022/5/27 - 2025/5/26	Shui-Yi Kuo	2,737,718,976	35.29%
Directors	MOTC	2022/5/27 – 2025/5/26	Chau-Young Lin		
			Shin-Yi Chang		
			Sin-Horng Chen		
			Ching-Hwi Lee		
			Hsiang-Ling Hu		
			Shiu-Chuan Tsai		
	Shih-Hung Tseng				
Independent director	Yu-Fen Lin	2022/5/27 – 2025/5/26		0	0%
Independent director	Chung-Chin Lu	2022/5/27 – 2025/5/26		0	0%
Independent director	Yi- Chin Tu	2022/5/27 – 2025/5/26		0	0%
Independent director	Chia-Chung Chen	2022/5/27 – 2025/5/26		0	0%
Independent director	Su-Ming Lin	2022/5/27 – 2025/5/26		0	0%
Total				2,737,718,976	35.29%

Notes:

1. The shareholding ratios in this table are based on a total of 7,757,446,545 outstanding shares as of the book close date before this year's Annual General Meeting.
2. According to Article 26 of the Securities and Exchange Act and Article 2, Paragraph 1, Subparagraph 7 and Paragraph 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies: the minimum number of shares that shall be held by all directors of the Company is 124,119,144.