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Chunghwa Telecom Co., Ltd. 2024 Annual General Meeting Minutes

Time: 9:00 a.m. of May 31, 2024

Venue: Chunghwa Telecom Training Institute

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

(Physical Shareholders' Meeting)

Number of shares represented by shareholders present:

Shares represented by the shareholders in attendance or by proxies totaled 6,090,596,648 (including the 6,078,009,434 shares represented by the shareholders exercising voting rights through e-voting), accounting for 78.51% of the total shares issued by the Company, i.e. 7,757,446,545 shares.

Chairman: Shui-Yi Kuo, Chairman of the Board of Directors **Recorder:** Yu-Ting Huang

Directors present: Shui-Yi Kuo, Chau-Young Lin, Su-Ming Lin (Chairman of the Audit Committee,

Independent Director), Ching-Hwi Lee, Shin-Yi Chang, Hsiu-Chuan Tsai, Yu-Fen Lin (Independent Director), Yi-Chin Tu (Independent Director), Chia-Chung

Chen (Independent Director)

More than one-half of all 13 directors are in attendance.

Attendees: Chih-Poung Liou (Attorney of Stellex Law Firm)

Su-Yin Liu (Attorney of Stellex Law Firm)
Yih-Shin Kao (CPA of Deloitte & Touche)

Chairman's address: (omitted)

Shareholder's question: (account number: 41207)

Meeting venue safety issue.

Chairman and the relevant person designated by the Chairman responded:

Our venue is safe and has passed the New Taipei City Government Public Works Department's building safety inspection and the Fire Department's fire safety inspection. The safety and fire safety declaration documents of the relevant buildings have been posted at the entrance of the venue for shareholders' reference.

Report Items

I. 2023 business report (Attachment 1)

- II. 2023 audit committee's review report (Attachment 2)
- III. 2023 compensation distribution to directors and employees
- IV. 2023 compensation to directors (Attachment 3)

V. Amendments to the Ethical Corporate Management Best Practice Principles

Chairman: The above reports were made for shareholders' information.

Shareholder raised the comments (1): (account number: 39267, 635009, 49050, 53238, 38175, 48837, 55176, 54988, 90250, 101052, 49549, 211052, 52047, 113421, 38209 and 103811)

Issues such as systematic wage raise, talent recruitment, employee resignation/retirement gap, flexible work time, construction vehicle driving allowance, overtime pay, average wage calculation, working environment, hazard allowance, employee benefits, employee review, EAP employee assistance program, etc..

Chairman and the relevant person designated by the Chairman responded:

①The systematic wage raise will be assessed by considering the Company's overall operating conditions. ②Regarding the issue of talent recruitment and employee resignation/retirement gap, approaches such as diversified recruitment, benefit optimization (e.g., childcare allowance), and increasing the rate of promotion have been adopted in parallel at the same time, with a view to expeditiously stocking up on the required talents. ③Regarding the issue of flexible work time, each branch is still in the trial stage. Based on the trial results, the Company will discuss a flexible work time system consistent across the region. ④For other employee right and benefit issues and suggestions, in addition to explanations given at the current meeting, they will be delivered to relevant departments after the meeting for understanding, discussion and handling.

Shareholder raised the comment (2): (account number: 47650) Losses of some of the reinvested companies.

Chairman and the relevant person designated by the Chairman responded:

The Company regularly reviews the performance of its all portfolios. For the case of short-term loss incurred by specific investee company, the Company are continuing to review regularly and request the investee companies to improve its performance through the Company's representatives who exercises shareholder's rights. The Company will continue to review its overall investment strategy.

Shareholder raised the comment (3): (account number: 652216, 561092, 944873, 827668, 716513, 48262)

The operational management issue of the subsidiary, Honghwa International Corp.

Chairman and the relevant person designated by the Chairman responded: We will revert to Honghwa and request the matter to be handled with care.

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 in the meeting handbook) (Attachment 5~Attachment 8 and Attachment 10~Attachment 13), 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 in the meeting handbook) (Attachment 4 and Attachment 9). The Company's 2023 business report (page 2-6 in the meeting handbook) (Attachment 1) and the aforementioned financial statements have been reviewed and determined to be accurate by the Audit Committee members of the Company with review report submitted hereby (page 7 in the meeting handbook) (Attachment 2).

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.

Shareholder raised the comment (1): (account number: 52047, 211052, 38175, 43546, 38209) Promotion system, wage raise system, overtime pay, employee accident insurance, working environment, EAP employee assistance program and other issues.

Chairman and the relevant person designated by the Chairman responded:

For employee right and benefit issues and suggestions, in addition to explanations given at the current meeting, they will be delivered to relevant departments after the meeting for understanding, discussion and handling.

Shareholder raised the comment (2): (account number: 52047)

Please explain the reasons for the decrease of income from operations and increase of operating expenses.

Chairman and the relevant person designated by the Chairman responded:

①The decrease of income from operations was primarily due to the increase of other expenses, including (a)After the evaluation of certain telecommunications equipment, the Company determined that the recoverable amount of such assets was nil because the telecommunications service provided by 3G network will be discontinued, therefore, the Company recognized an impairment loss, and (b)After the evaluation of investment properties of land and buildings by comparing the recoverable amount with the carrying amount, the Company recognized an impairment loss. ②The increase of operating expenses was primarily due to the increase of seniority bonus and one-time special incentive bonus in 2023.

Resolution:

Voting results: 5,843,746,635 "for" votes, representing 95.94% of the shares present at the time of voting; 2,773,109 "against" votes; 244,076,904 "abstain/non-vote" votes; 0 "invalid" vote **RESOLVED**, the above proposal submitted by the Board of Directors was ratified upon voting.

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 (Attachment 14). 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.

Shareholder raised the comment: (account number: 52047)

The command and management issue of the branches in different regions after the organizational transformation.

Chairman and the relevant person designated by the Chairman responded:

After the organizational transformation, the 17 branches are operated under the head office, and there is also a cross-organizational and cross-regional coordination mechanism with the groups of consumer business, enterprise business and network technology, so that there is a closer integration of operational objectives and management measures among them, which in turn enhances the overall operational performance.

Shareholder raised the amendment: (account number: 41207) Cash dividends of NT\$5.50 per share will be distributed.

Resolution:

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

Voting results: 5,847,087,541 "for" votes, representing 96.00 of the shares present at the time of voting; 1,045,531 "against" votes; 242,463,576 "abstain/non-vote" votes; 0 "invalid" vote **RESOLVED**, the above proposal submitted by the Board of Directors was ratified upon voting.

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. (Attachment 15)
- 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.

Shareholder raised the comment: (account number: 41207)
Please count the number of shareholders present at the meeting.

Chairman and the relevant person designated by the Chairman responded:

In accordance with Paragraph 1, Article 8 of the Ordinance of Shareholders Meetings of the Company, the calculation of attendance at 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, plus number of shares being voted by electronic means.

Resolution:

Voting results: 5,807,315,900 "for" votes, representing 95.34% of the shares present at the time of voting; 1,268,110 "against" votes; 282,012,638 "abstain/non-vote" votes; 0 "invalid" vote **RESOLVED**, the above proposal submitted by the Board of Directors was approved upon voting.

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/insti tution 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,

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		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
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

	MOSPEC	
Chia-Chung Chen	SEMICONDUCT	
(Independent	OR CORP.	Computer and Accessories Manufacturing Service
Director)	(Independent	
,	Director)	

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.

Shareholder raised the comment: (account number: 52047) Chiayi Branch's nursery room management issue.

Chairman and the relevant person designated by the Chairman responded:

The case has been handled in accordance with internal procedures, and the Occupational Safety and Health Department has been asked for proper supervision and management in the future.

Resolution:

Voting results: 5,717,536,109 "for" votes, representing 93.87% of the shares present at the time of voting; 82,779,835 "against" votes; 290,280,704 "abstain/non-vote" votes; 0 "invalid" vote **RESOLVED**, the above proposal submitted by the Board of Directors was approved upon voting.

Extemporary Motions: The suggestions raised by the shareholders totaled 149. They were read out by the emcee.

Meeting Adjourned: 11:45 p.m. of the same day

(Note: The content of the speech recorded in the Annual General Meeting minutes is a summary. The actual situation of the speech is subject to the on-site video and audio recording.)

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 Telcom 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 Telcom 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 brining 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 lowearth 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 cocreation 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

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

		Compensation to Directors								Total Compensation Compensation as Concurrent Em							nploye	es		Total Cor	mpensation	Compensati
Title	Name	Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)				(A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)				Pension / Severance (F)		Employee Compensation (G) (Note 6)				(A+B+C+D+E+F+G) and ration of compensation to Net Income (%) (Note 8)		
Title		Parent- only	Consoli dated (Note 7)	Parent- only	Consoli dated (Note 7)	Parent- only	Consolida ted (Note 7)	Parent- only	Consolid ated (Note 7)	Parent- only	Consolidat ed (Note 7)	Parent- only	Consolid ated (Note 7)	Parent- only	Consolid ated (Note 7)	Bonus	ary, ses, and vances lote 5)		ion / rance F)	Parent-only	Consolidated (Note7)	or the Parent Company (Note 9)
			' '		"											Cash	Stock	Cash	Stock			` '
N	ЮТС	0	0	0	0	39,797	39,797	0	0	39,797 0.11%	39,797 0.11%	0	0	0	0	0	0	0	0	39,797 0.11%	39,797 0.11%	None
Director	Shui-Yi Kuo	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	8,681	8,681	0	0	0	0	0	0	8,681 0.02%	8,681 0.02%	None
	Chi-Mau Sheih (dismissed on May 5, 2023)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	5,687	5,687	14,631	14,631	0	0	0	0	20,318 0.06%	20,318 0.06%	None
	Chau- Young Lin (succeeded on July 7, 2023)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	6,570	6,818	0	0	237	0	237	0	6,808 0.02%	7,056 0.02%	None
Director	Shin-Yi Chang	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	Sin-Horng Chen	342	342	0	0	0	0	0	0	342 0.00%	342 0.00%	0	0	0	0	0	0	0	0	342 0.00%	342 0.00%	None
	Hsiang-Ling Hu	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	Ching-Hwi Lee	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	Shiu-Chuan Tsai	360	360	0	0	0	0	10	10	370 0.00%	370 0.00%	0	0	0	0	0	0	0	0	370 0.00%	370 0.00%	None

				Co	ompensa	ition to Di	rectors			Total Compensation		compensation as concurrent Employees							Total Cor	npensation	Compensati	
Title	Name	Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)				Tor compensation to		Colony Bonusco		Pension / Severance (F)		Employee Compensation (G) (Note 6)			•		+F+G) and ratio sation to Net %) (Note 8)	-
Title		Parent- only	Consoli dated (Note	Parent- only	Consoli dated (Note	Parent- only	Consolida ted (Note 7)	Parent- only	Consolid ated (Note 7)	Parent- only	Consolidat ed (Note 7)	Parent- only	Consolid ated (Note 7)	Parent-	Consolid ated (Note 7)	Bonus	lary, ses, and vances lote 5)	Seve	rance	Parent-only	Consolidated (Note7)	or the Parent Company
			7)		7)		,		,		,		,		, ,	Cash	Stock	Cash	Stock			(Note 9)
	Shih-Hung Tseng	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	1,641	1,641	0	0	93	0	93	0	1,734 0.00%	1,734 0.00%	None
Indepe ndent Director	Yu-Fen Lin	720	720	0	0	0	0	220	220	940 0.00%	940 0.00%	0	0	0	0	0	0	0	0	940 0.00%	940 0.00%	None
Indepe ndent Director	Chung-Chin Lu	720	720	0	0	0	0	180	180	900 0.00%	900 0.00%	0	0	0	0	0	0	0	0	900 0.00%	900 0.00%	None
Indepe ndent Director	Yi-Chin Tu	720	720	0	0	0	0	180	180	900 0.00%	900 0.00%	0	0	0	0	0	0	0	0	900 0.00%	900 0.00%	None
maent	Chia-Chung Chen	720	720	0	0	0	0	230	230	950 0.00%	950 0.00%	0	0	0	0	0	0	0	0	950 0.00%	950 0.00%	None
Indepe ndent Director	Su-ming Lin	720	720	0	0	0	0	250	250	970 0.00%	970 0.00%	0	0	0	0	0	0	0	0	970 0.00%	970 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 year2023, 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.

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.

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

	2023		2022	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents Financial assets at fair value through profit or loss	\$ 33,823,884 904	6	\$ 50,192,604 3,953	10
Hedging financial assets	-	-	12,891	-
Contract assets Trade notes and accounts receivable, net	6,713,227 24,841,995	1 5	6,055,343 24,672,473	1 5
Receivables from related parties	78,089	-	75,061	-
Inventories Prepayments	11,520,765 2,839,471	2 1	11,316,406 2,398,608	2
Other current monetary assets	20,352,050	4	3,618,902	1
Incremental costs of obtaining contracts Other current assets	210,923 2,822,259	- 1	3,555,423	- 1
Total current assets	103,203,567		101,901,664	
NONCURRENT ASSETS	100,200,007			
Financial assets at fair value through profit or loss	1,035,701	-	1,020,203	-
Financial assets at fair value through other comprehensive income Investments accounted for using equity method	4,412,343 8,450,199	1 2	3,491,381 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 Investment properties	11,237,814 9,805,463	2 2	11,102,549 9,803,861	2 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 Net defined benefit assets	939,409 5,963,259	1	979,914 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	<u>\$ 523,939,401</u>	<u> 100</u>	\$ 523,203,488	<u> 100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans	\$ 585,000	-	\$ 722,000	-
Hedging financial liabilities Contract liabilities	44 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 Lease liabilities	4,626,265 3,504,990	1	4,956,465 3,338,813	1 1
Other payables	25,256,926	5	25,079,960	5
Provisions Current portion of long-term loans	337,406 1,600,000	-	226,019	-
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 2
Contract liabilities Deferred income tax liabilities	7,560,352 2,460,509	2	7,674,095 2,300,845	-
Provisions	485,267	-	173,033	-
Lease liabilities Customers' deposits	7,470,191 5,309,097	2 1	7,333,694 5,156,700	2 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	<u>25</u>	129,425,060	<u>25</u>
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT Common stocks	77,574,465	15	77,574,465	15
Additional paid-in capital	171,289,086	$\frac{15}{32}$	171,300,898	$\frac{15}{32}$
Retained earnings	77.574.465	1.5	77.574.465	1.5
Legal reserve Special reserve	77,574,465 2,898,503	15 1	77,574,465 3,083,569	15 1
Unappropriated earnings	52,618,677	10	51,868,574	10
Total retained earnings Others	133,091,645 352,892	<u>26</u>	132,526,608 (223,084)	<u>26</u>
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	<u></u> <u></u> <u></u>	393,778,428	<u></u> <u></u> <u> 75</u>
TOTAL	\$ 523,939,401		\$ 523,203,488	<u></u>
1011IL	<u>w 525,759,401</u>		<u>ψ 323,203,400</u>	

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	141,766,718	64	136,717,375	63
GROSS PROFIT	81,432,542	<u>36</u>	80,021,859	_37
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	152,067		117,070	
Total operating expenses	34,443,940	<u>15</u>	33,289,983	<u>15</u>
OTHER INCOME AND EXPENSES	(635,367)		93,013	
INCOME FROM OPERATIONS	46,353,235	21	46,824,889	22
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	243,374		452,931	
Total non-operating income and expenses	639,411		404,061	
INCOME BEFORE INCOME TAX	46,992,646	21	47,228,950	22
INCOME TAX EXPENSE	9,002,110	4	9,228,911	4
NET INCOME	37,990,536	<u>17</u>	38,000,039	
			(Cor	ntinued)

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

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	1,043,222		1,543,679	1		
	\$ 38,659,749	<u> 17</u>	\$ 39,112,761	<u> 18</u>		
EARNINGS PER SHARE	Φ. 4.7.6		4.70			
Basic Diluted	\$ 4.76 \$ 4.75		$\frac{\$ 4.70}{\$ 4.70}$			

(Concluded)

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

				Equity Attri	butable to Stockholders	of the Parent						
				Retained Earnings		Exchange Differences Arising from the	Others Unrealized Gain or Loss on Financial Assets at Fair Value Through Other	Gain or Loss				
	Common Stocks	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Translation of the Foreign Operations	Comprehensive Income	on Hedging Instruments	Total	Noncontrolling Interests	Total Equity	
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 Special reserve Cash dividends distributed by Chunghwa	- -	- -	- -	408,150	(408,150) (35,746,314)	- -			(35,746,314)	- -	(35,746,314)	
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	<u>-</u>		_	_	_	-	_	-	_	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 Special reserve Cash dividends distributed by Chunghwa	- -	- -	- -	(185,066)	185,066 (36,475,514)	- -		- -	(36,475,514)	:	(36,475,514)	
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	_		<u> </u>		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	=	_	_	<u> </u>		=		_		18,799	18,799	
BALANCE, DECEMBER 31, 2023	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	<u>\$ (167,812)</u>	\$ 520,748	<u>\$ (44)</u>	\$ 382,308,088	<u>\$ 12,596,252</u>	\$ 394,904,340	

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

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
Income before income tax \$ 46,992,646 \$ 47,228,950 Adjustments for: 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
Adjustments for: 32,955,842 32,785,526 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
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
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
Amortization of incremental costs of obtaining contracts 855,754 840,553 Expected credit loss 152,067 117,070
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 monetary assets 105,747 (164,346) Other current assets 733,164 (576,643)
Incremental cost of obtaining contracts (370,043) (370,043) (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 (2,052,707) (1,050,075)
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)

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	(9,106,812)	(8,396,824)
Net cash provided by operating activities	74,559,793	75,950,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other	(204.020)	(10.204)
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	_	134
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	22.262	(5.0(7
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	(43,236,761)	(3,007,000)
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 Interests received	(1,729,118) 567,842	219,092
Dividends received	467,082	550,310
Dividends received	107,002	
Net cash used in investing activities	(50,174,013)	(30,789,193)
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)

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 Cash dividends paid	\$ 679,371 (36,475,514)	\$ 1,644,277 (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	2,217	1,632
Net cash used in financing activities	(40,730,048)	(34,800,231)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(24,452)	52,556
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,368,720)	10,413,980
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	50,192,604	39,778,624
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 33,823,884	\$ 50,192,604

(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.

${\bf CHUNGHWA\ TELECOM\ CO., LTD.}$

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

	2023		2022	
ASSETS	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 Contract assets	2,378,557	- 1	12,891 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 Other current assets	17,440,198 2,234,481	3	1,376,203 3,382,727	- 1
	· · · · · · · · · · · · · · · · · · ·	1		1
Total current assets	<u>74,573,248</u>	<u>15</u>	73,855,441	<u>15</u>
NONCURRENT ASSETS	002.700		079 107	
Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income	983,799 4,100,121	- 1	978,196 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 Intangible assets	9,975,729 72,268,996	2 15	9,974,127 78,697,640	2 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 Other noncurrent assets	2,542,668 3,823,228	1	878,600 3,940,642	- 1
Total noncurrent assets	424,819,630	05	425,769,931	<u> </u>
	·	85		85
TOTAL	\$ 499,392,878	<u>100</u>	\$ 499,625,372	<u>100</u>
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 Current tax liabilities	4,143,175 4,296,534	1 1	3,715,122 4,580,440	1 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 Provisions	2,428,652 475,122	-	2,276,910 169,168	-
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	<u>11</u>	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	<u>171,289,086</u>	<u>34</u>	171,300,898	<u>34</u>
Retained earnings Legal reserve	77,574,465	16	77,574,465	16
Legal reserve Special reserve	2,898,503	10 1	3,083,569	10
Unappropriated earnings	52,618,677	10	51,868,574	<u>10</u>
Total retained earnings	133,091,645	27	132,526,608	27
Others	352,892		(223,084)	
Total equity	382,308,088	<u>77</u>	381,178,887	<u>77</u>
Total equity TOTAL	382,308,088 \$ 499,392,878		381,178,887 \$ 499,625,372	

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	118,106,266	<u>63</u>	113,210,698	62
GROSS PROFIT	70,623,279	_37	69,043,641	38
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	131,417		115,870	
Total operating expenses	26,553,085	<u>15</u>	25,754,178	<u>15</u>
OTHER INCOME AND EXPENSES	(633,364)		102,882	
INCOME FROM OPERATIONS	43,436,830	22	43,392,345	23
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	1,673,737	1	1,784,364	1
Total non-operating income and expenses	1,820,549	1	1,516,620	1
INCOME BEFORE INCOME TAX	45,257,379	23	44,908,965	24
INCOME TAX EXPENSE	8,340,671	4	8,431,808	5
NET INCOME	36,916,708	19	36,477,157 (Cor	<u>19</u> ntinued)

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

(Concluded)

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

							Others		
				D		Exchange Differences Arising from the	Unrealized Gain or Loss on Financial Assets at Fair Value		
		Additional	-	Retained Earnings	Unappropriated	Translation of the Foreign	through Other Comprehensive	Gain or Loss on Hedging	
	Common Stocks	Paid-in Capital	Legal Reserve	Special Reserve	Earnings	Operations	Income	Instruments	Total Equity
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 Cash dividends	-	-	-	408,150	(408,150) (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				440-040					
Special reserve Cash dividends	-	-	-	(185,066)	185,066 (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	<u>\$ 77,574,465</u>	<u>\$ 171,289,086</u>	<u>\$ 77,574,465</u>	\$ 2,898,503	\$ 52,618,677	<u>\$ (167,812)</u>	<u>\$ 520,748</u>	<u>\$ (44)</u>	<u>\$ 382,308,088</u>

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:	4 10,207,017	+ 11,5 00,5 00
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	225 002	(107.467)
properties Valuation loss on financial assets and liabilities at fair value	335,903	(107,467)
	108,337	198,534
through profit or loss, net Others	(63,548)	251,791
Changes in operating assets and liabilities:	(03,348)	231,791
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	,	(1,678,057)
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	<u>(713,142)</u>	<u>(717,588)</u>
Cash generated from operations	79,381,767	81,115,265
Interests paid	(247,358)	(59,037)
Income taxes paid	(8,505,629)	<u>(7,701,426)</u>
Net cash provided by operating activities	70,628,780	73 354 802
Their easil provided by operating activities		73,354,802 (Continued)
		(Continued)

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	(.=,>00,00)	(1,010,010)
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)	104,702
Interests received	428,539	164,371
Cash dividends received from others		150,569
	161,652	130,309
Cash dividends received from subsidiaries, associates and joint	1 727 560	1 465 602
ventures accounted for using equity method	1,727,560	1,465,692
Net cash used in investing activities	(46,681,145)	(29,785,487)
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	2,217	1,632
Net cash used in financing activities	(39,164,475)	(33,882,809)
NET INCREASE (DECREASE) IN CASH AND CASH		
EQUIVALENTS	(15,216,840)	9,686,506
EVOLVALENTS	(13,210,040)	9,000,300
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	37,976,062	28,289,556
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 22,759,222	\$ 37,976,062
The state of the s	,.00,===	<u>* 2.32.103002</u>

(Concluded)

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.

President: Chau-Young Lin

Vice President, Accounting Department: Shu-Ling Chen

Chairman and Chief Executive Officer: Shui-Yi Kuo

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

Amendment	Current Articles	Explanatory Notes
Article 2	Article 2	1. Deletion of business
		item 45, "The Third
The scope of business of the	The scope of business of the	Party Payment
Company shall be as follows:	Company shall be as follows:	(I301040)" and
		business item 55,
1) Telecommunications	1) Telecommunications	"Electric Power
Enterprises (G903010);	Enterprises (G903010);	Generation
2) Installation of the Computer	2) Installation of the Computer	(D101011)", with
Equipment Business	Equipment Business	adjustments to the
(E605010);	(E605010);	sequence
3) Telecommunication	3) Telecommunication	accordingly.
Equipment Wholesale	Equipment Wholesale	
Business (F113070);	Business (F113070);	2. In light of the new
4) Telecommunication	4) Telecommunication	procedures
Equipment Retail Business	Equipment Retail Business	established by The
(F213060);	(F213060);	Bankers Association
5) Telecommunication	5) Telecommunication	of the Republic of
Engineering Business	Engineering Business	China regarding the
(E701010);	(E701010);	financial accounts of
6) Installation of the Radio-	6) Installation of the Radio-	The Third Party
Frequency Equipment whose	Frequency Equipment whose	Payment providers,
operation is controlled by	operation is controlled by	and to ensure the
the Telecommunication	the Telecommunication	protection of our
Business (E701030);	Business (E701030);	company's financial
7) Information Software	7) Information Software	account-related
Service Business (ISO1010);	Service Business (ISO1010);	interests, and taking
8) Rental Business (JE01010);	8) Rental Business (JE01010);	into account that our
9) Other Wholesale Businesses	9) Other Wholesale Businesses	company is currently
(F199990);	(F199990); 10) Management and	not engaged in any activities related to
10) Management and Consulting Service Business	Consulting Service Business	The Third Party
(1103060);	(1103060);	Payment, it is
11) Other Corporation Service	11) Other Corporation Service	proposed to delete
Businesses (IZ99990);	Businesses (IZ99990);	the business item of
12) Other Retail Businesses	12) Other Retail Businesses	"The Third Party
(F299990);	(F299990);	Payment (I301040)"
13) Online Certification Service	13) Online Certification Service	from Article 2 of the
Businesses (IZ13010);	Businesses (IZ13010);	Articles of
14) Supply of Electronic	14) Supply of Electronic	Incorporation.
Information Service	Information Service	or poracioni
Businesses (I301030);	Businesses (I301030);	3. In response to the
15) Information Process	15) Information Process	adjustments to the
Service Business (I301020);	Service Business (I301020);	Company's business
16) Telecommunication	16) Telecommunication	operation strategies
Account Application Agency	Account Application Agency	and environmental
Businesses (IE01010);	Businesses (IE01010);	factors such as
17) Residential and	17) Residential and	changes to the
Commercial Building	Commercial Building	electric power
Development, Rental and	Development, Rental and	generation industry,
		the Company will not

Amendment	Current Articles	Explanatory Notes
Sales Businesses	Sales Businesses	directly engage in
(H701010);	(H701010);	the operation of the
18) Development of Special	18) Development of Special	electric power
District/Zone Businesses	District/Zone Businesses	generation industry
(H701040);	(H701040);	at this stage and
19) Real Estate Rental	19) Real Estate Rental	hereby deletes the
Businesses (H703100);	Businesses (H703100);	business item of
20) Community Common	20) Community Common	"Electric Power
Cable Television Equipment	Cable Television Equipment	Generation
Businesses (J502020);	Businesses (J502020);	(D101011)" from the
21) Exhibition Service	21) Exhibition Service	Articles of
Businesses (JB01010);	Businesses (JB01010);	Incorporation.
22) Parking Lot Operation	22) Parking Lot Operation	•
Businesses (G202010);	Businesses (G202010);	
23) Environmental Assessment	23) Environmental Assessment	
Service Businesses	Service Businesses	
(J101050);	(J101050);	
24) Computer and Accessories	24) Computer and Accessories	
Manufacturing Service	Manufacturing Service	
(CC01110);	(CC01110);	
25) Information Storage and	25) Information Storage and	
Process Equipment	Process Equipment	
Manufacturing Businesses	Manufacturing Businesses	
(CC01120);	(CC01120);	
26) Other Electrical and	26) Other Electrical and	
Electronic Machinery &	Electronic Machinery &	
Equipment Manufacturing	Equipment Manufacturing	
Businesses (CC01990);	Businesses (CC01990);	
27) General Hotel Business	27) General Hotel Business	
(J901020);	(J901020);	
28) Computer and	28) Computer and	
Administrative Device	Administrative Device	
Wholesale Businesses	Wholesale Businesses	
(F113050);	(F113050);	
29) Information Software	29) Information Software	
Wholesale Businesses	Wholesale Businesses	
(F118010);	(F118010);	
30) Computer and	30) Computer and	
Administrative Device Retail	Administrative Device Retail	
Businesses (F213030);	Businesses (F213030);	
31) Information Software	31) Information Software	
Rental Businesses	Rental Businesses	
(F218010);	(F218010);	
32) Energy Service Business	32) Energy Service Business	
(IG03010);	(IG03010);	
33) Engineering Consulting	33) Engineering Consulting	
Business (I101061);	Business (I101061);	
34) Refrigeration and Air-	34) Refrigeration and Air-	
Conditioning Consulting	Conditioning Consulting	
Business (E602011);	Business (E602011);	

Amendment	Current Articles	Explanatory Notes
35) Automatic Control	35) Automatic Control	- ,
Equipment Engineering	Equipment Engineering	
Business (E603050);	Business (E603050);	
36) Lighting Equipment	36) Lighting Equipment	
Installation Business	Installation Business	
(E603090);	(E603090);	
37) Non-store Retailer	37) Non-store Retailer	
Business (F399040);	Business (F399040);	
38) Power Equipment	38) Power Equipment	
Installation and	Installation and	
Maintenance Business	Maintenance Business	
(E601010);	(E601010);	
39) Electrical Appliance	39) Electrical Appliance	
Installation Business	Installation Business	
(E601020);	(E601020);	
40) Instrument Installation	40) Instrument Installation	
Engineering Business	Engineering Business	
(EZ05010);	(EZ05010);	
41) Television Program	41) Television Program	
Production Business	Production Business	
(J503020);	(J503020);	
42) Broadcasting and	42) Broadcasting and	
Television Program Launch	Television Program Launch	
Business (J503030);	Business (J503030);	
43) Broadcasting and	43) Broadcasting and	
Television Advertising	Television Advertising	
Business (J503040);	Business (J503040);	
44) Production, Licensed	44) Production, Licensed	
Recording and Supply of	Recording and Supply of	
Videotape Program	Videotape Program	
Business (J503050);	Business (J503050);	
	45)The Third Party Payment	
	Business (1301040);	
45) Water Pipe Construction	46) Water Pipe Construction	
Business (E501011);	Business (E501011);	
46) Machinery and Equipment	47) Machinery and Equipment	
Manufacturing Business	Manufacturing Business	
(CB01010);	(CB01010);	
47)Traffic Signals Installation	48) Traffic Signals Installation	
and Construction Business	and Construction Business	
(E603080);	(E603080);	
48)Traffic Labels Construction	49) Traffic Labels Construction	
Business (EZ06010);	Business (EZ06010);	
49)Medical Device Wholesale	50) Medical Device Wholesale	
Business (F108031);	Business (F108031);	
50)Medical Device Retail	51) Medical Device Retail	
Business (F208031);	Business (F208031);	
51) Metrological Instruments	52) Metrological Instruments	
Importing Business	Importing Business	
(F401181);	(F401181);	

Amendment	Current Articles	Explanatory Notes
52)Metrological Instruments	53) Metrological Instruments	
Repairing Business	Repairing Business	
(JA02051);	(JA02051);	
53) Metrological Instruments	54) Metrological Instruments	
Manufacturing Business	Manufacturing Business	
(CE01021);	(CE01021);	
	55)Electric Power Generation	
54)6	(D101011)	
54)Commercial Port Area Ship-	56)Commercial Port Area Ship-	
repair (CD01070); 55)Except the permitted	repair (CD01070) <u>57)</u> Except the permitted	
business, the Company	business, the Company may	
may engage in other	engage in other businesses	
businesses not prohibited	not prohibited or restricted	
or restricted by laws and	by laws and regulations	
regulations (ZZ99999).	(ZZ99999).	
	(,	
The Company may handle	The Company may handle	
endorsement and guaranty affair		
accordance with the Operation	accordance with the Operation	
Procedures for the Endorsement	Procedures for the Endorsement	
Guaranty of the Company if ther		
any business need.	any business need.	
Article 22	Article 22	1 Adjustment to the
Article 22	Article 22	1. Adjustment to the upper-lower limits of
In annual profit-making year,	In annual profit-making year,	the employee
the Company should distribute	the Company should distribute	compensation
2.0% - 5.0% of profit as	1.7% - 4.3% of profit as	distribution ratio in
employees' compensation, and	employees' compensation, and	Paragraph 1.
not more than 0.17% of profit	not more than 0.17% of profit	
should be distributed as	should be distributed as	2. Amendment to
Directors' compensation,	Directors' compensation,	Paragraph 3
however, that if the Company	however, that if the Company	regarding the
has any accumulated losses, an	has any accumulated losses, an	applicable fiscal year.
amount to offset should be	amount to offset should be	
reserved in advance.	reserved in advance.	
The Company should by a	The Company should by a	
resolution adopted by a	resolution adopted by a	
majority vote at a meeting of	majority vote at a meeting of	
the Board of Directors	the Board of Directors	
attended by two-thirds of the	attended by two-thirds of the	
total number of directors, have	total number of directors, have	
the profit distributable as	the profit distributable as	
employees' compensation in	employees' compensation in	
the preceding paragraph	the preceding paragraph	
distributed in the form of	distributed in the form of	
share or in cash; and report at	share or in cash; and report at	
the General Meeting of	the General Meeting of	
shareholders.	shareholders.	

Amendment	Current Articles	Explanatory Notes
The provisions in the two preced	The provisions in the two preced	
Paragraphs have retrospective et	Paragraphs have retrospective et	
and should apply to the	and should apply to the	
determination of compensation	determination of compensation	
employees and Directors for the	employees and Directors for the	
fiscal year of 20 <u>24</u> .	fiscal year of 20 <u>15</u> .	
-		