



Chunghwa Telecom Reports Un-Audited Consolidated Operating Results for the Third Quarter of 2021

TAIPEI, Taiwan, R.O.C. November 1, 2021 - Chunghwa Telecom Co., Ltd. (TAIEX: 2412, NYSE: CHT) (“Chunghwa” or “the Company”) today reported its un-audited operating results for the third quarter of 2021. All figures were prepared in accordance with Taiwan-International Financial Reporting Standards (“T-IFRSs”) on a consolidated basis.

(Comparisons throughout the press release, unless otherwise stated, are made with regard to the prior year period.)

Third Quarter 2021 Financial Highlights

- Total revenue decreased by 2.5% to NT\$ 50.89 billion.
- Mobile communications revenue increased by 5.6% to NT\$ 22.84 billion.
- Internet revenue increased by 11.0% to NT\$ 8.28 billion.
- Domestic fixed communications revenue decreased by 16.9% to NT\$ 15.66 billion.
- International fixed communications revenue decreased by 1.5% to NT\$ 2.11 billion.
- Total operating costs and expenses decreased by 5.5% to NT\$ 39.44 billion.
- Net income attributable to stockholders of the parent increased by 12.8% to NT\$ 9.40 billion.
- Basic earnings per share (EPS) was NT\$1.21.

“We are pleased to see our products and services have been featured in even greater spotlights during the third quarter,” said Mr. Chi-Mau Sheih, Chairman, and CEO of Chunghwa Telecom. “In the mobile business, post-paid subscriber number and mobile service revenue continued to increase year over year to sustain ARPU growth. The launch of the iPhone 13 series late in the third quarter further increased the number of 5G subscribers and higher price plan adoption. We remain dedicated to providing our clients with excellent connection and experiences. Currently, we have more than 10,000 5G base stations operating and expect to meet our guidance of 12,000 base stations by end of year.”

“In addition, we are also delighted to see the ‘work from anywhere’ trend continued to enhance the growth of our broadband business as the number of 300Mbps and higher subscribers increased by 48% year-over-year. Our MOD business continued to achieve good

performance as a result of our proper pricing strategy and the success of the broadcasting of the Tokyo Olympic Games. For ICT business, we are pleased to see ICT project margin growth on a year over year basis and will continue to leverage our ICT technology capabilities to cater to more emerging digital opportunities. ”

Mr. Sheih concluded, “Going forward, we will strive to maintain the upward trend of revenue and ARPU in every business segment and upgrade our products and services to satisfy our customers. To respond to the ESG requirement, we will also carry out ESG practices to pursue sustainable corporate growth. ”

Revenue

Chunghwa Telecom’s total revenues for the third quarter of 2021 decreased by 2.5% to NT\$ 50.89 billion.

Mobile communications revenue for the third quarter of 2021 increased by 5.6% to NT\$ 22.84 billion. This was mainly due to the increase in handset sales revenue as well as mobile service revenue.

Internet business revenue for the third quarter of 2021 increased by 11.0% year over year to NT\$ 8.28 billion.

Domestic fixed revenue for the third quarter of 2021 decreased by 16.9% year over year to NT\$ 15.66 billion, mainly due to the decrease of ICT project revenues, which was offset by the increase of broadband access revenue.

International fixed communications revenue decreased by 1.5% to NT\$ 2.11 billion.

Operating Costs and Expenses

Total operating costs and expenses for the third quarter of 2021 decreased by 5.5 % year over year to NT\$ 39.44 billion, mainly due to lower ICT project cost and lower concession fees.

Operating Income and Net Income

Income from operations for the third quarter of 2021 increased by 6.7 % to NT\$ 11.44 billion. The operating margin was 22.5 %, as compared to 20.6 % in the same period of 2020. Net income attributable to stockholders of the parent increased by 12.8% to NT\$ 9.40 billion. Basic earnings per share was NT\$1.21.

Cash Flow and EBITDA

Cash flow from operating activities for the third quarter of 2021 increased by 4.2 % year over year to NT\$ 21.29 billion, mainly due to an increase of pre-tax income.

Cash and cash equivalents, as of September 30th, 2021, increased by 33.2 % to NT\$ 23.59 billion as compared to that as of September 30th, 2020. The increase was primarily attributable to the issuance of corporate bonds

EBITDA for the third quarter of 2021 increased by 4.8 % to NT\$ 21.06 billion. EBITDA margin was 41.40%, as compared to 38.51% in the same period of 2020.

Business and Operational Highlights

Broadband/HiNet

The Company continued to execute its strategy of encouraging FTTx migration. As of September 30th, 2021, the number of FTTx subscribers reached 3.68 million, accounting for 84.4% of the Company's total broadband users. Moreover, the number of subscribers signing up for speeds of 100Mbps or higher increased by 13.0% year over year, reaching 1.94 million, while the number of subscribers signing up for speeds of 300Mbps or higher increased by 48.0% year over year.

HiNet broadband subscribers increased by 0.5% year over year to 3.62 million as of September 30th, 2021.

Mobile

As of September 30th, 2021, Chunghwa Telecom had 11.74 million mobile subscribers, representing a 4.1 % year-over-year increase.

Fixed line

As of September 30th, 2021, the Company maintained its leading position in the fixed-line market, with a total of 9.73 million subscribers.

Financial Statements

Financial statements and additional operational data can be found on the Company's website at <http://www.cht.com.tw/en/home/cht/investors/financials/quarterly-earnings>

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Statements that are not historical facts, including statements about Chunghwa's beliefs and

expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors including, but not limited to the risks outlined in Chunghwa's filings with the U.S. Securities and Exchange Commission on Forms F-1, F-3, 6-K and 20-F, in each case as amended. The forward-looking statements in this press release reflect the current belief of Chunghwa as of the date of this press release and Chunghwa undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date, except as required under applicable law.

This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the company and management, as well as financial statements.

NON-GAAP FINANCIAL MEASURES

To supplement the Company's consolidated financial statements presented in accordance with International Financial Reporting Standards pursuant to the requirements of the Financial Supervisory Commission, or T-IFRSs, Chunghwa Telecom also provides EBITDA, which is a "non-GAAP financial measure". EBITDA is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs and derivative transactions), (iii) other income, net, (iv) income tax, (v) (income) loss from discontinued operations.

In managing the Company's business, Chunghwa Telecom relies on EBITDA as a means of assessing its operating performance because it excludes the effect of (i) depreciation and amortization, which represents a non-cash charge to earnings, (ii) certain financing costs, which are significantly affected by external factors, including interest rates, foreign currency exchange rates and inflation rates, which have little or no bearing on our operating performance, (iii) income tax (iv) other expenses or income not related to the operation of the business.

CAUTIONS ON USE OF NON-GAAP FINANCIAL MEASURES

In addition to the consolidated financial results prepared under T-IFRSs, Chunghwa Telecom also provide non-GAAP financial measures, including "EBITDA". The Company believes that the non-GAAP financial measures provide investors with another method for assessing its operating results in a manner that is focused on the performance of its ongoing operations.

Chunghwa Telecom's management believes investors will benefit from greater transparency in referring to these non-GAAP financial measures when assessing the Company's operating results, as well as when forecasting and analyzing future periods. However, the Company recognizes that:

- these non-GAAP financial measures are limited in their usefulness and should be considered only as a supplement to the Company's T-IFRSs financial measures;
- these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, the Company's T-IFRSs financial measures;
- these non-GAAP financial measures should not be considered to be superior to the Company's T-IFRSs financial measures; and
- these non-GAAP financial measures were not prepared in accordance with T-IFRSs and investors should not assume that the non-GAAP financial measures presented in this earnings release were prepared under a comprehensive set of rules or principle.

Further, these non-GAAP financial measures may be unique to Chunghwa Telecom, as they may be different from non-GAAP financial measures used by other companies. As such, this presentation of non-GAAP financial measures may not enhance the comparability of the Company's results to the results of other companies. Readers are cautioned not to view non-GAAP results as a substitute for results under T-IFRSs, or as being comparable to results reported or forecasted by other companies.

About Chunghwa Telecom

Chunghwa Telecom (TAIEX 2412, NYSE: CHT) ("Chunghwa" or "the Company") is Taiwan's largest integrated telecommunications services company that provides fixed-line, mobile, broadband, and internet services. The Company also provides information and communication technology services to corporate customers with its big data, information security, cloud computing and IDC capabilities, and is expanding its business into innovative technology services such as IoT, AI, etc. In recent years, Chunghwa has been actively involved in corporate social responsibility and has won domestic and international awards and recognition. For more information, please visit our website at www.cht.com.tw

Contact: Angela Tsai
Phone: +886 2 2344 5488
Email: chtir@cht.com.tw