# Chunghwa Telecom Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2022 and 2021

## CONSOLIDATED BALANCE SHEETS (In Millions of New Taiwan Dollars)

	June 30, 2 (Unaudit		December 31	*	June 30, 2 (Unaudit			June 30, 2 (Unaudit		December 31 (Audited	June 30, 2021 (Unaudited)		
ASSETS	Amount	%	Amount	%	Amount	%	LIABILITIES AND EQUITY	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents	\$ 54,262	10	\$ 39,779	8	\$ 32,139	6	Short-term loans	\$ 442	_	\$ 65	_	\$ 60	_
Financial assets at fair value through profit or loss	-	-	3	-	2	-	Financial liabilities at fair value through profit or loss	2	_	6	_	1	_
Hedging financial assets	_	_	-	_	-	_	Hedging financial liabilities	7	_	8	_	14	_
Contract assets	5,762	1	5,554	1	5,354	1	Contract liabilities	12,684	2	12,234	2	13,578	3
Trade notes and accounts receivable, net	22,313	4	23,947	5	21,952	4	Trade notes and accounts payable	10,997	2	18,063	4	12,944	3
Receivables from related parties	74	7	41	-	44	7	Payables to related parties	187	-	392	7	344	3
Inventories	11,074	2	11,327	2	11,521	2	Current tax liabilities	6,032	1	6,530	1	5,631	1
		∠ 1				1	Lease liabilities	3,247	1		1		1
Prepayments	5,274	1	2,330	-	5,464	1			1	3,211	1	3,311	1
Other current monetary assets	7,188	2	5,061	1	18,889	4	Dividends Payable	35,746	/	-	-	33,404	6
Other current assets	3,870	1	2,979	1	3,503	1	Other payables	21,880	4	24,437	5	21,425	4
							Provisions	226	-	285	-	318	-
Total current assets	109,817	21	91,021	18	98,868	<u>19</u>	Current portion of long-term loans	-	-	-	-	1,600	-
							Other current liabilities	1,057	<del>-</del>	998	<u>-</u>	954	<del>-</del>
NONCURRENT ASSETS													
Financial assets at fair value through profit or loss	929	-	909	-	904	-	Total current liabilities	92,507	17	66,229	13	93,584	18
Financial assets at fair value through other													
comprehensive income	3,495	1	3,616	1	3,636	1	NONCURRENT LIABILITIES						
Investments accounted for using equity method	6,898	1	7,137	1	7,080	1	Long-term loans	1,600	-	1,600	-	_	_
Contract assets	2,855	1	2,608	1	2,383	_	Bonds payable	30,475	6	26,977	6	26,974	6
Property, plant and equipment	285,066	54	289,100	56	282,692	55	Contract liabilities	7,098	2	6,840	1	7,024	1
Right-of-use assets	11,143	2	11,051	2	10,696	2	Deferred income taxes liabilities	2,229	-	2,189	-	2,077	-
Investment properties	9,735	2	9,663	2	9,600	2	Provisions	153	_	142	_	132	_
Intangible assets	80,746	15	83,945	16	87,071	17	Lease liabilities	7,215	2	7,062	1	6,026	1
Deferred income tax assets	2,587	13	2,785	10	3,066	1 /	Customers' deposits	5,006	1	5,336	1	4,815	1
		1	988	•		1	Net defined benefit liabilities		1		1	3,415	1
Incremental costs of obtaining contracts	951	-		-	945	-		2,276	-	2,288	1		1
Net defined benefit assets	3,743	1	3,391	1	3,754	1	Other noncurrent liabilities	4,980	1	5,082	1	2,018	
Prepayments	1,854	-	1,798	-	1,994	-							
Other noncurrent assets	6,592	1	4,863	1	4,881	1	Total noncurrent liabilities	61,032	12	57,516	11	52,481	10
Total noncurrent assets	416,594	79	421,854	82	418,702	81	Total liabilities	153,539	29	123,745	24	146,065	28
							EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT						
							Common stocks	77,574	15	77,574	15	77,574	15
							Additional paid-in capital	149,825	<u>15</u> <u>28</u>	149,810	<u>15</u> 29	149,806	<u>15</u> <u>29</u>
							Retained earnings	147,023				142,000	
							Legal reserve	77,574	15	77,574	15	77,574	15
									13	2,676	1.3		1.5
							Special reserve	3,084	10		1 1 1	2,676	10
							Unappropriated earnings	53,606	10	70,157	14	52,818	$\frac{10}{26}$
							Total retained earnings	134,264	26	150,407	30	133,068	
							Others	(377)		(408)	<del>-</del>	(241)	
							Total equity attributable to stockholders of the						
							parent	361,286	69	377,383	74	360,207	70
							parent	301,200	0)	377,303	7 -	300,207	70
							NONCONTROLLING INTERESTS	11,586	2	11,747	2	11,298	2
							Total equity	372,872	<u>71</u>	389,130	<u>76</u>	<u>371,505</u>	<u>72</u>
TOTAL	<u>\$ 526,411</u>	<u>100</u>	<u>\$ 512,875</u>	_100	<u>\$ 517,570</u>	_100	TOTAL	\$ 526,411	<u>100</u>	<u>\$ 512,875</u>	<u>100</u>	<u>\$ 517,570</u>	<u> 100</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Millions of New Taiwan Dollars, Except Earnings Per Share)
(Unaudited)

	Three Months Ended June 30				Six Months Ended June 30				
	2022 2021			2022		2021			
	Amount	%	Amount	%	Amount	%	Amount	%	
REVENUES	\$ 52,435	100	\$ 49,601	100	\$ 103,730	100	\$ 99,702	100	
OPERATING COSTS	32,346	62	31,058	63	64,037	62	62,951	63	
GROSS PROFIT	20,089	38	18,543	37	39,693	38	36,751	37	
OPERATING EXPENSES  Marketing General and administrative Research and development Expected credit loss (reversal of credit loss)	5,592 1,542 953 (27)	11 2 2	5,044 1,280 893	9 3 2	11,037 3,090 1,802	11 2 2	9,929 2,583 1,768	9 3 2	
Total operating expenses	8,060	15	7,260	14	16,003	<u>15</u>	14,367	14	
OTHER INCOME AND EXPENSES	(3)		<del>-</del>		(4)		3		
INCOME FROM OPERATIONS	12,026	23	11,283	23	23,686	23	22,387	23	
NON-OPERATING INCOME AND EXPENSES Interest income Other income Other gains and losses Interest expenses Share of profits of associates and joint ventures accounted for using equity method  Total non-operating income and expenses  INCOME BEFORE INCOME TAX INCOME TAX EXPENSE	64 210 62 (65) ————————————————————————————————————		28 49 95 (55) —————————————————————————————————		88 254 (47) (121)  316  490 24,176 3,829		46 91 259 (106) ————————————————————————————————————		
NET INCOME	11,454	22	10,585	21	20,347	20	19,223	19	
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified to profit or loss: Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income Gain or loss on hedging instruments subject to basis adjustment Share of remeasurements of defined benefit pension plans of associates and joint ventures	(79) (15) ————————————————————————————————————		(65) (12) —	- -	(124) 1	- -	(1,010) (16) — <u>1</u> (1,025)	(1) (1) ontinued)	

### ${\bf CHUNGHWA\ TELECOM\ CO.,\ LTD.\ AND\ SUBSIDIARIES }$

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Millions of New Taiwan Dollars, Except Earnings Per Share) (Unaudited)

	Thre	Ended June 30	Six Months Ended June 30					
	2022		2021		2022		2021	
Items that may be reclassified subsequently to profit or loss: Exchange differences arising from	Amount	%	Amount	%	Amount	%	Amount	%
the translation of the foreign operations Share of exchange differences arising from the translation of the	\$ 75	-	\$ (11)	-	\$ 152	-	\$ (48)	-
foreign operations of associates and joint ventures	<u>1</u> 	<del>_</del>	(1) (12)	<del>-</del>	<u>1</u> 153	<del>-</del>	(1) (49)	<del>-</del>
Total other comprehensive income (loss), net of income tax	(18)		(89)	<del>-</del>	32		(1,074)	(1)
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,436</u>	22	<u>\$ 10,496</u>	<u>21</u>	\$ 20,379	20	<u>\$ 18,149</u>	<u>18</u>
NET INCOME ATTRIBUTABLE TO Stockholders of the parent Noncontrolling interests	\$ 11,021 433	21 1	\$ 10,215 370	20 1	\$ 19,601 	19 1	\$ 18,553 670	19 
	<u>\$ 11,454</u>	22	<u>\$ 10,585</u>	<u>21</u>	\$ 20,347	<u>20</u>	<u>\$ 19,223</u>	<u>19</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO Stockholders of the parent	\$ 11,007	21	\$ 10,126	20	\$ 19,634	19	\$ 17,480	18
Noncontrolling interests	<u>429</u> <u>\$ 11,436</u>	<u>1</u> <u>22</u>	<u>370</u> <u>\$ 10,496</u>	<u>1</u> <u>21</u>	745 \$ 20,379	<u>1</u> <u>20</u>	<u>669</u> <u>\$ 18,149</u>	
EARNINGS PER SHARE Basic Diluted	\$ 1.42 \$ 1.42		\$\frac{1.32}{\$\frac{1.32}{}}		\$ 2.53 \$ 2.52		\$ 2.39 \$ 2.39	

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Millions of New Taiwan Dollars) (Unaudited)

	Equity Attributable to Stockholders of the Parent												
							Evahanga	Ot	hers				
		Additional		Retained Special	l Earnings Unappropriated	Total Retained	Exchange Differences Arising from the Translation of the Foreign	Unrealized Gain or Loss on Financial Assets at	Gain or Loss on Hedging		Total Equity Attributable to Stockholders	Noncontrolling	
	Common Stocks	Paid-in Capital	Legal Reserve	Reserve	Earnings	Earnings	Operations	FVOCI	Instruments	<b>Total Others</b>	of the Parent	Interests	<b>Total Equity</b>
BALANCE, JANUARY 1, 2021	\$ 77,574	\$ 149,790	\$ 77,574	\$ 2,676	\$ 67,574	\$ 147,824	\$ (315)	\$ 1,240	\$ 2	\$ 927	\$ 376,115	\$ 11,158	\$ 387,273
Appropriation of 2020 earnings Cash dividends recognized by Chunghwa	-	-	-	-	(33,404)	(33,404)	-	-	-	-	(33,404)	-	(33,404)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(575)	(575)
Net income for the six months ended June 30, 2021	-	-	-	-	18,553	18,553	-	-	-	-	18,553	670	19,223
Other comprehensive income (loss) for the six months ended June 30, 2021	=	<del></del>			1	1	(50)	(1,008)	(16)	(1,074)	(1,073)	(1)	(1,074)
Total comprehensive income (loss) for the six months ended June 30, 2021	· <del>-</del>	<u> </u>		<del>_</del>	18,554	18,554	(50)	(1,008)	(16)	(1,074)	17,480	669	18,149
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	94	94	-	(94)	-	(94)	-	-	-
Share-based payment transactions of subsidiaries	<del>_</del>	16			<del>-</del>	<del>_</del>				<del>-</del>	16	46	62
BALANCE, JUNE 30, 2021	<u>\$ 77,574</u>	<u>\$ 149,806</u>	<u>\$ 77,574</u>	\$ 2,676	<u>\$ 52,818</u>	<u>\$ 133,068</u>	<u>\$ (365)</u>	<u>\$ 138</u>	<u>\$ (14)</u>	<u>\$ (241)</u>	<u>\$ 360,207</u>	<u>\$ 11,298</u>	<u>\$ 371,505</u>
BALANCE, JANUARY 1, 2022	\$ 77,574	\$ 149,810	\$ 77,574	\$ 2,676	\$ 70,157	\$ 150,407	\$ (392)	\$ (8)	\$ (8)	\$ (408)	\$ 377,383	\$ 11,747	\$ 389,130
Appropriation of 2021 earnings Special reserve Cash dividends recognized by Chunghwa	-	-	-	408	(408) (35,746)	(35,746)	- -		- -		(35,746)	- -	(35,746)
Cash dividends recognized by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,053)	(1,053)
Reversal of unclaimed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2022	-	-	-	-	19,601	19,601	-	-	-	-	19,601	746	20,347
Other comprehensive income (loss) for the six months ended June 30, 2022	<del>-</del>				2	2	139	(109)	1	31	33	(1)	32
Total comprehensive income (loss) for the six months ended June 30, 2022	<del>_</del>	<del>-</del>	<del>-</del>		19,603	19,603	139	(109)	1	31	19,634	745	20,379
Share-based payment transactions of subsidiaries	-	15	-	-	-	-	-	-	-	-	15	55	70
Net increase in noncontrolling interests	=	=	=		<del>_</del>	=	<del>_</del>	=	<del>_</del>	<del>_</del>	<del>_</del>	92	92
BALANCE, JUNE 30, 2022	<u>\$ 77,574</u>	<u>\$ 149,825</u>	<u>\$ 77,574</u>	<u>\$ 3,084</u>	<u>\$ 53,606</u>	<u>\$ 134,264</u>	<u>\$ (253)</u>	<u>\$ (117)</u>	<u>\$ (7)</u>	<u>\$ (377)</u>	<u>\$ 361,286</u>	<u>\$ 11,586</u>	<u>\$ 372,872</u>

# **CONSOLIDATED STATEMENTS OF CASH FLOWS** (In Millions of New Taiwan Dollars)

(Unaudited)

	Six Months Ended June 30		
	2022	2021	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$ 24,176	\$ 22,793	
Adjustments to reconcile income before income tax to net cash	\$ 24,170	\$ 22,193	
provided by operating activities:			
Depreciation	16,354	15,760	
Amortization	3,275	3,283	
Amortization of incremental costs of obtaining contracts	418	395	
Expected credit loss	74	87	
Interest expense	121	106	
Interest income	(88)	(46)	
Dividend income	(153)	-	
Compensation cost of share-based payment transactions	8	9	
Share of profits of associates and joint ventures accounted for	•		
using equity method	(316)	(116)	
Loss (gain) on disposal of property, plant and equipment	4	(3)	
Gain on disposal of financial instruments	(1)	-	
Loss on disposal of investments accounted for using equity	( )		
method	1	-	
Provision for impairment loss and obsolescence of inventory	63	32	
Valuation loss (gain) on financial assets and liabilities at fair			
value through profit or loss, net	63	(224)	
Others	104	(90)	
Changes in operating assets and liabilities:		,	
Decrease (increase) in:			
Contract assets	(455)	90	
Trade notes and accounts receivable	1,567	644	
Receivables from related parties	(33)	187	
Inventories	190	856	
Prepayments	(3,000)	(2,938)	
Other current monetary assets	(387)	(986)	
Other current assets	(891)	(1,154)	
Incremental cost of obtaining contracts	(381)	(341)	
Increase (decrease) in:			
Contract liabilities	708	(124)	
Trade notes and accounts payable	(7,062)	(2,647)	
Payables to related parties	(205)	(302)	
Other payables	(2,245)	(3,201)	
Provisions	(48)	36	
Other current liabilities	73	(66)	
Net defined benefit plans	(363)	(381)	
Cash generated from operations	31,571	31,659	
		(Continued)	

# **CONSOLIDATED STATEMENTS OF CASH FLOWS** (In Millions of New Taiwan Dollars)

(Unaudited)

Interests paid   S		Six Months Ended June 30			
Net cash provided by operating activities   27,406   27,694		2022	2021		
Net cash provided by operating activities   27,406   27,694	Interests paid	\$ (75)	\$ (45)		
Acquisition of financial assets at fair value through other comprehensive income Proceeds from disposal of financial assets at fair value through other comprehensive income Acquisition of financial assets at fair value through other comprehensive income Acquisition of financial assets at fair value through profit or loss Acquisition of financial assets at fair value through profit or loss Proceeds from disposal of financial assets at fair value through profit or loss Proceeds from capital reduction of financial assets at fair value through profit or loss Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months Proceeds from disposal of time deposits and negotiable certificates of deposit with maturities of more than three months Acquisition of investments accounted for using equity method Proceeds from capital reduction of investments accounted for using equity method Acquisition of investments accounted for using equity method Acquisition of property, plant and equipment Acquisition of intangible assets Acquisition of investment properties Because of the property of the plant and equipment Acquisition of intangible assets Acquisition of investment properties Ac	•	. ,	` /		
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Comprehensive income	CASH FLOWS FROM INVESTING ACTIVITIES				
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Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months Proceeds from disposal of time deposits and negotiable certificates of deposit with maturities of more than three months 3,599 3,027 Acquisition of investments accounted for using equity method Proceeds from capital reduction of investments accounted for using equity method Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment Acquisition of intangible assets Proceeds from disposal of property, plant and equipment Acquisition of intangible assets Acquisition of investment properties Acquisition of intangible assets Acquisition of investment properties Acquisition of intangible assets Acqui	Proceeds from capital reduction of financial assets at fair value				
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Proceeds from disposal of time deposits and negotiable certificates of deposit with maturities of more than three months Acquisition of investments accounted for using equity method Proceeds from capital reduction of investments accounted for using equity method Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of investments accounted for using equity method Acquisition of property, plant and equipment Acquisition of intangible assets (75) (68) Acquisition of investment properties (18) Decrease (increase) in other noncurrent assets (1,743) 313 Interests received 78 39 Dividends received 78 39 Dividends received 5 103  Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Repayments of short-term bills payable Spondard					
of deposit with maturities of more than three months Acquisition of investments accounted for using equity method Proceeds from capital reduction of investments accounted for using equity method Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of intangible assets Acquisition of investment properties Acquisition of investment acquisition of inv		(4,938)	(15,131)		
Acquisition of investments accounted for using equity method Proceeds from capital reduction of investments accounted for using equity method Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of intangible assets Acquisition of investment properties Acqui	Proceeds from disposal of time deposits and negotiable certificates				
Proceeds from capital reduction of investments accounted for using equity method Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment Acquisition of intangible assets Acquisition of intangible assets Acquisition of investment properties Cerease (increase) in other noncurrent assets Interests received Proceeds from short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Repayments of short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Acquisition of the proceeds from short-term bills payable Acquisition of the proceeds from issuance of bonds Acquisition of investing activities  Acquisition of intangible Acquisition of the proceeds from investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans Acquisition of the proceeds from issuance of bonds Acquisition of investing activities  Acquisition of intangible Acquisition of the proceeds from short-term bases and the proceeds from short-term bases are proceeds from short-term bases and the proceeds from short-term bills payable Acquisition of the proceeds from short-term bases are proceed from short-term bases and the proceeds from short-term bases are proceed from short-term bases are proceeded from short-term bases are p	of deposit with maturities of more than three months	3,599	3,027		
equity method Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of intesposal of property, plant and equipment Acquisition of investment properties Acquisition of investment properties Cacquisition of investment properties Decrease (increase) in other noncurrent assets (1,743) Interests received Table 10  Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Repayments of short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term bills payable Proceeds from short-term bills payable Proceeds from issuance of bonds Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term bills payable Proceeds from stort-term bills payable Froceeds from issuance of bonds Acquisition of investing activities Acquisition of investment assets Acquisition of investme	Acquisition of investments accounted for using equity method	(20)	(330)		
Acquisition of property, plant and equipment Proceeds from disposal of property, plant and equipment Acquisition of intangible assets (75) (68) Acquisition of intangible assets (75) (68) Acquisition of investment properties (18) - Decrease (increase) in other noncurrent assets (1,743) 313 Interests received 78 39 Dividends received 5 103  Net cash used in investing activities (14,596) (24,202)  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans 420 173 Repayments of short-term loans (43) (180) Proceeds from short-term bills payable - 5,000 Repayments of short-term bills payable - (12,000) Proceeds from issuance of bonds 3,500 7,000 Payments for transaction costs attributable to the issuance of bonds (4) (8) Decrease in customers' deposits (344) (33) Payments for the principal of lease liabilities (1,932) (1,900) Increase (decrease) in other noncurrent liabilities (102) 127 Change in other noncontrolling interests 154 53 Payment of claimed dividend  Net cash provided by (used in) financing activities 1,649 (1,768)					
Proceeds from disposal of property, plant and equipment Acquisition of intangible assets Acquisition of investment properties Acquisition of investment properties Decrease (increase) in other noncurrent assets (1,743) Interests received 78 Dividends received 78 Dividends received 78 Dividends received 78 Dividends received 79 Dividends received CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Proceeds from short-term loans 420 Repayments of short-term bills payable Proceeds from short-term bills payable Proceeds from issuance of bonds Repayments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities (1,932) Increase (decrease) in other noncurrent liabilities (102) Payment of claimed dividend  Net cash provided by (used in) financing activities  1,649 (1,768)	equity method	340	-		
Acquisition of intangible assets Acquisition of investment properties Decrease (increase) in other noncurrent assets Interests received The cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Repayments of short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Acquisition of investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Acquisition of investment assets Acquisition of investment assets Acquisition of investment assets Acquisition of investment properties Acquisition of investing activities Acquisition of investment assets Acquisition of investment assets Acquisition of investment assets Acquisition of investment assets Acquisition of investing activities Acquisition of		(11,784)	(14,995)		
Acquisition of investment properties Decrease (increase) in other noncurrent assets Interests received To be cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from short-term loans Repayments of short-term bills payable Repayments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Increase (decrease) in other noncurrent liabilities Payment of claimed dividend  Net cash provided by (used in) financing activities  (18)  1420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 173 420 420 420 420 420 420 420 420 420 420		4	17		
Decrease (increase) in other noncurrent assets  Interests received  Dividends received  Net cash used in investing activities  CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans  Repayments of short-term bills payable  Repayments of short-term bills payable  Repayments of short-term bills payable  Proceeds from issuance of bonds  Proceeds from issuance of bonds  Payments for transaction costs attributable to the issuance of bonds  Decrease in customers' deposits  Increase (decrease) in other noncurrent liabilities  Payment of claimed dividend  Net cash provided by (used in) financing activities  (1,743)  313  78  39  Decrease in (14,596)  (24,202)  173  420  173  420  173  (180)  179  - (12,000)  7,000  7,000  7,000  7,000  1,000	Acquisition of intangible assets	(75)	(68)		
Interests received Dividends received 5 103  Net cash used in investing activities (14,596) (24,202)  CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans 420 173 Repayments of short-term loans (43) (180) Proceeds from short-term bills payable - 5,000 Repayments of short-term bills payable - (12,000) Proceeds from issuance of bonds 3,500 7,000 Payments for transaction costs attributable to the issuance of bonds (4) (8) Decrease in customers' deposits (344) (33) Payments for the principal of lease liabilities (1,932) (1,900) Increase (decrease) in other noncurrent liabilities (102) 127 Change in other noncontrolling interests 154 53 Payment of claimed dividend		(18)	-		
Dividends received 5 103  Net cash used in investing activities (14,596) (24,202)  CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans 420 173  Repayments of short-term loans (43) (180)  Proceeds from short-term bills payable - 5,000  Repayments of short-term bills payable - (12,000)  Proceeds from issuance of bonds 3,500 7,000  Payments for transaction costs attributable to the issuance of bonds (4) (8)  Decrease in customers' deposits (344) (33)  Payments for the principal of lease liabilities (1,932) (1,900)  Increase (decrease) in other noncurrent liabilities (102) 127  Change in other noncontrolling interests 154 53  Payment of claimed dividend  Net cash provided by (used in) financing activities 1,649 (1,768)		(1,743)	313		
Net cash used in investing activities (14,596) (24,202)  CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans 420 173  Repayments of short-term loans (43) (180)  Proceeds from short-term bills payable - 5,000  Repayments of short-term bills payable - (12,000)  Proceeds from issuance of bonds 3,500 7,000  Payments for transaction costs attributable to the issuance of bonds (4) (8)  Decrease in customers' deposits (344) (33)  Payments for the principal of lease liabilities (1,932) (1,900)  Increase (decrease) in other noncurrent liabilities (102) 127  Change in other noncontrolling interests 154 53  Payment of claimed dividend  Net cash provided by (used in) financing activities 1,649 (1,768)	Interests received	78	39		
CASH FLOWS FROM FINANCING ACTIVITIES  Proceeds from short-term loans  Repayments of short-term loans  Repayments of short-term bills payable  Repayments of short-term bills payable  Repayments of short-term bills payable  Proceeds from issuance of bonds  Proceeds from issuance of bonds  Payments for transaction costs attributable to the issuance of bonds  Decrease in customers' deposits  Payments for the principal of lease liabilities  Payments for the principal of lease liabilities  Change in other noncontrolling interests  Payment of claimed dividend  Net cash provided by (used in) financing activities  1,649  1,768	Dividends received	5	103		
Proceeds from short-term loans Repayments of short-term loans Proceeds from short-term bills payable Proceeds from short-term bills payable Repayments of short-term bills payable Proceeds from issuance of bonds Repayments for transaction costs attributable to the issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities (1,932) Increase (decrease) in other noncurrent liabilities (102) Payment of claimed dividend  Net cash provided by (used in) financing activities  1,649  1,768	Net cash used in investing activities	(14,596)	(24,202)		
Repayments of short-term loans Proceeds from short-term bills payable Repayments of short-term bills payable Repayments of short-term bills payable Proceeds from issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities (1,932) Increase (decrease) in other noncurrent liabilities (102) Increase in other noncontrolling interests Payment of claimed dividend Net cash provided by (used in) financing activities  (43) (180) (180) (12,000) (12,000) (1,900) (1,900) (1,932) (1,900) (1,900) (1,900) (1,768)	CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of short-term loans Proceeds from short-term bills payable Repayments of short-term bills payable Repayments of short-term bills payable Proceeds from issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities (1,932) Increase (decrease) in other noncurrent liabilities (102) Increase in other noncontrolling interests Payment of claimed dividend Net cash provided by (used in) financing activities  (43) (180) (180) (12,000) (12,000) (1,900) (1,900) (1,932) (1,900) (1,900) (1,900) (1,768)	Proceeds from short-term loans	420	173		
Repayments of short-term bills payable Proceeds from issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities Increase (decrease) in other noncurrent liabilities Increase (decrease) in other noncurrent liabilities Increase (decrease) in other noncontrolling interests Payment of claimed dividend  Net cash provided by (used in) financing activities  1,649  1,768	Repayments of short-term loans	(43)	(180)		
Proceeds from issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities Increase (decrease) in other noncurrent liabilities Change in other noncontrolling interests Payment of claimed dividend  Net cash provided by (used in) financing activities  3,500 (4) (8) (1,900) (1,900) (1,900) (102) (127) (102) (127) (102) (127) (102) (1		_	5,000		
Proceeds from issuance of bonds Payments for transaction costs attributable to the issuance of bonds Decrease in customers' deposits Payments for the principal of lease liabilities Increase (decrease) in other noncurrent liabilities Change in other noncontrolling interests Payment of claimed dividend  Net cash provided by (used in) financing activities  3,500 (4) (8) (1,900) (1,900) (1,900) (102) (127) (102) (127) (102) (127) (102) (1	Repayments of short-term bills payable	-	(12,000)		
Decrease in customers' deposits (344) (33)  Payments for the principal of lease liabilities (1,932) (1,900)  Increase (decrease) in other noncurrent liabilities (102) 127  Change in other noncontrolling interests 154 53  Payment of claimed dividend		3,500	7,000		
Decrease in customers' deposits (344) (33)  Payments for the principal of lease liabilities (1,932) (1,900)  Increase (decrease) in other noncurrent liabilities (102) 127  Change in other noncontrolling interests 154 53  Payment of claimed dividend	Payments for transaction costs attributable to the issuance of bonds				
Payments for the principal of lease liabilities (1,932) (1,900) Increase (decrease) in other noncurrent liabilities (102) 127 Change in other noncontrolling interests 154 53 Payment of claimed dividend					
Increase (decrease) in other noncurrent liabilities (102) 127  Change in other noncontrolling interests 154 53  Payment of claimed dividend	•	(1,932)	, ,		
Change in other noncontrolling interests Payment of claimed dividend  Net cash provided by (used in) financing activities  154 53 (1,768)		(102)	, , ,		
Payment of claimed dividend		` ′	53		
		<del>-</del>	<del>-</del>		
	Net cash provided by (used in) financing activities	1.649	(1.768)		
	1 -) ()		(Continued)		

# **CONSOLIDATED STATEMENTS OF CASH FLOWS** (In Millions of New Taiwan Dollars)

(Unaudited)

	Six Months E	anded June 30
	2022	2021
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 24</u>	<u>\$ (5)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,483	1,719
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	39,779	30,420
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 54,262</u>	\$ 32,139

(Concluded)

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2022 and 2021 (Unaudited)

#### STATEMENT OF COMPLIANCE

The Company has prepared its consolidated balance sheets as of June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2022 and 2021 in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standard Board (IASB). The consolidated financial statements are incomplete as they omit the related footnote disclosures as required under International Financial Reporting Standards as issued by IASB.