

**Chunghwa Telecom Co., Ltd. and  
Subsidiaries**

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

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

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

ASSETS	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)		June 30, 2021 (Unaudited)		LIABILITIES AND EQUITY	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)		June 30, 2021 (Unaudited)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
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	-	41	-	44	-	Payables to related parties	187	-	392	-	344	-
Inventories	11,074	2	11,327	2	11,521	2	Current tax liabilities	6,032	1	6,530	1	5,631	1
Prepayments	5,274	1	2,330	-	5,464	1	Lease liabilities	3,247	1	3,211	1	3,311	1
Other current monetary assets	7,188	2	5,061	1	18,889	4	Dividends Payable	35,746	7	-	-	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	19	Current portion of long-term loans	-	-	-	-	1,600	-
							Other current liabilities	1,057	-	998	-	954	-
<b>NONCURRENT ASSETS</b>							Total current liabilities	92,507	17	66,229	13	93,584	18
Financial assets at fair value through profit or loss	929	-	909	-	904	-	<b>NONCURRENT LIABILITIES</b>						
Financial assets at fair value through other comprehensive income	3,495	1	3,616	1	3,636	1	Long-term loans	1,600	-	1,600	-	-	-
Investments accounted for using equity method	6,898	1	7,137	1	7,080	1	Bonds payable	30,475	6	26,977	6	26,974	6
Contract assets	2,855	1	2,608	1	2,383	-	Contract liabilities	7,098	2	6,840	1	7,024	1
Property, plant and equipment	285,066	54	289,100	56	282,692	55	Deferred income taxes liabilities	2,229	-	2,189	-	2,077	-
Right-of-use assets	11,143	2	11,051	2	10,696	2	Provisions	153	-	142	-	132	-
Investment properties	9,735	2	9,663	2	9,600	2	Lease liabilities	7,215	2	7,062	1	6,026	1
Intangible assets	80,746	15	83,945	16	87,071	17	Customers' deposits	5,006	1	5,336	1	4,815	1
Deferred income tax assets	2,587	1	2,785	1	3,066	1	Net defined benefit liabilities	2,276	-	2,288	1	3,415	1
Incremental costs of obtaining contracts	951	-	988	-	945	-	Other noncurrent liabilities	4,980	1	5,082	1	2,018	-
Net defined benefit assets	3,743	1	3,391	1	3,754	1	Total noncurrent liabilities	61,032	12	57,516	11	52,481	10
Prepayments	1,854	-	1,798	-	1,994	-	Total liabilities	153,539	29	123,745	24	146,065	28
Other noncurrent assets	6,592	1	4,863	1	4,881	1	<b>EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT</b>						
Total noncurrent assets	416,594	79	421,854	82	418,702	81	Common stocks	77,574	15	77,574	15	77,574	15
							Additional paid-in capital	149,825	28	149,810	29	149,806	29
							Retained earnings						
							Legal reserve	77,574	15	77,574	15	77,574	15
							Special reserve	3,084	1	2,676	1	2,676	1
							Unappropriated earnings	53,606	10	70,157	14	52,818	10
							Total retained earnings	134,264	26	150,407	30	133,068	26
							Others	(377)	-	(408)	-	(241)	-
							Total equity attributable to stockholders of the parent	361,286	69	377,383	74	360,207	70
							<b>NONCONTROLLING INTERESTS</b>						
								11,586	2	11,747	2	11,298	2
							Total equity	372,872	71	389,130	76	371,505	72
<b>TOTAL</b>	<b>\$ 526,411</b>	<b>100</b>	<b>\$ 512,875</b>	<b>100</b>	<b>\$ 517,570</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 526,411</b>	<b>100</b>	<b>\$ 512,875</b>	<b>100</b>	<b>\$ 517,570</b>	<b>100</b>

## CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

### 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	<u>32,346</u>	<u>62</u>	<u>31,058</u>	<u>63</u>	<u>64,037</u>	<u>62</u>	<u>62,951</u>	<u>63</u>
GROSS PROFIT	<u>20,089</u>	<u>38</u>	<u>18,543</u>	<u>37</u>	<u>39,693</u>	<u>38</u>	<u>36,751</u>	<u>37</u>
OPERATING EXPENSES								
Marketing	5,592	11	5,044	9	11,037	11	9,929	9
General and administrative	1,542	2	1,280	3	3,090	2	2,583	3
Research and development	953	2	893	2	1,802	2	1,768	2
Expected credit loss (reversal of credit loss)	<u>(27)</u>	<u>-</u>	<u>43</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>87</u>	<u>-</u>
Total operating expenses	<u>8,060</u>	<u>15</u>	<u>7,260</u>	<u>14</u>	<u>16,003</u>	<u>15</u>	<u>14,367</u>	<u>14</u>
OTHER INCOME AND EXPENSES	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>3</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>12,026</u>	<u>23</u>	<u>11,283</u>	<u>23</u>	<u>23,686</u>	<u>23</u>	<u>22,387</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	64	-	28	-	88	-	46	-
Other income	210	-	49	-	254	-	91	-
Other gains and losses	62	-	95	-	(47)	-	259	-
Interest expenses	(65)	-	(55)	-	(121)	-	(106)	-
Share of profits of associates and joint ventures accounted for using equity method	<u>211</u>	<u>-</u>	<u>76</u>	<u>-</u>	<u>316</u>	<u>-</u>	<u>116</u>	<u>-</u>
Total non-operating income and expenses	<u>482</u>	<u>-</u>	<u>193</u>	<u>-</u>	<u>490</u>	<u>-</u>	<u>406</u>	<u>-</u>
INCOME BEFORE INCOME TAX	12,508	23	11,476	23	24,176	23	22,793	23
INCOME TAX EXPENSE	<u>1,054</u>	<u>1</u>	<u>891</u>	<u>2</u>	<u>3,829</u>	<u>3</u>	<u>3,570</u>	<u>4</u>
NET INCOME	<u>11,454</u>	<u>22</u>	<u>10,585</u>	<u>21</u>	<u>20,347</u>	<u>20</u>	<u>19,223</u>	<u>19</u>
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	(79)	-	(65)	-	(124)	-	(1,010)	(1)
Gain or loss on hedging instruments subject to basis adjustment	(15)	-	(12)	-	1	-	(16)	-
Share of remeasurements of defined benefit pension plans of associates and joint ventures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>(94)</u>	<u>-</u>	<u>(77)</u>	<u>-</u>	<u>(121)</u>	<u>-</u>	<u>(1,025)</u>	<u>(1)</u>

(Continued)

## CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

### 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	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising from the translation of the foreign operations	\$ 75	-	\$ (11)	-	\$ 152	-	\$ (48)	-
Share of exchange differences arising from the translation of the foreign operations of associates and joint ventures	<u>1</u>	-	<u>(1)</u>	-	<u>1</u>	-	<u>(1)</u>	-
	<u>76</u>	-	<u>(12)</u>	-	<u>153</u>	-	<u>(49)</u>	-
Total other comprehensive income (loss), net of income tax	<u>(18)</u>	-	<u>(89)</u>	-	<u>32</u>	-	<u>(1,074)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,436</u>	<u>22</u>	<u>\$ 10,496</u>	<u>21</u>	<u>\$ 20,379</u>	<u>20</u>	<u>\$ 18,149</u>	<u>18</u>
NET INCOME ATTRIBUTABLE TO								
Stockholders of the parent	\$ 11,021	21	\$ 10,215	20	\$ 19,601	19	\$ 18,553	19
Noncontrolling interests	<u>433</u>	<u>1</u>	<u>370</u>	<u>1</u>	<u>746</u>	<u>1</u>	<u>670</u>	-
	<u>\$ 11,454</u>	<u>22</u>	<u>\$ 10,585</u>	<u>21</u>	<u>\$ 20,347</u>	<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>1</u>	<u>370</u>	<u>1</u>	<u>745</u>	<u>1</u>	<u>669</u>	-
	<u>\$ 11,436</u>	<u>22</u>	<u>\$ 10,496</u>	<u>21</u>	<u>\$ 20,379</u>	<u>20</u>	<u>\$ 18,149</u>	<u>18</u>
EARNINGS PER SHARE								
Basic	<u>\$ 1.42</u>		<u>\$ 1.32</u>		<u>\$ 2.53</u>		<u>\$ 2.39</u>	
Diluted	<u>\$ 1.42</u>		<u>\$ 1.32</u>		<u>\$ 2.52</u>		<u>\$ 2.39</u>	

(Concluded)

**CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Millions of New Taiwan Dollars)  
(Unaudited)

	Equity Attributable to Stockholders of the Parent						Others				Total Equity Attributable to Stockholders of the Parent	Noncontrolling Interests	Total Equity
	Common Stocks	Additional Paid-in Capital	Retained Earnings			Total Retained Earnings	Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain or Loss on Financial Assets at FVOCI	Gain or Loss on Hedging Instruments	Total Others			
			Legal Reserve	Special Reserve	Unappropriated Earnings								
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	-	-	-	-	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	-	-	-	-	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	-	16	-	-	-	-	-	-	-	-	16	46	62
BALANCE, JUNE 30, 2021	\$ 77,574	\$ 149,806	\$ 77,574	\$ 2,676	\$ 52,818	\$ 133,068	\$ (365)	\$ 138	\$ (14)	\$ (241)	\$ 360,207	\$ 11,298	\$ 371,505
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	-	-	-	408	(408)	-	-	-	-	-	-	-	-
Cash dividends recognized by Chunghwa	-	-	-	-	(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	-	-	-	-	2	2	139	(109)	1	31	33	(1)	32
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	92	92
BALANCE, JUNE 30, 2022	\$ 77,574	\$ 149,825	\$ 77,574	\$ 3,084	\$ 53,606	\$ 134,264	\$ (253)	\$ (117)	\$ (7)	\$ (377)	\$ 361,286	\$ 11,586	\$ 372,872

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions of New Taiwan Dollars)

(Unaudited)

	<b>Six Months Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 24,176	\$ 22,793
Adjustments to reconcile income before income tax to net cash 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

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# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions of New Taiwan Dollars)

(Unaudited)

	Six Months Ended June 30	
	2022	2021
Interests paid	\$ (75)	\$ (45)
Income taxes paid	<u>(4,090)</u>	<u>(3,920)</u>
Net cash provided by operating activities	<u>27,406</u>	<u>27,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(3)	(89)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,906
Acquisition of financial assets at fair value through profit or loss	(116)	(12)
Proceeds from disposal of financial assets at fair value through profit or loss	9	18
Proceeds from capital reduction of financial assets at fair value through profit or loss	66	-
Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months	(4,938)	(15,131)
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	(20)	(330)
Proceeds from capital reduction of investments accounted for using equity method	340	-
Acquisition of property, plant and equipment	(11,784)	(14,995)
Proceeds from disposal of property, plant and equipment	4	17
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	<u>5</u>	<u>103</u>
Net cash used in investing activities	<u>(14,596)</u>	<u>(24,202)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>1,649</u>	<u>(1,768)</u>

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# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions of New Taiwan Dollars)

(Unaudited)

	<u>Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>
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	<u>39,779</u>	<u>30,420</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 54,262</u>	<u>\$ 32,139</u>

(Concluded)

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

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

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### **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.