

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

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023**

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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

ASSETS	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)		September 30, 2023 (Unaudited)		LIABILITIES AND EQUITY	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)		September 30, 2023 (Unaudited)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash and cash equivalents	\$ 31,215	6	\$ 33,824	6	\$ 32,005	6	Short-term loans	\$ 430	-	\$ 585	-	\$ 820	-
Financial assets at fair value through profit or loss	1	-	1	-	-	-	Financial liabilities at fair value through profit or loss	1	-	-	-	2	-
Contract assets	7,444	1	6,713	1	6,727	1	Hedging financial liabilities	1	-	-	-	4	-
Trade notes and accounts receivable, net	23,086	5	24,842	5	23,515	5	Contract liabilities	16,239	3	14,088	3	14,287	3
Receivables from related parties	182	-	78	-	111	-	Trade notes and accounts payable	12,380	3	14,396	3	13,178	3
Inventories	11,807	2	11,521	2	12,364	2	Payables to related parties	196	-	385	-	168	-
Prepayments	5,933	1	2,840	1	5,556	1	Current tax liabilities	3,944	1	6,613	1	8,640	2
Other current monetary assets	14,693	3	20,352	4	12,327	2	Lease liabilities	3,539	1	3,505	1	3,456	1
Incremental costs of obtaining contracts	339	-	211	-	95	-	Other payables	21,693	4	25,257	5	21,150	4
Other current assets	4,223	1	2,822	1	4,205	1	Provisions	309	-	337	-	324	-
Total current assets	98,923	19	103,204	20	96,905	18	Current portion of long-term liabilities	8,798	2	1,600	-	1,600	-
							Other current liabilities	1,249	-	984	-	1,026	-
							Total current liabilities	68,779	14	67,750	13	64,655	13
<b>NONCURRENT ASSETS</b>							<b>NONCURRENT LIABILITIES</b>						
Financial assets at fair value through profit or loss	1,033	-	1,036	-	1,052	-	Long-term loans	1,600	-	-	-	-	-
Financial assets at fair value through other comprehensive income	4,808	1	4,412	1	4,054	1	Bonds payable	21,688	4	30,483	6	30,481	6
Investments accounted for using equity method	8,558	2	8,252	2	7,018	1	Contract liabilities	7,639	2	7,560	2	7,880	2
Contract assets	4,244	1	3,769	1	3,526	1	Deferred income taxes liabilities	2,596	2	2,461	1	2,390	-
Property, plant and equipment	283,083	56	292,338	56	287,208	56	Provisions	501	-	485	-	481	-
Right-of-use assets	11,002	2	11,238	2	11,187	2	Lease liabilities	7,457	1	7,470	1	7,417	2
Investment properties	11,642	2	9,805	2	10,147	2	Customers' deposits	5,115	1	5,309	1	5,199	1
Intangible assets	67,858	13	72,727	14	74,277	16	Net defined benefit liabilities	2,133	-	2,098	-	2,279	-
Deferred income tax assets	2,055	-	2,099	-	2,109	-	Other noncurrent liabilities	6,933	1	7,406	1	6,601	1
Incremental costs of obtaining contracts	1,125	-	939	-	937	-	Total noncurrent liabilities	55,662	11	63,272	12	62,728	12
Net defined benefit assets	6,417	2	5,963	1	5,720	1	Total liabilities	124,441	25	131,022	25	127,383	25
Prepayments	4,144	1	3,330	-	3,175	1							
Other noncurrent assets	4,543	1	4,629	1	4,686	1	<b>EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT</b>						
Total noncurrent assets	410,512	81	420,537	80	415,096	82	Common stocks	77,574	15	77,574	15	77,574	15
							Additional paid-in capital	150,049	29	149,828	29	149,848	29
							Retained earnings						
							Legal reserve	77,574	15	77,574	15	77,574	15
							Special reserve	2,676	1	2,899	-	2,899	1
							Unappropriated earnings	64,123	13	72,059	14	64,129	13
							Total retained earnings	144,373	29	152,532	29	144,602	29
							Others	561	-	353	-	420	-
							Total equity attributable to stockholders of the parent	372,557	73	380,287	73	372,444	73
							NONCONTROLLING INTERESTS	12,437	2	12,432	2	12,174	2
							Total equity	384,994	75	392,719	75	384,618	75
<b>TOTAL</b>	<b>\$ 509,435</b>	<b>100</b>	<b>\$ 523,741</b>	<b>100</b>	<b>\$ 512,001</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 509,435</b>	<b>100</b>	<b>\$ 523,741</b>	<b>100</b>	<b>\$ 512,001</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 September 30				Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
REVENUES	\$ 55,614	100	\$ 53,659	100	\$ 164,673	100	\$ 161,333	100
OPERATING COSTS	<u>35,208</u>	<u>63</u>	<u>33,842</u>	<u>63</u>	<u>102,948</u>	<u>63</u>	<u>100,548</u>	<u>62</u>
GROSS PROFIT	<u>20,406</u>	<u>37</u>	<u>19,817</u>	<u>37</u>	<u>61,725</u>	<u>37</u>	<u>60,785</u>	<u>38</u>
OPERATING EXPENSES								
Marketing	6,294	11	5,874	11	18,416	11	17,150	11
General and administrative	1,663	3	1,510	3	4,980	3	4,798	3
Research and development	1,067	2	953	2	3,015	2	2,854	2
Expected credit loss (reversal of credit loss)	<u>(4)</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>76</u>	<u>-</u>	<u>85</u>	<u>-</u>
Total operating expenses	<u>9,020</u>	<u>16</u>	<u>8,351</u>	<u>16</u>	<u>26,487</u>	<u>16</u>	<u>24,887</u>	<u>16</u>
OTHER INCOME AND EXPENSES	<u>(9)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>1</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>11,377</u>	<u>21</u>	<u>11,465</u>	<u>21</u>	<u>35,228</u>	<u>21</u>	<u>35,899</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	173	-	136	-	568	-	455	-
Other income	94	-	76	-	419	-	325	-
Other gains and losses	(109)	-	(70)	-	(142)	-	(223)	-
Interest expenses	(86)	-	(80)	-	(252)	-	(233)	-
Share of profits of associates and joint ventures accounted for using equity method	<u>37</u>	<u>-</u>	<u>109</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>345</u>	<u>-</u>
Total non-operating income and expenses	<u>109</u>	<u>-</u>	<u>171</u>	<u>-</u>	<u>667</u>	<u>-</u>	<u>669</u>	<u>-</u>
INCOME BEFORE INCOME TAX	11,486	21	11,636	21	35,895	21	36,568	22
INCOME TAX EXPENSE	<u>2,686</u>	<u>5</u>	<u>2,745</u>	<u>4</u>	<u>6,343</u>	<u>3</u>	<u>6,585</u>	<u>3</u>
NET INCOME	<u>8,800</u>	<u>16</u>	<u>8,891</u>	<u>17</u>	<u>29,552</u>	<u>18</u>	<u>29,983</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	(155)	-	111	-	86	-	548	-
Gain or loss on hedging instruments subject to basis adjustment	(1)	-	(13)	-	(1)	-	(16)	-
Share of other comprehensive income (loss) of associates and joint ventures	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:	<u>(157)</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>85</u>	<u>-</u>	<u>540</u>	<u>-</u>
Exchange differences arising from the translation of the foreign operations	(22)	-	95	-	115	-	102	-

(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 September 30				Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of other comprehensive income of associates and joint ventures	\$ 20	-	\$ 4	-	\$ 42	-	\$ 6	-
	(2)	-	99	-	157	-	108	-
Total other comprehensive income (loss), net of income tax	(159)	-	197	-	242	-	648	-
TOTAL COMPREHENSIVE INCOME	\$ 8,641	16	\$ 9,088	17	\$ 29,794	18	\$ 30,631	19
NET INCOME ATTRIBUTABLE TO								
Stockholders of the parent	\$ 8,534	16	\$ 8,620	16	\$ 28,751	18	\$ 29,142	18
Noncontrolling interests	266	-	271	1	801	-	841	1
	\$ 8,800	16	\$ 8,891	17	\$ 29,552	18	\$ 29,983	19
COMPREHENSIVE INCOME ATTRIBUTABLE TO								
Stockholders of the parent	\$ 8,373	16	\$ 8,822	16	\$ 28,959	18	\$ 29,795	18
Noncontrolling interests	268	-	266	1	835	-	836	1
	\$ 8,641	16	\$ 9,088	17	\$ 29,794	18	\$ 30,631	19
EARNINGS PER SHARE								
Basic	\$ 1.11		\$ 1.11		\$ 3.71		\$ 3.75	
Diluted	\$ 1.10		\$ 1.11		\$ 3.70		\$ 3.75	

(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, 2023	\$ 77,574	\$ 149,844	\$ 77,574	\$ 3,084	\$ 71,268	\$ 151,926	\$ (111)	\$ (125)	\$ 13	\$ (223)	\$ 379,121	\$ 12,408	\$ 391,529
Appropriation of 2022 earnings													
Special reserve	-	-	-	(185)	185	-	-	-	-	-	-	-	-
Cash dividends distributed by Chunghwa	-	-	-	-	(36,476)	(36,476)	-	-	-	-	(36,476)	-	(36,476)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,092)	(1,092)
Unclaimed dividend	-	2	-	-	-	-	-	-	-	-	2	-	2
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	1	-	-	-	-	-	-	-	-	1	-	1
Actual acquisition of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the nine months ended September 30, 2023	-	-	-	-	29,142	29,142	-	-	-	-	29,142	841	29,983
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	10	10	109	550	(16)	643	653	(5)	648
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	29,152	29,152	109	550	(16)	643	29,795	836	30,631
Share-based payment transactions of subsidiaries	-	1	-	-	-	-	-	-	-	-	1	22	23
BALANCE, SEPTEMBER 30, 2023	\$ 77,574	\$ 149,848	\$ 77,574	\$ 2,899	\$ 64,129	\$ 144,602	\$ (2)	\$ 425	\$ (3)	\$ 420	\$ 372,444	\$ 12,174	\$ 384,618
BALANCE, JANUARY 1, 2024	\$ 77,574	\$ 149,828	\$ 77,574	\$ 2,899	\$ 72,059	\$ 152,532	\$ (168)	\$ 521	\$ -	\$ 353	\$ 380,287	\$ 12,432	\$ 392,719
Appropriation of 2023 earnings													
Special reserve	-	-	-	(223)	223	-	-	-	-	-	-	-	-
Cash dividends distributed by Chunghwa	-	-	-	-	(36,910)	(36,910)	-	-	-	-	(36,910)	-	(36,910)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(898)	(898)
Payment of unclaimed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual disposal of interests in subsidiaries	-	224	-	-	-	-	-	-	-	-	224	35	259
Net income for the nine months ended September 30, 2024	-	-	-	-	28,751	28,751	-	-	-	-	28,751	801	29,552
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	122	87	(1)	208	208	34	242
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	28,751	28,751	122	87	(1)	208	28,959	835	29,794
Share-based payment transactions of subsidiaries	-	(3)	-	-	-	-	-	-	-	-	(3)	33	30
BALANCE, SEPTEMBER 30, 2024	\$ 77,574	\$ 150,049	\$ 77,574	\$ 2,676	\$ 64,123	\$ 144,373	\$ (46)	\$ 608	\$ (1)	\$ 561	\$ 372,557	\$ 12,437	\$ 384,994

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions of New Taiwan Dollars)

(Unaudited)

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 35,895	\$ 36,568
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	24,658	24,697
Amortization	5,021	5,027
Amortization of incremental costs of obtaining contracts	671	641
Expected credit loss	76	85
Interest expense	252	233
Interest income	(568)	(455)
Dividend income	(240)	(167)
Compensation cost of share-based payment transactions	7	7
Share of profits of associates and joint ventures accounted for using equity method	(74)	(345)
Loss (gain) on disposal of property, plant and equipment	10	(1)
Gain on disposal of financial instruments	(1)	-
Gain on disposal of investments accounted for using equity method	(61)	(5)
Provision for impairment loss and obsolescence of inventory	63	9
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	126	84
Others	13	3
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(1,208)	(1,061)
Trade notes and accounts receivable	1,707	1,101
Receivables from related parties	(104)	(36)
Inventories	(349)	(1,007)
Prepayments	(2,864)	(3,216)
Other current monetary assets	(11)	(673)
Other current assets	(1,401)	(650)
Incremental cost of obtaining contracts	(985)	(693)
Increase (decrease) in:		
Contract liabilities	2,230	1,103
Trade notes and accounts payable	(2,016)	(3,251)
Payables to related parties	(189)	(371)
Other payables	(1,626)	(2,623)
Provisions	(12)	356
Other current liabilities	275	27
Net defined benefit plans	(419)	(460)
Cash generated from operations	<u>58,876</u>	<u>54,927</u>

(Continued)

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Millions of New Taiwan Dollars)

(Unaudited)

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Interests paid	\$ (288)	\$ (270)
Income taxes paid	<u>(8,831)</u>	<u>(4,767)</u>
Net cash provided by operating activities	<u>49,757</u>	<u>49,890</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(313)	(15)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6	-
Acquisition of financial assets at fair value through profit or loss	(127)	(130)
Proceeds from disposal of financial assets at fair value through profit or loss	4	-
Proceeds from capital reduction and profit distribution of financial assets at fair value through profit or loss	3	20
Acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	(56,161)	(35,425)
Proceeds from disposal of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	61,788	27,639
Acquisition of investments accounted for using equity method	(400)	-
Acquisition of property, plant and equipment	(16,016)	(18,879)
Proceeds from disposal of property, plant and equipment	10	18
Acquisition of intangible assets	(137)	(115)
Acquisition of investment properties	-	(48)
Decrease in other noncurrent assets	82	21
Increase in prepayments for leases	(1,043)	(1,389)
Interests received	605	457
Dividends received	<u>571</u>	<u>249</u>
Net cash used in investing activities	<u>(11,128)</u>	<u>(27,597)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	720	2,490
Repayments of short-term loans	(875)	(2,392)
Increase (decrease) in customers' deposits	(205)	24
Payments for the principal of lease liabilities	(2,924)	(2,937)
Decrease in other noncurrent liabilities	(473)	(125)
Cash dividends paid	(36,910)	(36,476)
Acquisition of additional interests in subsidiaries	-	-
Partial disposal of interests in subsidiaries without losing control	259	-

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions of New Taiwan Dollars)

(Unaudited)

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Cash dividends distributed to noncontrolling interests	\$ (887)	\$ (1,086)
Change in other noncontrolling interests	23	16
Unclaimed dividend (payment of unclaimed dividend)	<u>-</u>	<u>2</u>
Net cash used in financing activities	<u>(41,272)</u>	<u>(40,484)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>34</u>	<u>3</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,609)	(18,188)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>33,824</u>	<u>50,193</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 31,215</u>	<u>\$ 32,005</u>

(Concluded)



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

## **NOTE TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2024 and 2023 (Unaudited)**

---

### **STATEMENT OF COMPLIANCE**

The Company has prepared its consolidated balance sheets as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine months ended September 30, 2024 and 2023 in accordance with International Accounting Standards No. 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.