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Chungwa Telecom

Annual Report 2023

International Benchmark for Sustainable Development



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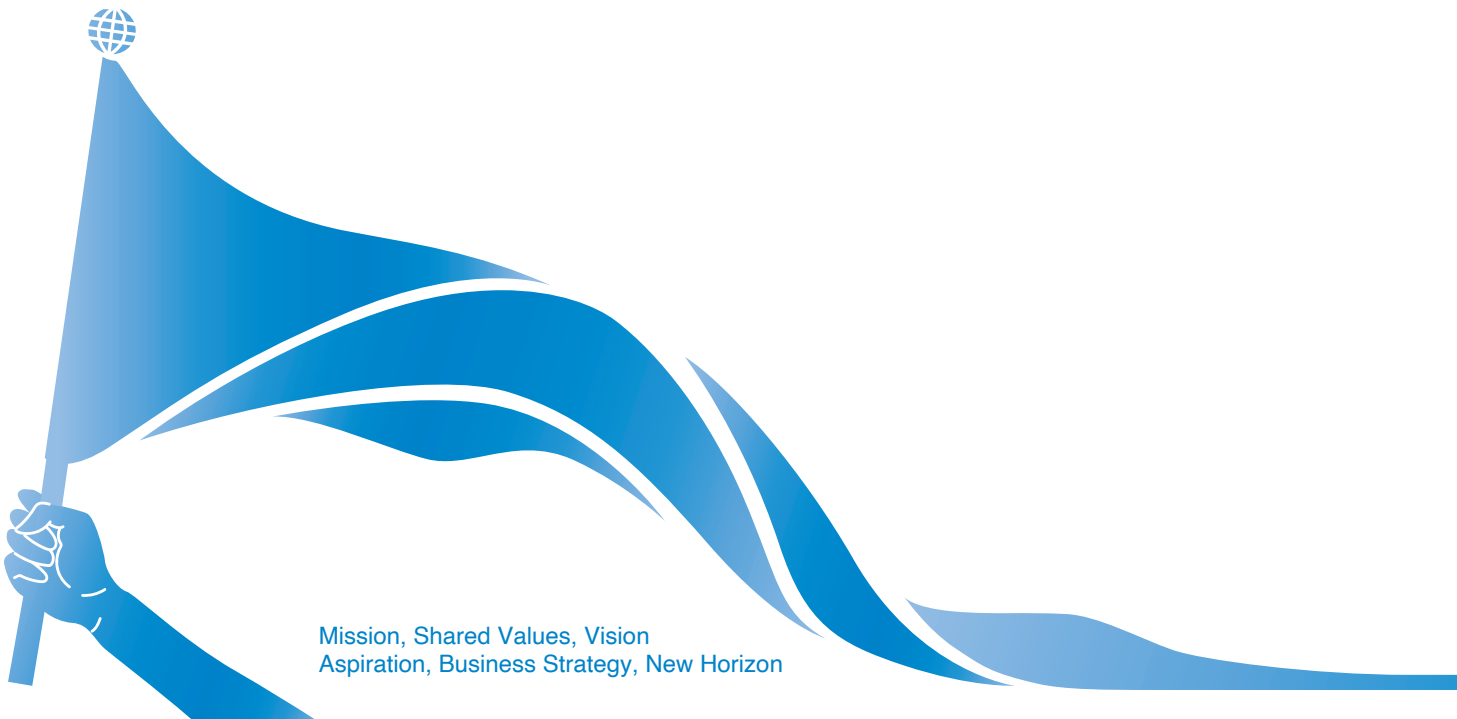
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1

Letter to Shareholders

1. Operating Performance in 2023
2. Business Plan Highlights for 2024



Mission, Shared Values, Vision
Aspiration, Business Strategy, New Horizon

Letter to Shareholders

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 our 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 Telecom 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, securing the

leading position in Taiwan. The stable 5G penetration rate also continued robust growth in mobile revenue. As of the end of 2023, Chunghwa Telecom's 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 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 Telecom 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 bringing 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



Shui-Yi Kuo
Chairman and
Chief Executive Officer

Chau-Young Lin
President

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 Capital Co., Ltd.," to enhance cultural and creative businesses, enlarging investments in content creation and exploring 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 promote 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 develop 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, Taiwan hosted a conference for 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 its satellite technology to secure an exclusive agency contract for OneWeb's Taiwan low-earth 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.

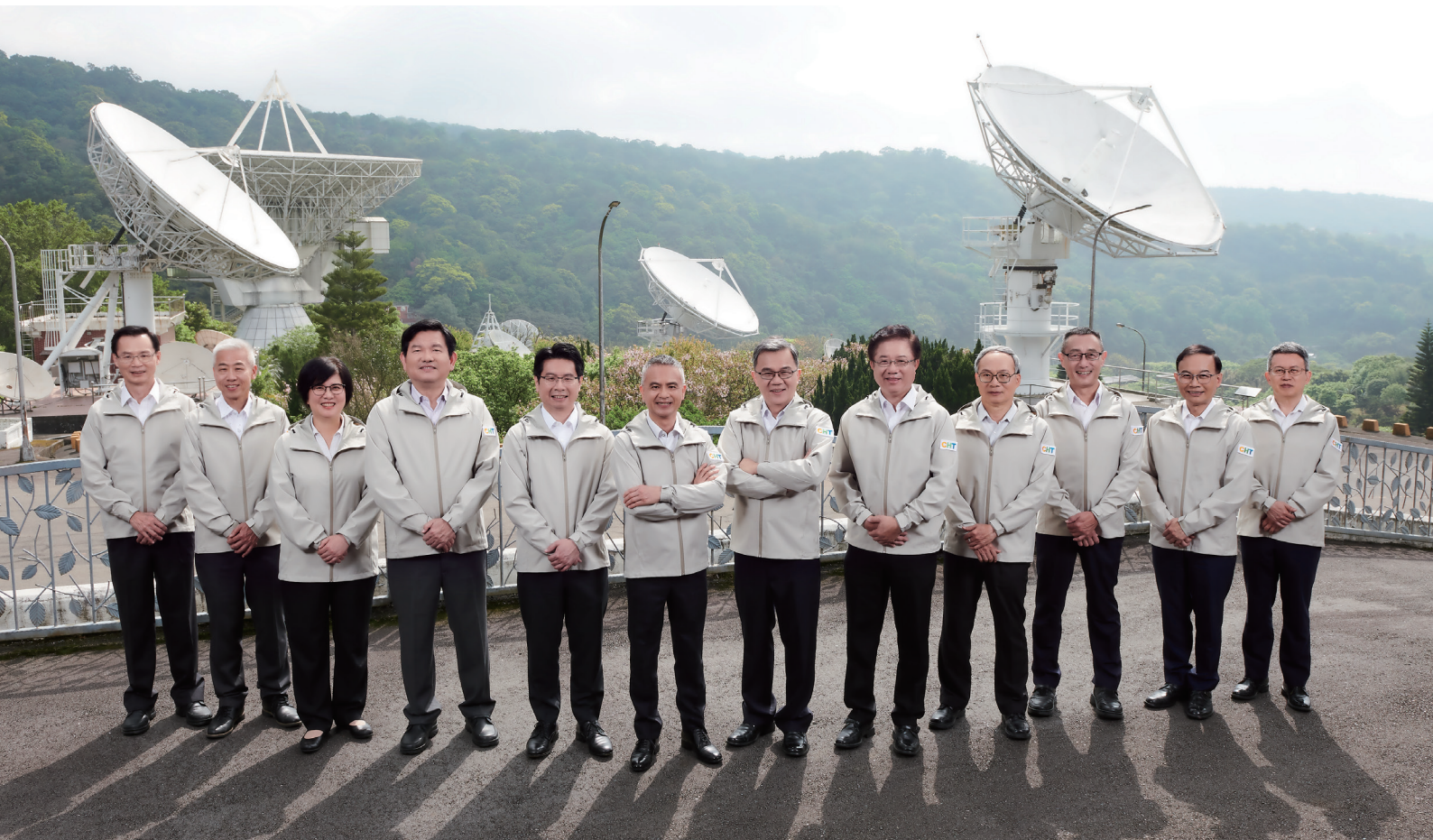
Robust Financial Health, Actively Rewarding Shareholders and Investing for the Future

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 continue 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) services. 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



▲ Senior executive team photo taken at Taipei Satellite Communication Center.

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

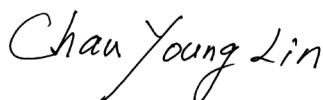
global telecommunications company. Our MSCI rating has been upgraded from A to AA. Moreover, we are honored to once again receive the prestigious Jade Award, the highest accolade in The Asset ESG Corporate Awards. This marks our third consecutive win, making us the only company to achieve this distinction 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 co-creation ecosystems, and becoming a first-rate technology group with trillions in market value."



Shui-Yi Kuo
Chairman and Chief Executive Officer



Chau-Young Lin
President

1. Operating Performance in 2023

1.1 2023 Operating Review

The company is committed to providing high-quality services with the "customer-centric" concept, and has three major business groups to serve customers' demands: Consumer Business Group, Enterprise Business Group and International Business Group. Each business group provides mobile communication and fixed-line service (such as fixed broadband, internet, video service, etc.) as well as customized ICT solutions to meet customers' needs. In 2023, the Company achieved the consolidated revenue of NT\$223.2 billion, increasing by 3% and NT\$6.5 billion year over year. Among them, the revenue of Consumer Business Group reached NT\$137.1 billion, while the revenue of Enterprise Business Group and International Business Group reached NT\$73 billion and NT\$9.2 billion, increasing by 4%, 1%, and 28%, respectively. The growth momentum was mainly driven by the upsell to 5G migration in Consumer Business Group, the increase in local demand for international roaming in post-pandemic era, which contributed to the increase in mobile service revenue, as well as the success of the HiNet Higher-Speed promotion plan that drove the growth of fixed broadband service revenue. In addition, the growth in ICT services, including cybersecurity, mobile application and big data, within Enterprise Business Group drove its revenue growth. The growth of International Business Group revenue also increased due to the ICT revenue growth resulted from increasing demand for IDC, cloud and overseas ICT integration services from international customers.

In 2023, the company seized the opportunities after the epidemic and demonstrated outstanding performance in revenue and profit by exceeding full year guidance. In addition to stable financial performance, the Company continuously makes efforts in promoting ESG development and pledges to meet its goal of achieving RE100 and 100% use of renewable energy in 2040, to realize the three sustainable visions of "green low-carbon," "digital empowerment" and "integrity and transparency." Looking ahead in 2024, the Company upholds the brand spirit of "Always Ahead" and continues to implement a three-pronged business strategy focused on "sustainability x 5G x innovative transformation," leveraging our advantages in information and communication innovation technology. The Company will continually create the value for customers,

strategic partners, shareholders, employees, and society.

Strong customer support is a key success factor of Chunghwa Telecom's leadership. The Company continues to deliver compassionate, integrated and innovative services to expand mobile, broadband and value-added services (VAS), promote enterprise ICT, and grow in overseas markets. These efforts ensure the Company's leading brand and market share within the Taiwan market and solidify its revenue and customer growth.

As a leader in mobile communication, the Company not only provides high-quality telecommunication services but also aims to promote the integrated services of mobile and other services. Using innovative technologies such as AR, VR, AI, AIoT, big data and cloud, combined with 5G's advantages of high-speed, low latency and massive connectivity, the Company developed applications in 7 categories and 13 vertical sub-sectors to form a cross-industry 5G ecosystem. With 4G/5G EN-DC technology, the Company established the most extended nationwide coverage of dual mobile network while providing high-quality services. Furthermore, the Company continues to develop mobile VAS and expands its mobile network infrastructure as it promotes Hami VAS. As of December 31, 2023, the nationwide penetration rate of mobile phone has reached 127.5%, of which the Company's subscribers totaled 11.22 million (excluding IoT), with a market-leading position of 37.6% market share. In addition, The Company has 1.92 million IoT subscribers which also hold the leading position in the market.

In terms of domestic fixed communications, Taiwan local telephone penetration has reached 108.3% (according to the NCC's definition and calculation of "local telephone household subscribers as a percentage of total nationwide households"), of which the Company's subscribers totaled 9.15 million, representing a leading market share of 91.4%. In addition, the Company focuses on higher-speed optical fiber offerings by constructing a faster and more stable broadband network environment to provide customers with better quality of broadband access service. As of December 31, 2023, the total broadband subscribers of the Company are approximately 4.4 million, of which approximately 1.3 million subscribers use 300 Mbps and above, representing an increase of 33.6% year over year. In addition, FTTx subscribers are approximately 3.8 million, representing an increase of 1.4 % year over year.

Furthermore, in the development of video services, the

Company actively promotes MOD services, making efforts to secure high-quality channels and program content. The Company aims to enhance the richness of digital content and channels and continues to drive local content investment, expand the acquisition of crucial exclusive content. The Company also seeks to improve the viewing experience by utilizing 4K and multi-angle broadcasting for popular sports competitions and major international sports events. Meanwhile, the Company has launched integrated content services for MOD and OTT, driving growth in the video business. The advance of the internet and technology has propelled the development of OTT TV service, altering the viewing habits of audience. Consumers increasingly consume streaming media directly through the internet. As of December 2023, MOD subscribers reached 2.05 million, representing a year over year increase of 6,000. However, the number of CATV customers decreased by 0.13 million from 4.65 million to 4.52 million, which indicates that MOD is relatively resistant.

For internet services, the Company continues to promote high-speed HiNet broadband service with CHT Home Wi-Fi services as well as implements broadband bundling to drive the growth of value-added services. This aims to provide customers with a higher quality wireless networking environment at home with more diverse value-added applications. In addition, the Company focuses on enhancing customer relations and membership operations with integrated content services to increase customer satisfaction and to enhance its product portfolio's competitive advantages.

For ICT business, the company continues to uphold the customer-centric culture, to provide standardized and customized information with communication integration services such as IDC, cloud, AIoT (smart transportation, smart energy, smart security, smart building, smart healthcare, etc), information security, 5G private network and big data, etc. The Company actively improves service quality and capacity, and has been awarded various prizes, such as "2023 Best Data Center Service Provider in Taiwan" from Frost & Sullivan for six consecutive years for "IDC Service," "Digital Transformation Award –Business Model Transformation Award for Best Large Enterprises" and the "ESG Special Award" from Harvard Business Review for "Cloud Services", Excellent Applications from "2023 Cloud IoT Innovation Award" for "Taiwan Smart Meter Advanced Metering Infrastructure (AMI) Communication Interface

Unit Innovative Technology," "2023 Smart City Innovation Application Award" for "Intelligent Ports," Gold Award in the "Innovative Technology Sustainability Category" for "5G+IoT Smart Logistics Solution." The Company will continue to apply emerging technologies to provide digital transformation solutions for enterprise customers. In addition, the Company is actively expanding into overseas markets, strengthening international ICT business and promoting the overseas 5G and smart solution services for international customers to enrich international business revenue.

For international business, the Company continues to adhere to the principles of "Bringing the world to Taiwan" and "Taking Taiwan to the world," actively promoting international data networks and ICT integrated services, and accelerates global deployment and business expansion. In 2023, international customers showed strong demand for IPLC, international roaming, IDC and cloud services, and overseas integrated projects, driving overall revenue growth momentum. In terms of overseas business expansion, the Company continues to deepen its overseas presence, forming alliances with Poland's EXATEL telecommunication, Thai hospitals and local governments to explore new business cooperation in emerging fields such as telemedicine and smart cities. In terms of enhancing overseas service capabilities, the Company's subsidiary in Japan has obtained a specific construction business license for electrical communication work as stipulated by Japanese construction industry regulations. With the license, the subsidiary can undertake larger-scale integrated information and communication services for overseas Taiwanese businesses and enterprises. In the 2024, in response to the continued growth of ICT demand in Europe, the Company will establish a subsidiary in Europe, serving as a pioneer in expanding international business and demonstrating a commitment to the continued growth of international business.

The Company continues to strengthen operating efficiency of physical channels by introducing systematic information and big data analysis, and dynamically adjust service location and operating hours according to changes in commercial areas and regional customer service needs. At the same time, the Company promotes measures such as on-site observation of service quality, service process optimization, paper use reduction and mobile phone recycling (including old and waste mobile phones), to provide more convenient and better-quality telecommunication services while also making efforts to environmental protection. In addition,

the Company combines local culture to establish regional characteristics, promoting digital and regional equality and implements the ESG policies.

In terms of digital channels, the Company continues to uphold a customer-centric culture to make full use of digital channels, which are open all year round with queue-free and no-phone-waiting characteristics and optimizes online sales and services with the customer-centric concept to improve the two major digital touchpoints of Chunghwa's online stores and mobile app. In 2023, the Company focused on innovative promotional activities through its online store, introducing the inaugural "Chunghwa Telecom Lifestyle Festival." This event was aimed at connecting with customers' daily life needs and aligning with the Company's anniversary celebration theme, creating a celebratory atmosphere of exclusive offers with limited-time, limited-quantity and exclusive offers. The promotion also incorporated digital strategies to drive intelligent recommendations for telecommunications plans, effectively stimulating customer demand and enabling quick online completion of business applications.

1.2 Capital Expenditure

The Company's total CAPEX for 2023 was NT\$30.74 billion, including NT\$11.15 billion for mobile communications, and NT\$19.59 billion for non-mobile communications.

1.3 Revenue, Expenditure & Profit Analysis

Unit: NT\$ millions

		Fiscal Year	
Financial Metrics		2022	2023
Revenue & Expenditure	Revenues	216,739	223,199
	Gross Profit	80,022	81,433
	Income from Operations	46,825	46,353
	Non-Operating Income and Expenses	404	640
	Income before Income Tax	47,229	46,993
	Net Income	38,000	37,991
	Net Income attributable to Stockholders of the Parent	36,477	36,917
Profitability	Return on Assets (%)	7.37	7.30
	Return on Equity (%)	9.68	9.63
	Pre-tax Income to Paid-in Capital (%)	60.88	60.58
	Net Income Ratio (%)	17.53	17.02
	Earnings Per Share (NT\$)	4.70	4.76

Note: The above table is based on consolidated financial reports.

1.4 Research & Development

The Company actively invests in the capacity of research and development. Through innovative R&D by collaborating with domestic and international partners, the Company developed cutting-edge technologies and services such as Beyond 5G, low-Earth orbit satellite network, open all-photon network, cloud computing, AIoT, metaverse, artificial intelligence, blockchain/NFT, cybersecurity, and energy saving, to meet customer needs in time and support business development, and realize future growth momentum.

To implement plans across various R&D fields, Chunghwa Telecom and its subsidiaries invested a total of NT\$3.89 billion in R&D in 2023, accounting for 1.74% of consolidated revenues.

2. Business Plan Highlights for 2024

2.1 Operation & Strategy Outlook

In response to the global trend of ESG sustainable development and industrial transformation, and in line with national macro policies, by comprehensively analyzing the external industry environment and internal core advantages, the Company will leverage its four rich assets: "customers and partners, technology platforms, infrastructure, and talents," and uphold the four core values of "Integrity, Trust, Innovation, Accountability," striving to achieve the Company's three major visions: "becoming an international benchmark enterprise built upon sustainable development; becoming a leading brand of digital co-creation ecosystems; and becoming a first-rate technology group with trillions in market value."

Facing the new landscape of the telecom market in Taiwan, Chunghwa Telecom will solidify its leading position in mobile market revenue and market share with outstanding network and service quality. By upgrading fixed broadband speed, the Company aims to deliver the highest quality services, deepen customer relationships, and enhance user experience to sustain the Company's leading position. Additionally, Chunghwa telecom will increase investments in original video content and combine MOD with Hami Video, aiming to enlarge its market share and customer contribution while promoting Taiwanese original productions to the global stage. At the same time, the Company will accelerate the expansion of 5G enterprise private networks

and combine seven innovative technologies, which refer to AIoT, Big Data, Cloud / IDC, Data Security, Edge Computing, Fifth Gen. Mobile Network, and Generative AI, to jointly develop smart applications together with enterprise partners. Chunghwa Telecom will continue to explore business opportunities such as sustainable-transformation, digital transformation, resilient security, and 5G smart applications, to drive the innovative growth of the Company's ICT business.

Looking ahead, Chunghwa Telecom will implement strategies of the "Three Principles of Management" (including customer trust, cross-group collaboration, and broad alliance building), "Three Fleets/Arrows of Business" (referring to three major business groups including Consumer Business Group, Enterprise Business Group, and International Business Group), and "Three Keys of Technology" (representing the need to build talent pools, technology repositories, and standards and blueprints), to drive continuous upward growth in the Company's operating performance. Meanwhile, the Company will actively carry out strategic investment, and encourage subsidiaries and affiliates to propose their initial public offerings to expand the group fleet, to maintain the Company's steady growth momentum, create value for customers, strategic partners, shareholders, and employees, all while pursuing sustainable development goals.

2.2 Key Operating Metrics Outlook

The Company estimates its 2024 operating targets as listed below, based on its current evaluation of all business segments:

Key Offerings		Subscribers / Minutes in million
Mobile Communications	Mobile Broadband (Note1)	13.25 Subs
	Local	8.9 Subs
Domestic Fixed-line	Domestic Long Distance	1002 Mins
	Broadband Access	4.417 Subs
	HiNet Broadband ISP	3.717 Subs
	International Long Distance (Note2)	72.6 Mins

Note 1: Including subscribers utilizing Internet of Things (IoT).

Note 2: Only including outgoing minutes.

2.3 Key Product & Marketing Strategy

The Company's product, pricing and channel strategies for telecommunication and ICT services are listed below:

(1) Products

While facing the challenges of a competitive market environment and industry regulatory limitations, the Company continues to integrate and innovate services to strengthen customer relationship, encourage existing 4G customers to upgrade to 5G by adopting 5G devices with various sales promotion, which further increase customer value. Meanwhile, the Company explores attractive VAS opportunities to increase customer Average Revenue Per User (ARPU), and expands its product portfolio for fixed wireless products and digital life VAS to fulfill digital convergence consumption demands and to enhance its total revenue.

For mobile communication, the Company continues to expand its mobile internet services in order to increase the overall revenue stream. The Company continues to build its mobile network, the quality of which has received recognition and is honored by numerous domestic and international awards. In November 2023, the Company was honored four titles, including "Best Mobile Gaming Experience," "Best Mobile Coverage," "Fastest 5G Mobile Network" and "Widest coverage of 5G Mobile Network" as announced by Speedtest®. In December 2023, the Company won the ten titles in "5G Coverage Experience," "5G Download / Upload Speed," "Coverage Experience," "Download / Upload speed Experience," "5G Game Experience," "5G Live Video Experience," "Video Experience" and "Live Video Experience" as announced by Opensignal. Looking ahead, the Company will continue providing its high-speed broadband network, optimizing its service coverage, offering flexible rate packages, providing more diversified mobile VAS, such as music (KKBOX, ringback tone), Hami Pass, Hami Video, Hami VR and e-book (Hami Books, children's books), as well as promoting mobile payment service, in order to better fulfill the demands of different market segments, consequently, to increase customer contributions to the revenue stream.

For domestic fixed communication, the Company leverages its IP network in providing integrated fixed network, data, and mobile services; and various VAS for telecommunication, entertainment, information and enterprise customers in order to increase the total revenue.

In addition, MOD continues to focus on offering major sports events, industry-leading exclusive content, interactive multi-screen package, high definition (4K, HD), and other diverse features, in order to increase overall subscriptions and revenue.

For broadband services, the Company focuses on broadband access upgrades and FTTx services in order to provide customers with a higher speed and more stable broadband network environment. Under the trend of digital convergence development, the Company will continue to actively offer FTTx promotions and integrated services such as broadband + mobile + Wi-Fi and broadband + video service, allowing customers to enjoy the convenience of one-stop services for their internet access and media entertainment needs everywhere. In the future, the Company plans to develop more innovative VAS and diverse digital home services. By integrating core resources and leveraging the advantages of AI and networks, the Company will prioritize home security applications in the smart home field to fulfill customer demands for smart life.

For ICT services, the Company leverages its ICT product portfolio as the core in developing advanced solutions, such as IDC, cloud, cybersecurity, AIoT, 5G private networks and mobile applications for enterprises and governments. The Company is also continuing research efforts for innovative enterprise applications in emerging services, such as AI, big data, blockchain, AR/VR, smart healthcare and intelligent customer service. In terms of managing enterprise customers, the Company focuses on six major domains and integrates them with different industries (smart manufacturing, smart healthcare, smart transportation, smart environment, smart buildings, and law-enforcement technology) to expand its customer base in government and different industries, and continuously promote its medium- to long-term revenue growth momentum.

For international business, the Company actively invests in international submarine cables and deploys global networks, providing international communications, international circuits, international data networks, IDC, information security, cloud-network integration solutions, information and communication integration and smart solutions to assist Taiwan companies and international enterprise customers in global operations, digital transformation and service innovation.

(2) Pricing

The Company devises competitive product offerings with various rate plans to target customers by leveraging its comprehensive product portfolio, large customer base and service innovations.

For broadband services, the Company offers broadband Internet promotion, including fixed + mobile broadband bundled package, broadband + mobile + Wi-Fi bundled package, and broadband + MOD + content bundled package, in order to fulfill the demand of indoor and outdoor for internet access and entertainment. For mobile services, the Company meets customer demands by offering preferred 5G plans with multiple device solutions, which combined with the Hami Point ecosystem, to encourage upgrades to higher-quality 5G services.

(3) Sales Channel

As of December 31, 2023, the Company has 683 physical service locations, of which 443 are directly operated service centers and 240 are exclusive service stores, in order to offer broadband, video, mobile and other services. In 2023, the Company continued to drive the upgrades of its physical retail stores, adjusting store quality, and introducing mobile payment tools. These initiatives aim to provide customers with more convenient and efficient services. In accordance with policies, the Company also implemented KYC (Know Your Customer) checks to protect customer rights. Going forward, the Company will continue to focus on achieving digital and regional equity, and further expand energy-saving and carbon reduction measures in stores, embodying the Company's ESG-driven sustainable business philosophy.

For the digital channels, in 2023, the Company optimized digital channels by refining the online service application and self-service processes, providing a unified service portal through network stores, introducing diverse payment methods and implementing automatic identification of ID card images conversion, to simplify the online application procedures for customers, enhance the customers' online service experience and continue to create customer value and capacity of digital channels. In the future, the Company will continue to launch emerging and more diverse sales and service mechanisms in its two major digital touchpoints, including the online stores and the Chunghwa Telecom APP, in combination with flagship models, Hami Points, popular and hot-selling products, also with festive events

and campaigns, to launch various and valuable telecom tariff plan. Therefore, customers can quickly complete various business and service applications online at any time.

To meet customer demand, in addition to physical service locations, online stores, mobile apps and other diversified sales channels, the Company manages direct sales and services through a CRM platform, combining it with big data analysis to further improve marketing efficiency through targeted advertising. Also, the Company continues to expand its customer point reward program and membership management capabilities, as well as leverage corporate branding commercials, participate in exhibitions, and strengthen PR practices and targeted marketing in order to increase overall customer loyalty. This raises new product awareness and favorable opinions, accelerating the spread of the company's reach.

2.4 Impact from Regulatory Changes and Competitive Development

(1) The Legislative Yuan approved a budget for the third and fourth stage of its Forward-looking Infrastructure Development Program in January 2021 and December 2022 respectively. This budget includes 5G subsidies of NT\$15.49 billion for 2021-2022 and NT\$ 6.82 billion for 2023-2024, allocated to encourage telecom operators to speed up construction of 5G networks while promoting several projects in digital and infrastructure in urban and rural areas to further drive 5G development. The Company has received the most subsidies of the industry from 2021 to 2023, and will continue accelerating construction in 2024 to enhance the coverage and quality of the Company's 5G network.

(2) In response to the global effort to limit temperature rise to 1.5°C, CHT firmly commits to net-zero emission targets and actively supports international initiatives. In 2022, we set the goal to reduce scope 1 and 2 greenhouse gas emissions by 50% compared to 2020 levels by 2030. Furthermore, in 2023, we officially joined RE100, committing to achieving 100% use of renewable energy by 2040 and net-zero emissions by 2050. Additionally, the Company passed the Science Based Targets Initiative (SBTi) near-term greenhouse gas reduction target verification in July 2023. All the proactive efforts have garnered recognition from international rating agencies. In addition to implementing the "technology-driven decarbonization +

renewable energy" dual strategy to contribute to global climate goals, in 2023, Chunghwa Telecom also took the lead in pledging to achieve Net Positive Impact (NPI) on biodiversity and No Net Deforestation (NND) by 2030, contributing to the protection of ecosystems and environmental sustainability.

- (3) In May 2022, Chunghwa Telecom received approval from the National Communications Commission to obtain 20MHz of 900MHz low band frequency from Asia Pacific Telecom to improve the competitiveness of frequency resources. The expanded 900MHz frequency band, adjacent to the existing frequency, creates a continuous 2x20MHz bandwidth. The configuration allows for the full utilization of low-frequency characteristics and the advantage of continuous bandwidth at 900MHz. In 2023, the Company continuously utilized this band to construct L900 to increase 4G capacity and N900 to expand 5G coverage.
- (4) Taiwan Mobile has merged with Taiwan Star on December 1, 2023 and Far EasTone has merged with Asia Pacific Telecom on December 15, 2023. After the mergers, it is expected that the telecommunications market will move towards healthy competition.
- (5) The Ministry of Digital Affairs released the "Regulations Governing the Establishment and Use of Mobile Broadband Dedicated Telecommunications Networks" on June 1, 2023 and has opened the applications and Q&A channels of mobile broadband dedicated telecommunication networks (4.9GHz frequency band) on June 5, 2023. The Company continues to strive for the industry to adopt 3.5GHz commercial frequency private network services, and can also assist the industry in applying for 4.9GHz frequency private networks, providing integrated solutions based on customer needs.
- (6) To strengthen anti-fraud measures in Taiwan's telecommunications industry, the National Communications Commission (NCC) has issued the "Guidelines for Risk Management Mechanisms in the Acceptance of Telecommunication Service Applications" on June 16, 2023, which requires operators to strengthen the understanding of the Know Your Customer (KYC) risk management mechanism. The company has implemented KYC guidelines and cooperated with relevant measures.
- (7) The primary goals of the Executive Yuan of Taiwan's "Digital Nation and Innovative Economic Development Program (2017-2025)" (the "DIGI+ plan"), renamed as

the "Smart Country Plan (2021-2025)" in 2021, are to increase the scale of Taiwan's digital economy, expand the broadband network, provide all Taiwanese citizens with broadband internet access, and strengthen national information technology capabilities. Specifically, the Taiwan government has set an overall broadband environment objective with a target of 90% 2 Gbps broadband service coverage by 2025. Upon further review, the Company responded affirmatively to the government's DIGI+ gigabyte-level broadband coverage policy goal. In 2024, the Company will increase capital expenditure for its fixed broadband network to encourage customers to upgrade broadband speeds to 300 Mbps or more, further solidifying the competitive advantages of the Company's fixed broadband network.

- (8) Since the implementation of the Hong Kong National Security Law on July 1, 2020, new rules and regulations have created uncertainty for multinational companies and OTT operators. In response to these developments, affected companies have gradually transferred their operation centers from Hong Kong to other locations. For example, LINE has moved its backup server for storing user data to Singapore. Facing the changes of new international situation, Chunghwa Telecom will build a double ring submarine cables in the Asia-Pacific region and integrate with the core capabilities of IDC, cloud computing, cybersecurity, terrestrial cables and other businesses to actively support the entry of customers and landing of new submarine cables. In addition, in response to the evolving international submarine cables transmission system and to provide a higher number of wavelength technologies, the Company has maintained its investment in new, high-bandwidth international submarine cables to provide better circuit cost advantages in the future and pursue international business opportunities.

2

Company Profile

1. Date of Incorporation
2. Company Milestones



Mission, Shared Values, Vision
Aspiration, Business Strategy, New Horizon

Company Profile

Chunghwa Telecom (TAIEX 2412, NYSE: CHT) ("Chunghwa" or "the Company") is Taiwan's largest integrated telecommunications service provider in Taiwan, with leading offerings in fixed communication, mobile communication, broadband, and internet services. The Company also provides information and communication technology services to enterprise customers with its big data, cybersecurity and IDC capabilities, and is expanding its business into emerging technology services such as IoT, AI, etc. Chunghwa Telecom has actively and continuously engaged and implemented environmental, social and governance (ESG) initiatives with the vision to become a globally recognized benchmark enterprise based on sustainable development and has won numerous international and domestic awards and recognitions for its ESG commitments and best practices.

1. Date of Incorporation

The company was officially established on July 1, 1996.

2. Company Milestones

2.1 Merger and Acquisitions, Strategic Investments in Affiliated Enterprises for the Most Recent Year and Up To the Publication Date of this Annual Report

- (1) The Company invested in KKCompany Technologies Inc. in October 2023, the holding company of KKBOX. On the foundation of our long-established partnership with KKBOX, we expect to create business synergies with KKCompany group in the areas including music streaming, media technology, and cloud services.
- (2) The Company participated in Next Commercial Bank Co., LTD's (NCB's) private placement of common shares in December 2023 to comply with the legal regulation and enhance operating capital. We continue to collaborate with NCB to target specific customer segments, such as the younger demographic, build a customer-centric ecosystem, and jointly cooperate in innovative FinTech services.
- (3) The Company established a new wholly-owned investment subsidiary, Chunghwa Digital Cultural and Creative Capital Co., Ltd in February 2024, in order to enrich our MOD/Hami Video service, explore Taiwan's high-quality film and media, cultural creativity and culture technology, and build a culture content IP

ecosystem.

- (4) The Company invested in iKala Global Online Corp., in February 2024, leveraging its leading GCP cloud business, cloud SaaS services, such as MarTech, and generative AI technology to strengthen the Company's advantages in the public cloud business and generative AI technology.

2.2 Status of Corporate Reorganization for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

2.3 Significant Shareholding Changes in Directors, Supervisors, or Shareholders with Greater than 10% Shareholding for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

2.4 Changes in Managerial Control for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

2.5 Material Changes in Business Operation, or Service Offerings for the Most Recent Year and Up To the Publication Date of this Annual Report

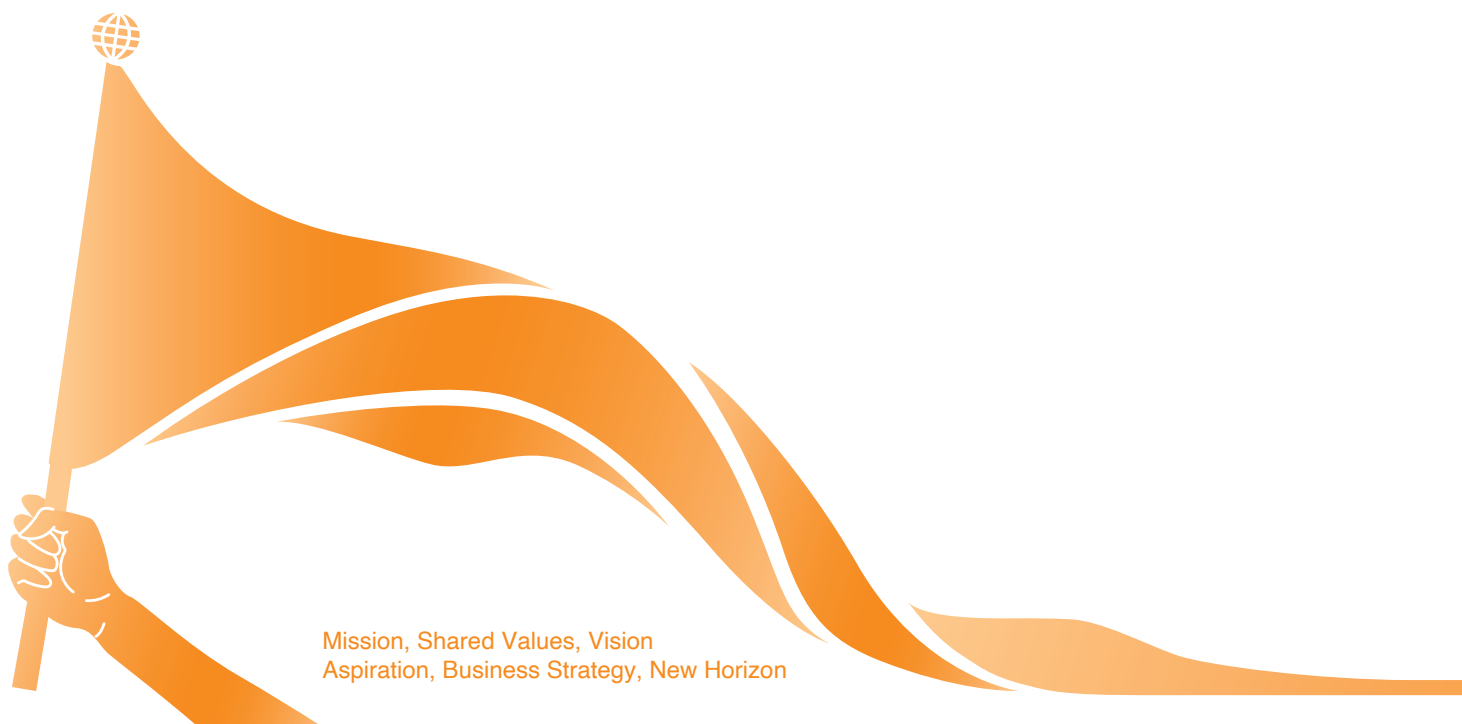
Since 2022, the Company launched a customer oriented organizational structure and established three business groups and three technology groups to fulfill a customer centric management concept. Please refer to page 19, Chapter 3, "Organization Chart."

2.6 Other Matters of Material Significance that could Affect Shareholders' Interest for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

3 Corporate Governance Report

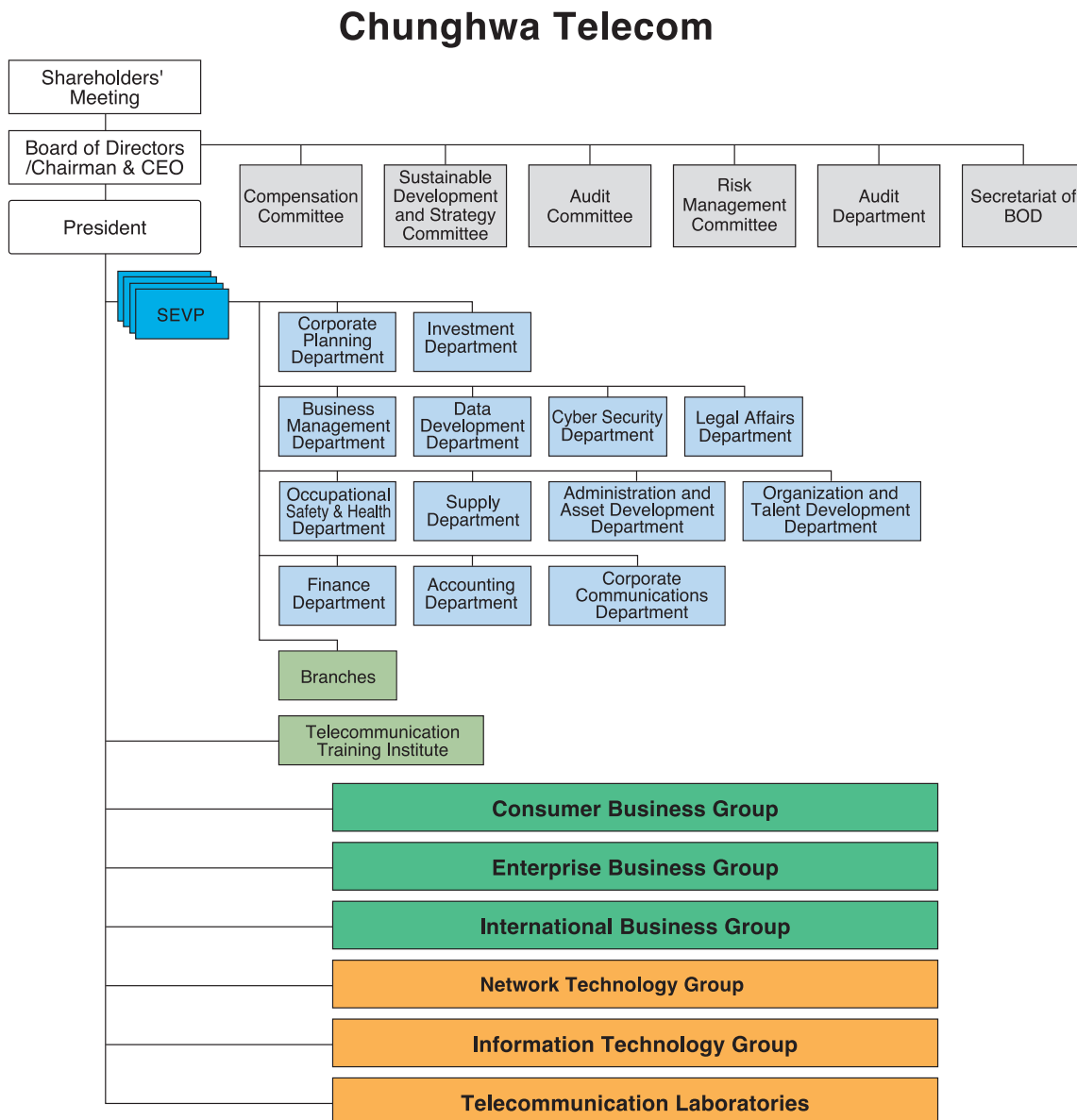
1. Organization Structure
2. Directors, President, Senior Executive Vice Presidents, Vice Presidents, Assistant Vice Presidents, Senior Directors, and Department Heads
3. 2023 Compensation of Directors (including Independent Directors), President, Senior Executive Vice Presidents, and Other Management Officers
4. Corporate Governance
5. Certified Public Accountant (CPA) Professional Fees
6. Change of CPA
7. Audit Independence for the Most Recent Year
8. Shareholding Changes of Directors, Supervisors, Management, and Major Shareholders for the Most Recent Year and Up To the Publication Date of This Annual Report
9. Relationship Among Top Ten Shareholders
10. Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investments



Corporate Governance Report

1. Organization Structure

1.1 Organization Chart



In response to market competition, rapid technological advancement and the ongoing innovation of new business models, Chunghwa Telecom launched a new organizational structure in 2022. Combining the newly established Consumer Business Group, Network Technology Group and Information Technology Group with the Company's existing groups including the Enterprise Business Group, International Business Group, and the Telecommunication Laboratories, Chunghwa established three business groups and three technology groups based on a customer-centric concept. The customer-centric structure enables the Company to enhance overall competitiveness moving forward.

1.2 Principal Lines of Business

- **Consumer Business Group:** managing the consumer customer market, primarily focuses on mobile business, mobile data, short messaging services (SMS), fixed-line telephone, long distance telephone, public phone, broadband, FTTx HiNet, IPTV (Multimedia on Demand) and OTT (Hami Video) plus other value-added services or digital convergence services.
- **Enterprise Business Group:** managing the enterprise customer market, provide standardized products and customized total solutions for information communication technology (ICT) service, manage and execute ICT

projects, develop emerging businesses and vertical industry-specific application services, etc.

- International Business Group: primarily focuses on providing services to international clients, including domestic and international communication, circuits, data networks, international roaming services, cross-border IoT, IDC, cloud services, 5G private networks and applications, smart solutions and ICT integration services according to customer needs.
- Network Technology Group: primarily focuses on planning and management of the Company's network policies/systems, including network architecture and strategic planning, network monitoring and management, fixed network, data network, mobile network, international/satellite network, new generation intelligent cloud network, customer network services, enterprise private network and emerging technology/ importing equipment and others.
- Information Technology Group: primarily focuses on

coordinating the Company's information technology policies and regulations, designing the internal BSS/MIS and providing comprehensive ICT solutions in areas such as cybersecurity, IDC/cloud, AIoT, business applications, and government outsourcing projects.

- Telecommunication Laboratories: focuses on forward-looking innovation and core technologies, researching and developing innovative ICT applications, forward-looking cloud network integration, ESG energy saving and other key projects, including vehicle-to-everything, smart traffic control, telemedicine, e-health, unmanned vehicles applications, metaverse platform and applications, AI platform and smart applications, blockchain and NFT platform, public cloud and hybrid cloud management, 5G private network and edge computing, low-earth orbit satellite communication, open all-photonics network, energy saving of data centers, base stations and network equipment, etc.

2. Directors, President, Senior Executive Vice Presidents, Vice Presidents, Assistant Vice Presidents, Senior Directors and Department Heads

2.1 Directors

(1) Director Profile

Title (Note 1)	Nationality	Name	Gender/ Age (Note 2)	Date Elected	Term Expires	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		
							Shares	%	Shares	%	
Director	R.O.C.	MOTC	-	May 27, 2022	May 26, 2025	June 11, 1996	2,737,718,976	35.29%	2,737,718,976	35.29%	
Chairman, Chief Executive Officer and Director	R.O.C.	Shui-Yi Kuo (Representative of the MOTC)	Male 51-60	May 27, 2022	May 26, 2025	Succeeded as a director on April 26, 2019 Succeeded as the Chairman & CEO on May 5, 2023	35,000	0%	35,000	0%	
Chairman, Chief Executive Officer and Director	R.O.C.	Chi-Mau Sheih (Representative of the MOTC)	Male 61-70	May 27, 2022	May 5, 2023 (Dismissed)	Succeeded as a director on January 4, 2017 Succeeded as the Chairman & CEO on April 22, 2019	72,054	0%	72,054	0%	
President, and Director	R.O.C.	Chau-Young Lin (Representative of the MOTC)	Male 61-70	July 4, 2023	May 26, 2025	July 4, 2023 (Succeeded)	12,888	0%	20,888	0%	
Director	R.O.C.	Hsiang-Ling Hu (Representative of the MOTC)	Male 61-70	May 27, 2022	May 26, 2025	May 27, 2022	0	0%	0	0%	
Director	R.O.C.	Ching-Hwi Lee (Representative of the MOTC)	Female 51-60	May 27, 2022	May 26, 2025	May 27, 2022	0	0%	0	0%	

As of February 29, 2024

	Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience & Education (Note 4)	Other Position	Executives, Directors or Supervisors Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 5)
	Shares	%	Shares	%			Title	Name	Relation	
	0	0%	0	0%	-	-	-	-	-	-
	0	0%	0	0%	Master, Accounting, National Chengchi University	Chairman & CEO, Chunghwa Telecom Co., Ltd. Chairman, Chunghwa Telecom Foundation Director, Cornerstone Ventures Co., Ltd. Director, Straits Exchange Foundation	-	-	-	-
	0	0%	0	0%	Master, Business Administration, National Taiwan University	Director, Industrial Technology Research Institute	-	-	-	-
	0	0%	0	0%	Ph.D., Electronic Engineering, National Taiwan University of Science and Technology	President, Chunghwa Telecom Co., Ltd. Director, Institute For Information Technology	-	-	-	-
	0	0%	0	0%	Bachelor, Transportation and Management, National Chiao Tung University	Political Deputy Minister, MOTC Chairman, Railway Technology Research and Certification Center Director, Straits Exchange Foundation	-	-	-	-
	0	0%	0	0%	Bachelor, History, National Taiwan Normal University	Deputy Minister, MOC Director, Taiwan Living Arts Foundation Director, Memorial Foundation of 228	-	-	-	-

Title (Note 1)	Nationality	Name	Gender/ Age (Note 2)	Date Elected	Term Expires	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		
							Shares	%	Shares	%	
Director	R.O.C.	Shin-Yi Chang (Representative of the MOTC)	Male 61-70	May 27, 2022	May 26, 2025	January 16, 2017~ August 9, 2018 (Note 3) June 21, 2019	0	0%	0	0%	
Director	R.O.C.	Sin-Horng Chen (Representative of the MOTC)	Male 61-70	May 27, 2022	May 26, 2025	June 21, 2019	0	0%	0	0%	
Director	R.O.C.	Hsiu-Chuan Tsai (Representative of the MOTC)	Female 51-60	May 27, 2022	May 26, 2025	May 27, 2022	0	0%	0	0%	
Director	R.O.C.	Shih-Hung Tseng (Representative of the MOTC)	Male 61-70	May 27, 2022	May 26, 2025	April 6, 2021	245	0%	245	0%	
Independent Director	R.O.C.	Su-ming Lin	Male 61-70	May 27, 2022	May 26, 2025	May 27, 2022	0	0%	0	0%	
Independent Director	R.O.C.	Chia-Chung Chen	Male 61-70	May 27, 2022	May 26, 2025	May 27, 2022	0	0%	0	0%	
Independent Director	R.O.C.	Yu-Fen Lin	Female 51-60	May 27, 2022	May 26, 2025	June 23, 2017	0	0%	0	0%	
Independent Director	R.O.C.	Chung-Chin Lu	Male 61-70	May 27, 2022	May 26, 2025	June 15, 2018	0	0%	0	0%	
Independent Director	R.O.C.	Yi-Chin Tu	Male 41-50	May 27, 2022	May 26, 2025	June 21, 2019	0	0%	0	0%	

Note 1: For institutional shareholder, the name of the institution and the name of its representatives are listed separately, as shown in the table below.

Note 2: Please use actual age, listed in a range, i.e. age 41–50 or age 51–60.

Note 3: Fill in the first time the person served as director or supervisor, please provide explanation for any gaps within the terms of the office.

Table 1: Major Shareholders of Chunghwa Telecom's Institutional Shareholders

As of February 29, 2024

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
Ministry of Transportation and Communications, or MOTC	NA

	Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience & Education (Note 4)	Other Position	Executives, Directors or Supervisors Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 5)
	Shares	%	Shares	%			Title	Name	Relation	
	0	0%	0	0%	Master, Business Administration, National Taiwan University	Director, Department of Accounting, MOTC Supervisor, Taiwan International Ports Corp., Ltd.	-	-	-	-
	15,729	0%	0	0%	Ph.D., Electrical Engineering, Texas Tech University, USA	Chair Professor, Department of Electrical Engineering, National Yang Ming Chiao Tung University Director, Ting-Shiun Electrical Education Foundation Independent Director, Chinesegamer International Corp.	-	-	-	-
	1,000	0%	0	0%	Ph.D., Public Administration, National Chengchi University	Chairperson & Professor, Department of Political Science, Soochow University, Taiwan	-	-	-	-
	2,000	0%	0	0%	Electronic Engineering Department of Kun Shan Institute of Technology	President, Chunghwa Telecom's Corporate Union, Tainan Branch. Engineer, Tainan Branch, Chunghwa Telecom Co., Ltd.	-	-	-	-
	0	0%	0	0%	Ph.D., Accounting, Arizona State University, USA	Emeritus Professor, Department of Accounting, College of Management, National Taiwan University Independent Director, Taiwan Fertilizer Co., Ltd. Independent Director, AP Biosciences Inc. Independent Director, Sunny Friend Environmental Technology Co., Ltd.	-	-	-	-
	0	0%	0	0%	Master, Agricultural Economics, National Taiwan University	Independent Director, MOSPEC Semiconductor Corp. Independent Director, Dimerco Data System Corporation Director, SysJust Co., Ltd.	-	-	-	-
	0	0%	0	0%	Double degree of L.L.B. and B.A., National Taiwan University	Managing Partner, Lex & Honor, Attorneys-at-Law Independent Director, Bank SinoPac Co., Ltd. Independent Director, SINBON Electronics Co., Ltd. Supervisor, Infinity Communication Tech. Inc.	-	-	-	-
	0	0%	0	0%	Ph.D., Electrical Engineering, University of Southern California, USA	Professor, Electrical Engineering Department, National Tsing Hua University Director, National Science & Technology Center for Disaster Reduction	-	-	-	-
	0	0%	0	0%	Master, Computer Science and Information Engineering, National Taiwan University	Chairman of Taiwan AI Labs & Foundation Director, Taiwan Creative Content Agency Independent Director, PChome Online Inc. Director, Taiwan Living Arts Foundation	-	-	-	-

Note 4: This field discloses academic qualifications. For relevant experiences, please refer to page 24, Chapter 3, "Disclosure of Directors Professional Qualifications and Independence."

Note 5: When the chairman and the president, or manager of the same level (the executive management), are the same person, or a spouse or relative, there should be a clear explanation on the reason, rationale, necessity, countermeasures and other relevant information.

(2) Disclosure of Directors Professional Qualifications and Independence

As of February 29, 2024

Criteria Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Shui-Yi Kuo (Note 1)	<ol style="list-style-type: none"> 1. Master, Accounting, National Chengchi University 2. Current Position: Chairman and Chief Executive Officer, Chunghwa Telecom Co., Ltd. 3. Previous work experience: President, Chief Financial Officer & Senior Executive Vice President (Investment) and Vice President of Accounting Department, Chunghwa Telecom Co., Ltd. 4. Chairman of the Company's Sustainable Development and Strategy Committee. 5. Area of Research/ Expertise: Telecommunications Management, Sustainable Development (ESG), Risk Management, Accounting, Finance, and Auditing 6. Obtained Certified Public Accountant Certificate from Ministry of Examination for Professional and Technical Exams, and qualified with the requirements of Certified Public Accountant and at least 5 years of work experience in commerce and accounting and other necessary professional expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the above persons under subparagraph 1; 3. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 4. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 5. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself of his/her spouse also serve as the company's chairman or president (or equivalent); 6. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Chao-Young Lin (Note 1)	<ol style="list-style-type: none"> 1. Ph.D., Electronic Engineering, National Taiwan University of Science and Technology 2. Current Position: President, Chunghwa Telecom Co., Ltd. 3. Previous work experience: President, Information Technology Group, President, Data Communication Business Group, Senior Executive Vice President, Chunghwa Telecom Co., Ltd. 4. Member of the Company's Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/ Expertise: Cybersecurity, Large Scale Information System, Project Management, System Engineering, Cloud Services, Artificial Intelligence (AI), Data Governance, Sustainable Development (ESG) and Risk Management 6. Qualified with the requirements of at least 5 years of work experience in commerce and other necessary expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the above persons under subparagraph 1; 3. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 4. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 5. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 6. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Hsiang-Ling Hu (Note 1)	<ol style="list-style-type: none"> 1. Bachelor, Transportation and Management, National Chiao Tung University 2. Current Position: Political Deputy Minister, Ministry of Transportation and Communications (MOTC) 3. Previous work experiences: Director-General, Railway Bureau, Ministry of Transportation and Communications (MOTC) 4. Areas of Research/Expertise: Transportation Planning and Management, Transportation Systems Analysis, the Railway Act and Risk Management 5. Qualified with the requirements of at least 5 years of work experience in commerce and other necessary expertise for the business of the Company 6. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 3. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 7. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 8. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0

Criteria Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Ching-Hwi Lee (Note 1)	<ol style="list-style-type: none"> 1. Bachelor, History, National Taiwan Normal University 2. Current Position: Deputy Minister, Ministry of Culture (MOC) 3. Previous work experiences: Deputy Director, National Palace Museum 4. Areas of Research/Expertise: Cultural Administration, Cross-Industry Cooperation and Coordination, and creative content industry areas such as performing arts, film, television, music, etc. 5. Qualified with the requirements of at least 5 years of work experience in commerce and other necessary expertise for the business of the Company 6. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 3. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 7. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 8. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Shin-Yi Chang (Note 1)	<ol style="list-style-type: none"> 1. Master, Accounting, National Taiwan University 2. Current Position: Director, Department of Accounting, Ministry of Transportation and Communications 3. Previous Work Experiences: <ol style="list-style-type: none"> (1) Controller, Department of Accounting, Ministry of Economic Affairs (2) Director, Department of Accounting, Coast Guard Administration, Ocean Affairs Council (3) A lecturer for risk management and crisis management at the National Academy of Civil Service Examination Yuan, and as the Executive Secretary of the Internal Control Project Promotion Team of the Ministry of Economic Affairs for 6 years 4. Member of the Company's Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/Expertise: Accounting and Risk Management 6. Qualified with the requirement of at least 5 years of work experience as an instructor of accounting at a public or private university with the necessary professional expertise necessary for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 3. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 7. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 8. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Sin-Hong Chen (Note 1)	<ol style="list-style-type: none"> 1. Ph.D., Electrical Engineering, Texas Tech University, USA 2. Current Position: Chair Professor, Department of Electrical and Computer Engineering, National Yang Ming Chiao Tung University 3. Previous Work Experiences: <ol style="list-style-type: none"> (1) Acting President of National Yang Ming Chiao Tung University (2) Professor, Department of Electrical and Computer Engineering, National Yang Ming Chiao Tung University (3) Director, IoT & Intelligent Systems Research Center, National Chiao Tung University (4) CEO, National Networked and Communications Program, National Science Council, Taiwan (5) Convener, the Communications Engineering Program (CEP) at the Department of Engineering and Technologies, National Science and Technology Council (NSTC), Taiwan 4. Areas of Research/Expertise: Speech Signal Processing, Advanced Technology Development and Application System Development in Information & Communication Technology 5. Qualified with the requirements of at least 5 years of work experience as an instructor at a public or private university with the necessary professional expertise for the business of the Company 6. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 3. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 7. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 8. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	1

Criteria Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Hsiu-Chuan Tsai (Note 1)	<ol style="list-style-type: none"> 1. Ph.D., Public Administration, National Chengchi University 2. Current Position: Chairperson & Professor, Department of Political Science, Soochow University, Taiwan 3. Previous work experiences: Political Deputy Minister, Ministry of Civil Service 4. Areas of Research/Expertise: Government Governance, Performance Management, Public Human Resource Management, Government and Policy Marketing, Anti-Corruption and Transparent Governance, Risk Management 5. Qualified with the requirements of at least 5 years of work experience as an instructor at a public or private university with necessary professional expertise for the business of the Company 6. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 3. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2; 4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 5. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 6. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the Company's chairman or president (or equivalent); 7. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 8. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Shih-Hung Tseng (Note 1)	<ol style="list-style-type: none"> 1. Electronic Engineering Department of Kun Shan Institute of Technology 2. Current Position: Employee and Labor Director of Chunghwa Telecom Co., Ltd. 3. Member of the Company's Sustainable Development and Strategy Committee 4. Area of Research/Expertise: ICT 5. 45 years with the Company and qualified with the required 5-year minimum work experience with necessary professional qualifications for the business of the Company 6. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the above persons under subparagraph 1; 3. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 4. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 5. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 6. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000". 	0
Su-ming Lin (Note 2)	<ol style="list-style-type: none"> 1. Ph.D., Accounting, Arizona State University, USA 2. Current Position: Emeritus Professor, Department of Accounting, College of Management, National Taiwan University 3. Previous work experiences: Chairperson, Department of Accounting, National Taiwan University 4. Chairman of the Company's Audit Committee and member of the Company's Compensation Committee, Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/Expertise: Financial Accounting, Tax Laws, International Taxation and Risk Management 6. Obtained Certified Public Accountant Certificate from Ministry of Examination for Professional and Technical Exams, and qualified with the requirements of Certified Public Accountant and of at least 5 years of work experience as an instructor in a public or private university in an accounting related department with necessary professional expertise for accounting and the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a director or supervisor of the Company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in subparagraphs 2 and 3; 5. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 6. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; 7. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 8. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 9. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 10. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000"; 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	3

Criteria Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Chia-Chung Chen (Note 2)	<ol style="list-style-type: none"> 1. Master, Agricultural Economics, National Taiwan University 2. Current Position: Independent Director, MOSPEC Semiconductor Corp. 3. Previous Work Experiences: <ol style="list-style-type: none"> (1) CEO, E. SUN Bank (China) (2) Deputy President, Personal Consumer Division/E. Sun Commercial Bank (3) Chairman, E.SUN Securities Co., Ltd. (4) Deputy President, Wealth Management Division/E.SUN Commercial Bank (5) Deputy President, E.SUN Securities Co., Ltd. (6) Executive Vice President, e-Banking Division / E.SUN Commercial Bank 4. Chairman of the Company's Risk Management Committee and member of the Company's Audit Committee, Compensation Committee and Sustainable Development and Strategy Committee 5. Area of Research/Expertise: Banking and Digital Finance, Strategic Planning, Business Management, Risk Management and Corporate Governance 6. Qualified with the requirement of at least 5 years of work experience with necessary professional expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a director or supervisor of the Company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2 and 3; 5. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 6. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; 7. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 8. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 9. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 10. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000"; 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	2
Yu-Fen Lin (Note 2)	<ol style="list-style-type: none"> 1. Double degree of L.L.B. and B.A., National Taiwan University 2. Current Position: Managing Partner, Lex & Honor Law Offices 3. Previous Work Experiences: Partner, Kao & Partners, Attorneys-at-Law, Investment Lawyer, Lee & Li Attorneys-at-Law 4. Chairperson of the Company's Compensation Committee and member of the Company's Audit Committee, Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/Expertise: Legal areas, including International Investment, Corporate Investment, Public Administration, Risk Management as well as Financial, Banking and Electronic Payment related laws 6. Qualified with the requirement of practicing lawyer and at least 5 years of work experience in law and other necessary expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a director or supervisor of the Company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2 and 3; 5. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 6. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; 7. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 8. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 9. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 10. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NTD500,000"; 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	2

Criteria Name	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Chung-Chin Lu (Note 2)	<ol style="list-style-type: none"> 1. Ph.D., Electrical Engineering, University of Southern California, USA 2. Current Position: Professor, Department of Electrical Engineering, National Tsing Hua University 3. Previous work experiences: Chair, Electrical Engineering Department, National Tsing Hua University 4. Member of the Company's Audit Committee, Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/Expertise: Digital Communications, Error-correcting Codes, Systems Bioinformatics, Quantum Computation and Quantum Communications, Machine Learning and Auditing 6. Qualified with the requirement of at least 5 years of work experience as an instructor in Electrical Engineering at a public or private university with necessary professional expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a director or supervisor of the Company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2 and 3; 5. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 6. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; 7. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 8. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 9. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 10. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000"; 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	0
Yi-Chin Tu (Note 2)	<ol style="list-style-type: none"> 1. Master, Computer Science and Information Engineering, National Taiwan University 2. Current Position: Chairman and Co-Founder of Taiwan AI Labs & Foundation, Computer Software Industry 3. Previous work experiences: Principal Development Manager in the Microsoft AI and Research Group. He had also been the Chief R&D Officer, leading the artificial intelligence services development in the Asia Pacific region. Founder, non-profit open-source organization of BBS club of PTT. 4. Member of the Company's Audit Committee, Sustainable Development & Strategy Committee and Risk Management Committee 5. Area of Research/Expertise: Artificial Intelligence (AI), AI Data Governance, Software Platform R&D and Digital Talent Incubation 6. Qualified with the requirement of at least 5 years of work experience with necessary professional expertise for the business of the Company 7. Not been a person of any conditions defined in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Not an employee of the Company or any of its affiliates; 2. Not a director or supervisor of the Company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1, or of any of the above persons in the preceding subparagraphs 2 and 3; 5. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; 6. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; 7. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; 8. Not a director, supervisor, or employee of a company of which the chairman or president (or equivalent) himself/herself or his/her spouse also serve as the company's chairman or president (or equivalent); 9. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; 10. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NTD500,000"; 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act. 	0

Note 1: Legal Representative Directors
Note 2: Independent Directors

(3) Board Diversification and Independence

A. Implementation of Board Diversification Policy

a. Diversification Policy:

To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Board approved the resolution to enact the "Code of Corporate Governance of Chunghwa Telecom Ltd. Co.,." As stated in article 20 of the Code: The composition of Board members shall be considered in a diversified manner, and the appropriate policy on diversity should be based on the Company's business operations, operating dynamics and development needs. It is advisable that the policy includes, but is not limited to, the following criteria:

- (1). Basic requirements and values: Gender, age, nationality, culture and ethnicity; and
- (2). Professional knowledge and skills: Such as legal, accounting, industry, finance, marketing or technology

b. Concrete Objectives:

The Board directs company strategies, supervise management and be responsible to the Company and its shareholders. The operations and arrangements of its corporate governance system serve the function of ensuring that the Board of Directors exercises its authority complies with the provisions of laws, regulations, its Articles of Incorporation and the resolutions of its shareholder meetings. In accordance with the Company's Articles of Incorporation, at least one-fifth of the Board of Directors shall be expert representatives. All the directors of the Company are equipped with the knowledge, skills, literacy and decision-making and management capabilities necessary

to perform their duties. The Company continuously arranges a variety of courses for the directors to enhance their decision-making quality and supervision skills, thus strengthening the functions of the Board of Directors. In addition, the Company values gender equality in the composition of the board of directors, with at least one female director on its board and aim of achieving female director representation of over one-third in 2025.

c. Implementation of the Board Diversification Policy

The Company's 10th Board of Directors consists of 13 directors, including 8 non-independent directors and 5 independent directors, of which 3 are female. All 13 directors are R.O.C. nationals. The Company's Board possesses overall competence which includes operating judgment, accounting & finance, operating management, crisis management, industry knowledge, global market knowledge, leadership and decision-making ability. The Board members also possess industry experiences and expertise as follows: 10 equipped with business management skills; 12 with knowledge of sustainability development (ESG), 7 with ICT experiences, 3 with expertise in Fintech, 9 with audit and risk management skills, 6 are commerce and marketing specialists, 1 has experience in audiovisual and music-related creative content industry, 3 have experience in human resource management and development. Furthermore, 2 are legal professionals and 3 are accounting and finance experts. Please see below for additional information on the Board's background and expertise, as well as the Company's implementation of the board diversification policy.

Name	Gender	An Employee/ Management of the Company	Age	The Date of the Appointment as a Director	Term of Office of the Independent Director	Communication Industry Experiences (Years)	
Shui-Yi Kuo	M	V	51~60	2019.4.26		23	
Chau-Young Lin	M	V	61~70	2023.7.4		35	
Hsiang-Ling Hu	M		61~70	2022.5.27		3	
Ching-Hwi Lee	F		51~60	2022.5.27		2	
Shin-Yi Chang	M		61~70	2019.6.21		6.4	
Sin-Horng Chen	M		61~70	2019.6.21		45	
Hsiu-Chuan Tsai	F		51~60	2022.5.27		2	
Shih-Hung Tseng	M	V	61~70	2021.4.6		45	
Su-ming Lin	M		61~70	2022.5.27	1	2	
Chia-Chung Chen	M		61~70	2022.5.27	1	2	
Yu-Fen Lin	F		51~60	2017.6.23	3	6.8	
Chung-Chin Lu	M		61~70	2018.6.15	3	36	
Yi- Chin Tu	M		41~50	2019.6.21	2	29	

★ Indicates partial competence

Note: Directors as employees of the Company account for 23% of the board, independent directors account for 38.5% of the board, and female directors account for 23% of the board.

B. The Independence of the Directors

- The Company has 13 directors, 5 of whom are independent and represent 38.5% of the total number of directors. All independent directors maintain their independence within the scope of their duties and have no interest relationship in the Company. Serving as the members of the Audit Committee, they are responsible for overseeing the fair presentation of the Company's financial reports, the hiring (and dismissal), independence and performance of the Company's CPA, the effective implementation of the Company's internal control system, the Company's risk management and control mechanism, and the Company's compliance with relevant laws and regulations.
- The positions of the Company's Chairman and President are held by different individuals, and they are not related to each other by spousal or familial relationship. Therefore, the board of directors is able to perform its duties of supervising the management and directing the Company's strategy and is responsible for the Company and shareholders.
- All of the directors are not related to each other as spouses or relatives within the second degree of kinship, which complies with paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, to ensure the independence of the Board's operations, pursuant to Article 17, Paragraph 1 of the Company's Meeting Rules of Order of the Board of Directors, if a director or a juristic person that the

	Industry Experiences								Professional Knowledge and Skills	
	Business Management	Sustainability Development (ESG)	ICT	Fintech	Audit & Risk Management	Marketing & Commerce	Audiovisual and Music-related Creative Content Industry	Human Resource Management & Development	Legal	Accounting & Finance
	V	V	V		V	V				V
	V	V	V	★	V	V				
	V	V	V		V	★	★		★	★
	V	V					V	★		
	V	V	★	★	V	V				V
			V							
	V	V			V	V		V		
		V	V					V		
	V	V	★	★	V	★		★	V	V
	V	V		V	V	V		V		
	V	V		V	V				V	
	★	V	V		V					
	V	V	V	V		V				

director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion and the voting on the item, and may not exercise voting rights as proxy for another director. All directors of the Company have complied with the aforementioned requirements and have fully ensured that the discussion and voting of each resolution is based on the objective and independent judgment of the directors.

- In addition, to implement corporate governance and to enhance the functions of the Company's functional committees, the Company enacted the "Regulations Governing the Performance Evaluation of the Board of Directors of Chunghwa Telecom Co., Ltd." in 2019. Board performance evaluations have been conducted annually, which cover board as a whole, functional committees and individual director performance evaluation. In 2019 and 2022, respectively, the Company appointed independent professional institutions to conduct external board performance evaluations every three years. The reports and recommendations shall submit to the Board of Directors and used as a reference for the selection or nomination of directors for the next term.

2.2 Profiles of President, Senior Executive Vice Presidents, Vice Presidents, Assistant Vice Presidents, Senior Directors and Department Heads

Title (Note 1)	Nationality	Name	Gender	Effective Date (Note 6)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		
					Shares	%	Shares	%	Shares	%	
President	R.O.C.	Chau-Young Lin	M	July 7, 2023	20,888	0%	0	0%	0	0%	
Senior Executive Vice President	R.O.C.	Chih-Cheng Chien	M	July 13, 2023	19,600	0%	0	0%	0	0%	
Senior Executive Vice President and Chief Information Security Officer	R.O.C.	Rong-Shy Lin	M	June 30, 2020	1,361	0%	39,000	0%	0	0%	
Senior Executive Vice President and Chief Financial Officer	R.O.C.	Yu-Shen Chen	M	September 1, 2020	100,000	0%	0	0%	0	0%	
Senior Executive Vice President	R.O.C.	Chih-Hsiung Huang	M	January 1, 2024	3,612	0%	0	0%	0	0%	
Vice President	R.O.C.	Hui-Chen Wei	F	January 4, 2021	0	0%	0	0%	0	0%	
Vice President	R.O.C.	Shu-Ling Chen	F	September 30, 2017	152	0%	0	0%	0	0%	
Vice President	R.O.C.	Yuan-Kai Chen	M	November 27, 2020	22,075	0%	0	0%	0	0%	
Vice President	R.O.C.	Shih-Chung Chang	M	January 1, 2022	0	0%	0	0%	0	0%	
Vice President	R.O.C.	Hong-Bin Chiou	M	February 8, 2022	213	0%	0	0%	0	0%	
Vice President	R.O.C.	Ti-Yao Chan	M	January 3, 2023	0	0%	0	0%	0	0%	
Vice President	R.O.C.	Ru-Kuen Lee	M	July 31, 2023	15,073	0%	0	0%	0	0%	
Vice President	R.O.C.	Wen-Chiyh Lin	M	January 1, 2022	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	An-An Hsia	F	October 2, 2023	0	0%	0	0%	0	0%	

	Major Experience & Education (Note 2)	Other Position	Officers Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	President, Information Technology Group, Chunghwa Telecom Ph.D., Electronic and Computer Engineering, National Taiwan University of Science and Technology	Director of Institute Information Industry	-	-	-	-
	President, Mobile Business Group, Chunghwa Telecom Ph.D., Engineering Technology, National Taiwan University of Science and Technology	Chairman of Taiwan International Standard Electronics., Ltd. Director of Senao Networks Inc. Director of Top Taiwan XIV Venture Capital Co., Ltd. Chairman of Taiwan Telecommunications Association Chairman of International Telecommunications Development Company	-	-	-	-
	President, Data Communications Business Group, Chunghwa Telecom Ph.D., Computer Science, National Chiao Tung University	Chairman of Senao International Co., Ltd. Director of CHT Security Co., Ltd. Director of Taiwan International Standard Electronics Co., Ltd. Director of Chunghwa SEA Holdings Director of Chunghwa Digital Cultural and Creative Management Consulting Co., Ltd.	-	-	-	-
	Professor of Accounting at National Chengchi University Ph.D., Accounting, State University of New York at Buffalo, USA	Chairman of Chunghwa Digital Cultural and Creative Capital Co., Ltd. Director of Taiwan Capital Buffalo Fund Co., Ltd. Supervisor of Taiwan Corporate Governance Association	-	-	-	-
	Vice President, Telecommunication Laboratories, Chunghwa Telecom Ph.D., Electrical Engineering, National Central University	Director of Light Era Development Co., Ltd. Director of Chunghwa Sochamp Technology Inc. Director of Chunghwa Leading Photonics Tech Co., Ltd. Director of Taiwan International Standard Electronics., Ltd.	-	-	-	-
	Assistant Vice President, Digital Convergence Business Department, Chunghwa Telecom Master, Law, Fu Jen Catholic University	Supervisor of Light Era Development Co., Ltd. Supervisor of Chunghwa Telecom Vietnam Co., Ltd. Supervisor of Unitronics Technology Corporation	-	-	-	-
	Assistant Vice President, Accounting Department, Chunghwa Telecom Bachelor, Accounting, Soochow University	Director of Taiwan Telecommunications Association Supervisor of CHT Security Co., Ltd. Supervisor of Chunghwa SEA Holdings	-	-	-	-
	Assistant Vice President, Investment Department, Chunghwa Telecom Ph.D., Computer Science, National Chiao Tung University	Director of Chunghwa System Integration Co., Ltd. Director of Chunghwa Investment Co., Ltd. Supervisor of CHYP Multimedia Marketing & Communications Co., Ltd. Director of Chunghwa Hsingta Co., Ltd. Director of Cornerstone Ventures Co., Ltd. Director of Prime Asia Investments Group Ltd. Director of International Integrated System, Inc. Director of Next Commercial Bank Co., Ltd.	-	-	-	-
	Vice President, Public Affairs Department, Chunghwa Telecom Master, Political Science, Soochow University	Chairman of Light Era Development Co., Ltd. Director of Taipei Financial Center Corp. Supervisor of Taiwan International Standard Electronics Co., Ltd.	-	-	-	-
	Vice President, Telecommunication Training Institute, Chunghwa Telecom Ph.D., Electrical Engineering, National Taiwan University	Director of Honghua International Co., Ltd. Director of Taiwan Telecommunications Association	-	-	-	-
	Assistant Vice President, Information Technology Group, Chunghwa Telecom Master, electrical Engineering, Michigan State University, USA	None	-	-	-	-
	Assistant Vice President, Corporate Planning Department, Chunghwa Telecom Master, Photonics, National Chiao Tung University	None	-	-	-	-
	Vice President, Marketing Department, Chunghwa Telecom Master, Automatic Control Engineering, Feng Chia University	Chairman of Smartfun Digital Co., Ltd. Director of Spring House Entertainment Tech. Inc. Director of Honghua International Co., Ltd. Director of KKBOX Taiwan Co., Ltd. Director of Senao International Co., Ltd.	-	-	-	-
	Senior Director, Legal Affairs Department, Chunghwa Telecom Bachelor, Law, National Taiwan University	None	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Effective Date (Note 6)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		
					Shares	%	Shares	%	Shares	%	
Assistant Vice President	R.O.C.	Ya-Chian Shiue	F	January 29, 2019	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Ming-Tzu Hsiao	M	November 30, 2022	22,600	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Wei-Ting Chen	M	August 16, 2023	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Wen-Ruey Wu	M	February 20, 2024	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Cho-Fen Tsai	F	August 16, 2023	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Yih-Chyau Kuo	M	October 30, 2023	3,224	0%	1,000	0%	0	0%	
Assistant Vice President	R.O.C.	Chun-Yen Chan	M	January 9, 2023	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Ming-Chih Yang	M	June 30, 2023	1,000	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Wen-Hao Yang	M	February 22, 2023	0	0%	0	0%	0	0%	
Assistant Vice President	R.O.C.	Chieh-Hsin Keng	M	July 31, 2023	10,516	0%	25,797	0%	0	0%	
Assistant Vice President	R.O.C.	Ren-Bin Chiue	M	January 1, 2022	0	0%	935	0%	0	0%	
Assistant Vice President	R.O.C.	Chih-Cheng Tsao	M	May 3, 2023	3,560	0%	0	0%	0	0%	
President of Business Group	R.O.C.	Hsueh-Hai Hu	M	July 13, 2023	24,120	0%	0	0%	0	0%	
President of Business Group	R.O.C.	Pen-Yuang Chang	M	July 13, 2023	0	0%	0	0%	0	0%	

	Major Experience & Education (Note 2)	Other Position	Officers Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	Executive Law Director, HTC Corporation Master, Law, Washington University in St. Louis, USA	Supervisor of Taiwan Telecommunications Association	-	-	-	-
	Managing Director, Accounting Department, Stationary of Consumer Business Group, Chunghwa Telecom Accounting, Ling Tung College of Business	Supervisor of Chunghwa Investment Co., Ltd. Supervisor of Cornerstone Ventures Co., Ltd. Supervisor of Clickforce Corp. Supervisor of Chunghwa Digital Cultural and Creative Capital Co., Ltd.	-	-	-	-
	Senior Director, Finance Department, Chunghwa Telecom Bachelor, Accounting, Soochow University	Supervisor of Smartfun Digital Co., Ltd. Supervisor of Spring House Entertainment Tech. Inc. Supervisor of Chunghwa Investment Co., Ltd. Supervisor of Chunghwa Leading Photonics Tech Co., Ltd. Supervisor of VIETTEL-CHT Company Ltd.	-	-	-	-
	Managing Director, Training Development Department, Telecommunication Training Institute, Chunghwa Telecom Master, Institute of Statistics, National Tsinghua University	None	-	-	-	-
	Senior Director, Corporate Communications Department, Chunghwa Telecom Master, IMBA, National Chengchi University	None	-	-	-	-
	Senior Engineer, Network Technology Group, Chunghwa Telecom Ph.D., Computer Science, Stevens Institute of Technology, USA	Director of CHYP Multimedia Marketing & Communications Co., Ltd. Director of Chunghwa Pchome Fund I Co., Ltd.	-	-	-	-
	Managing Director, Administration Management Department, Telecommunication Training Institute Chunghwa Telecom Master, Law, National Taiwan University	President of Light Era Development Co., Ltd. Director of Taiwan Telecommunications Association Director of International Telecommunications Development Company	-	-	-	-
	Senior Director, Occupational Safety & Health Department, Chunghwa Telecom Master, Labor, Chinese Culture University	None	-	-	-	-
	Managing Director, Wireless Communications Laboratory, Telecommunication Laboratories, Chunghwa Telecom Ph.D., Institute of Electronics, National Chiao Tung University	None	-	-	-	-
	Managing Director, General Planning Department Information Technology Group, Chunghwa Telecom Master, Engineering Technology, National Taiwan University of Science and Technology	None	-	-	-	-
	Assistant Vice President, Big Data Department, Chunghwa Telecom Master, Information Management, National Taiwan University of Science and Technology	None	-	-	-	-
	Chief Information Security Officer, Next Commercial Bank Co., Ltd. Master, Computer Science, National Tsing Hua University	None	-	-	-	-
	Vice President, Consumer Business Group, Chunghwa Telecom Master, Transportation and Communication Management, National Chung Kung University	President of Chunghwa Digital Cultural and Creative Capital Co., Ltd. Director of Taipei Financial Center Corp. Director of Chunghwa Investment Co., Ltd. Director of Honghwa International Co., Ltd. Director of Senao International Co., Ltd. Director of So-net Entertainment Taiwan Limited	-	-	-	-
	President, New Taipei Branch, Chunghwa Telecom Ph.D., Computer Science, National Chiao Tung University	Director of CHT Security Co., Ltd. Director of Kingwaytek Technology Co., Ltd. Director of Chunghwa System Integration Co., Ltd. Director of International Integrated System, Inc. Director of CHIEF Telecom Inc.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Effective Date (Note 6)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		
					Shares	%	Shares	%	Shares	%	
President of Business Group	R.O.C.	Chin-Chou Chen	M	June 30, 2023	6,304	0%	0	0%	0	0%	
President of Business Group	R.O.C.	Hey-Chyi Young	F	August 15, 2023	36,044	0%	13,634	0%	0	0%	
President of Telecommunication Laboratories	R.O.C.	Tian-Tsair Su	M	July 13, 2023	32,341	0%	0	0%	0	0%	
President of Telecommunication Training Institute	R.O.C.	Wei-Kuo Hong	M	July 13, 2023	0	0%	0	0%	0	0%	
President of Branch	R.O.C.	Kuo-Chi Huang	M	January 1, 2022	4,252	0%	0	0%	0	0%	
President of Branch	R.O.C.	Te-Ming Chen	M	June 30, 2022	190	0%	0	0%	0	0%	
President of Branch	R.O.C.	Te-Li Chang	M	January 1, 2023	0	0%	0	0%	0	0%	
President of Branch	R.O.C.	Chen-Chien Su	M	July 24, 2023	2,410	0%	0	0%	0	0%	
President of Branch	R.O.C.	Ming-Tsung Chen	M	January 1, 2024	375	0%	0	0%	0	0%	
President of Branch	R.O.C.	Jinun-Jye Lee	M	February 28, 2018	0	0%	0	0%	0	0%	
President of Branch	R.O.C.	Po-Ta Tseng	M	July 24, 2023	0	0%	0	0%	0	0%	
President of Branch	R.O.C.	Hung-Hsing Chen	M	June 30, 2023	94	0%	0	0%	0	0%	
President of Branch	R.O.C.	Lin-Yen Wu	M	June 30, 2023	40,096	0%	0	0%	0	0%	
President of Branch	R.O.C.	Ling Chao	F	January 1, 2022	4,780	0%	0	0%	0	0%	
President of Branch	R.O.C.	Shih-Tsu Liu	M	January 1, 2023	576	0%	379	0%	0	0%	
President of Branch	R.O.C.	Chia-Hsin Li	M	January 1, 2023	44,048	0%	0	0%	0	0%	

	Major Experience & Education (Note 2)	Other Position	Officers Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	Vice President, International Business Group, Chunghwa Telecom Ph.D., Electrical Engineering, National Taiwan University.	Chairman of Chunghwa Telecom Japan Co.,Ltd. Chairman of Chunghwa Telecom Vietnam Co.,Ltd. Chairman of Chunghwa Telecom Thailand Co.,Ltd. Chairman of Donghwa Telecom Co., Ltd. Director of VIETTEL-CHT Company Ltd. Director of CHT Infinity Singapore Pte.,Ltd. Director of PT.CHT Infinity Indonesia	-	-	-	-
	Vice President, Telecommunication Laboratories, Chunghwa Telecom Master, Electrical and Computer Engineering University of Texas at Austin, USA	Director of International Integrated System, Inc. Director of CHT Security Co., Ltd.	-	-	-	-
	President of Consumer Business Group, Chunghwa Telecom Master, Electrical Engineering, National Chung Kung University	Chairman of Spring House Entertainment Tech. Inc. Director of Senao Networks Inc.	-	-	-	-
	Senior Executive Vice President, Chunghwa Telecom Ph.D., Industrial Administration, National Tsing Hua University	None	-	-	-	-
	President of Taipei Branch (Mobile), Chunghwa Telecom Master, Electronic Engineering Technology, National Central University	None	-	-	-	-
	Vice President, Mobile Network Southern Branch, Network Technology Group, Chunghwa Telecom Master, Information Management, National Sun Yat-sen University	None	-	-	-	-
	Vice President, Mobile Network Southern Branch, Network Technology Group, Chunghwa Telecom Master, Electrical Engineering, National Tsing Hua University	None	-	-	-	-
	President, Taoyuan Branch, Chunghwa Telecom Master, Information Management, National Chiao Tung University	None	-	-	-	-
	Vice President, Enterprise Business Group, Chunghwa Telecom Ph.D., Computer Science and Engineering, National Chiao Tung University	Chairman of CHYP Multimedia Marketing & Communications Co., Ltd. Director of Smartfun Digital Co., Ltd. Director of Spring House Entertainment Tech. Inc. Director of Chunghwa SEA Holdings Director of Taiwan International Ports Logistics Corporation	-	-	-	-
	Managing Director, Enterprise Business Department, Northern Taiwan Business Group, Chunghwa Telecom Associate, Electrical Engineering, Provincial Taipei Institute of Technology	None	-	-	-	-
	Vice President, Taoyuan Branch, Chunghwa Telecom Master, Electrical, National Chiao Tung University	None	-	-	-	-
	President, Miaoli Branch, Chunghwa Telecom Master, Communications National Chiao Tung University	None	-	-	-	-
	Vice President, Hsinchu Branch, Chunghwa Telecom Master, Electrical Engineering Technology, National Taiwan University of Science and Technology	None	-	-	-	-
	Vice President, Hualien Branch, Chunghwa Telecom Master, Department of International Business, National Dong Hwa University	None	-	-	-	-
	Vice President, Ilan Branch, Chunghwa Telecom Master, Business Management, Chung Yuan Christian University	None	-	-	-	-
	Vice President, Taichung Branch, Chunghwa Telecom Master, Computer Science University of Iowa, USA	None	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Effective Date (Note 6)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		
					Shares	%	Shares	%	Shares	%	
President of Branch	R.O.C.	Song- Hsiung Lin	M	January 1, 2024	10,596	0%	0	0%	0	0%	
President of Branch	R.O.C.	Ruei-Shiuan Chang	M	June 30, 2021	96	0%	0	0%	0	0%	
President of Branch	R.O.C.	Shi-Shen Cheng	M	January 1, 2023	42,428	0%	0	0%	0	0%	
President of Branch	R.O.C.	Chin-Chuan Liang	M	June 30, 2023	1,000	0%	13,000	0%	0	0%	
President of Branch	R.O.C.	Yung-Shan Lin	M	June 30, 2023	10,000	0%	0	0%	0	0%	
President of Branch	R.O.C.	Min-Horng Tsai	M	December 5, 2023	0	0%	0	0%	0	0%	
President of Branch	R.O.C.	Huan-Chang Hsiao	M	June 30, 2023	428	0%	0	0%	0	0%	
President of Branc	R.O.C.	Yung-Chang Lee	M	December 7, 2022	0	0%	0	0%	0	0%	

Note 1: Shall include profiles of President, Executive Vice President, Vice President, Department Heads, or any other equivalent positions within the Company. The above chart includes the Company's President, Senior Executive Vice Presidents, Vice Presidents and Assistant Vice Presidents of the Company's Level 1 branches, and affiliated institutions of the Company's President.

Note 2: If any of the current and past experiences involve part of the auditing CPA firms or any of the Company affiliates, please provide details for the person's title and responsibilities.

3. 2023 Compensation of Directors (Including Independent Directors), President, Senior Executive Vice Presidents, and Other Management Officers

3.1 Compensation of Directors (Including Independent Directors)

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and Ratio of Compensation to Net Income (%) (Note 8)		
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	
MOTC		0	0	0	0	39,797	39,797	0	0	39,797 0.11%	39,797 0.11%	
Director	Shui-Yi Kuo	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	
Director	Chi-Mau Sheih (dismissed on May 5, 2023)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	
Director	Chau-Young Lin (succeeded on July 4, 2023)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	

	Major Experience & Education (Note 2)	Other Position	Officers Who Are Spouses or Within Two Degrees of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	Vice President, New Taipei Branch, Chunghwa Telecom Master, Engineering Science, National Chung Kung University	None	-	-	-	-
	Vice President, Taichung Branch, Chunghwa Telecom Ph.D Business Management, Nanhua University	None	-	-	-	-
	Vice President, Yunlin Branch, Chunghwa Telecom Master, Computer and Communication Engineering, National Kaohsiung University of Science and Technology	None	-	-	-	-
	President, Pingtung Branch, Chunghwa Telecom Master, Department of Business and Administration, National Pingtung University of Science and Technology	None	-	-	-	-
	Vice President, Chiayi Branch, Chunghwa Telecom Master, Electrical Engineering, National Chung Kung University	None	-	-	-	-
	Vice President, Consumer Business Group, Chunghwa Telecom Master, Electrical Engineering, National Taiwan University	President of Spring House Entertainment Tech. Inc. Director of Senao International Co., Ltd. Director of KKBOX Taiwan Co., Ltd.	-	-	-	-
	Vice President, Pingtung Branch, Chunghwa Telecom Master, Applied Mathematics, National Chiao Tung University	None	-	-	-	-
	Assistant Vice President of Honghua International Co., Ltd. Master, Management, Nanhua University	None	-	-	-	-

Note 3: When the chairman and the president, or manager of the same level (the executive management), are the same person, or a spouse or relative, there should be a clear explanation as to the reason, rationale, necessity, measures for future improvement, and other relevant information.

Unit: NT\$'000

	Compensation as Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio of Compensation to Net Income (%) (Note 8)		Compensation From Investees Other Than Subsidiaries or the Parent Company (Note 9)
	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)						
	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Parent-only	Consolidated (Note 7)	
					Cash	Stock	Cash	Stock			
	0	0	0	0	0	0	0	0	39,797 0.11%	39,797 0.11%	None
	8,681	8,681	0	0	0	0	0	0	8,681 0.02%	8,681 0.02%	None
	5,687	5,687	14,631	14,631	0	0	0	0	20,318 0.06%	20,318 0.06%	None
	6,570	6,818	0	0	237	0	237	0	6,808 0.02%	7,056 0.02%	None

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and Ratio of Compensation to Net Income (%) (Note 8)		
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	
Director	Shin-Yi Chang	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	
Director	Sin-Horng Chen	342	342	0	0	0	0	0	0	342 0.00%	342 0.00%	
Director	Hsiang-Ling Hu	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	
Director	Ching-Hwi Lee	102	102	0	0	0	0	0	0	102 0.00%	102 0.00%	
Director	Hsiu-Chuan Tsai	360	360	0	0	0	0	10	10	370 0.00%	370 0.00%	
Director	Shih-Hung Tseng	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	
Independent Director	Yu-Fen Lin	720	720	0	0	0	0	220	220	940 0.00%	940 0.00%	
Independent Director	Chung-Chin Lu	720	720	0	0	0	0	180	180	900 0.00%	900 0.00%	
Independent Director	Yi-Chin Tu	720	720	0	0	0	0	180	180	900 0.00%	900 0.00%	
Independent Director	Chia-Chung Chen	720	720	0	0	0	0	230	230	950 0.00%	950 0.00%	
Independent Director	Su-ming Lin	720	720	0	0	0	0	250	250	970 0.00%	970 0.00%	
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.												

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 year 2023, 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.

	Compensation as Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio of Compensation to Net Income (%) (Note 8)	Compensation From Investees Other Than Subsidiaries or the Parent Company (Note 9)	
	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)						
	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only		Consolidated (Note 7)		Parent-only		Consolidated
					Cash	Stock	Cash	Stock			
	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	0	0	0	0	0	0	0	0	342 0.00%	342 0.00%	None
	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	0	0	0	0	0	0	0	0	102 0.00%	102 0.00%	None
	0	0	0	0	0	0	0	0	370 0.00%	370 0.00%	None
	1,641	1,641	0	0	93	0	93	0	1,734 0.00%	1,734 0.00%	None
	0	0	0	0	0	0	0	0	940 0.00%	940 0.00%	None
	0	0	0	0	0	0	0	0	900 0.00%	900 0.00%	None
	0	0	0	0	0	0	0	0	900 0.00%	900 0.00%	None
	0	0	0	0	0	0	0	0	950 0.00%	950 0.00%	None
	0	0	0	0	0	0	0	0	970 0.00%	970 0.00%	None

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 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.

3.2 Compensation of President, Senior Executive Vice President, Senior Directors

Title	Name	Salary (A) (Note 2)		Pension / Severance (B)		
		Parent-only	Consolidated (Note 5)	Parent-only	Consolidated (Note 5)	
President	Chau-Young Lin (succeeded on July 7, 2023)	3,000	3,140	0	0	
Senior Executive Vice President	Li-Show Wu	19,983	21,719	8,753	8,753	
	Rong-Shy Lin					
	Chih-Cheng Chien (succeeded on July 13, 2023)					
	Yu-Shen Chen					
President of Business Group	Hsueh-Hai Hu (succeeded on July 13, 2023)					
	Pen-Yuang Chang (succeeded on July 13, 2023)					
	Chin-Chou Chen (succeeded on June 30, 2023)					
	Hsueh-Lan Wu (dismissed on June 30, 2023)					
	Hey-Chyi Young (succeeded on August 15, 2023)					
	Jung-Kuei Chen (succeeded on July 13, 2023) (dismissed on August 15, 2023)					
President of Business Group	Tian-Tsair Su (succeeded on July 13, 2023)					
	Wei-Kuo Hong (succeeded on July 13, 2023)					

Range of Compensation	Name of President, Senior Executive Vice President, and Senior Directors	
	The Company (Note 6)	All Investee Companies and the Parent Company (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Hsueh-Hai Hu, Pen-Yuang Chang, Chin-Chou Chen, Hey-Chyi Young, Jung-Kuei Chen	Hsueh-Hai Hu, Pen-Yuang Chang, Chin-Chou Chen, Hey-Chyi Young, Jung-Kuei Chen
NT\$ 5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Chau-Young Lin, Li-Show Wu, Rong-Shy Lin, Chih-Cheng Chien, Yu-Shen Chen, Tian-Tsair Su, Wei-Kuo Hong	Chau-Young Lin, Li-Show Wu, Rong-Shy Lin, Chih-Cheng Chien, Yu-Shen Chen, Tian-Tsair Su, Wei-Kuo Hong
NT\$10,000,000(inclusive) ~ NT\$15,000,000 (exclusive)	Hsueh-Lan Wu	Hsueh-Lan Wu
NT\$15,000,000(inclusive) ~ NT\$30,000,000 (exclusive)		
NT\$30,000,000(inclusive) ~ NT\$50,000,000 (exclusive)		
NT\$50,000,000(inclusive) ~ NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total		

Unit: NT\$/'000

	Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Total Compensation (A+B+C+D) and Ratio of Compensation to Net Income (%) (Note 8)		Compensation From Investees Other Than Subsidiaries or Parent Company (Note 9)
	Parent-only	Consolidated (Note 5)	Parent-only		Consolidated (Note 5)				
			Cash	Stock	Cash	Stock	Parent-only	Consolidated	
	3,570	3,678	237	0	237	0	6,808 0.02%	7,056 0.02%	None
	35,641	36,385	5,023	0	5,023	0	69,400 0.19%	71,880 0.19%	560

Note 1: The names of senior executive vice presidents, managers of subsidiaries, and department heads are listed respectively, with the exception for the president, whose name and remuneration are disclosed separately. Chau-Young Lin, director and president, is listed under "Compensation of Directors (including Independent Directors)."

Note 2: Refers to salary and extra commission disbursed to the Company President, Senior Executive Vice President, and Department Heads in fiscal year 2023.

Note 3: Refers to the different bonuses, rewards, travel expenses, special expenses, and allowances received by the Company President, Senior Executive Vice President, and Department Heads in fiscal year 2023. The Company does not have share-based compensation as per IFRS 2, such as employee stock option certificate, restricted stock, cash-based share subscription, etc.

Note 4: Refers to compensation as approved in the most recent year by the Board of Directors and allocated to the Company President, Senior Executive Vice President, and Department Heads in fiscal year 2023. 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 5: Fully discloses the total amount of various compensation items on a consolidated basis that are disbursed to the Company President, Senior Executive Vice President, and Department Heads.

Note 6: Fully discloses the Company President, Senior Executive Vice President, and Department Heads names in the compensation range table in accordance to the different compensation amounts of the respective officers.

Note 7: Fully discloses the total amount of various compensation items to the Company President, Senior Executive Vice President, and Department Heads on a consolidated basis; fully discloses respective officers' names in the compensation range table in accordance to the different compensation amounts of the respective officers.

Note 8: Fiscal year net income refers to after-tax income in fiscal year 2023 and on a parent-only basis.

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 fill in "None").

b. If Company directors have received compensation from investee companies or the parent company, then such compensation shall be included in the compensation range table in column E, and the column heading shall be changed to "Parent and All Investee Companies."

c. 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 from taxable income, so the table cannot be used for taxable income purpose.

3.3 Compensation of Managers

(Including top 10 managers names, positions and total compensation amount)

As of December 31, 2023

	Title (Note 1)	Name (Note 1)	Compensation in Stock	Compensation in Cash	Total	Total to Net Income(%)
Managers	President	Chau-Young Lin (succeeded on July 7, 2023) (Note 5)	0	24,474,115	24,474,115	0.07%
	Senior Executive Vice President	Li-Show Wu				
	Senior Executive Vice President	Rong-Shy Lin				
	Senior Executive Vice President	Chih-Cheng Chien (succeeded on July 13, 2023)				
	Senior Executive Vice President	Yu-Shen Chen				
	Vice President	Hui-Chen Wei				
	Vice President	Shu-Ling Chen				
	Vice President	Yuan-Kai Chen				
	Vice President	Shih-Chung Chang				
	Vice President	Hong-Bin Chiou				
	Vice President	Ti-Yao Chan (succeeded on January 3, 2023)				
	Vice President	Wan-Min Chou				
	Vice President	Wen-Wang Tseng (dismissed on June 30, 2023)				
	Vice President	Ru-Kuen Lee (succeeded on July 31, 2023)				
	Vice President	Wen-Chiyh Lin				
	Vice President	I-Fang Wu (dismissed on February 28, 2023)				
	Assistant Vice President	An-An Hsia (succeeded on October 2, 2023)				
	Assistant Vice President	Ya-Chian Shiue				
	Assistant Vice President	Ming-Tzu Hsiao				
	Assistant Vice President	Wei-Ting Chen (succeeded on August 16, 2023)				
	Assistant Vice President	Ze-Run Liu				
	Assistant Vice President	Cho-Fen Tsai (succeeded on August 16, 2023)				
	Assistant Vice President	Yih-Chyau Kuo (succeeded on October 30, 2023)				
	Assistant Vice President	Chun-Yen Chan (succeeded on January 9, 2023)				
	Assistant Vice President	Ming-Chih Yang (succeeded on June 30, 2023)				

	Title (Note 1)	Name (Note 1)	Compensation in Stock	Compensation in Cash	Total	Total to Net Income(%)
Managers	Assistant Vice President	Wen-Hao Yang (succeeded on February 22, 2023)				
	Assistant Vice President	Chieh-Hsin Keng (succeeded on July 31, 2023)				
	Assistant Vice President	Ren-Bin Chiue				
	Assistant Vice President	Chih-Cheng Tsao (succeeded on May 3, 2023)				
	President of Business Group	Hsueh-Hai Hu (succeeded on July 13, 2023)				
	Vice President of Business Group	Hui-pao Huang				
	Vice President of Business Group	Suh-Chiou Ke (succeeded on December 5, 2023)				
	Vice President of Business Group	Rong-Yi Chen				
	Assistant Vice President	Liang-Wei Lee				
	Assistant Vice President	Ming-Hua Chang (succeeded on January 3, 2023)				
	Assistant Vice President	Chia-Bao Chong				
	Assistant Vice President	Shu-Ling Chen				
	President of Business Group	Pen-Yuang Chang (succeeded on July 13, 2023)				
	Vice President of Business Group	Lai-Ting Chen (succeeded on November 8, 2023)				
	Vice President of Business Group	Ming-Tsung Chen				
	Vice President of Business Group	Wei-Jenn Ke				
	Vice President of Business Group	Kuan-Hsiung Liang (succeeded on October 27, 2023)				
	Vice President of Business Group	Chih-Cheng Lo				
	Vice President of Business Group	Ching-Chuan Kuo (succeeded on June 30, 2023)				
	Vice President of Business Group	Zhong-Yong Jia				
	Vice President of Business Group	Chung-Yung Kang (dismissed on June 30, 2023)				
	Assistant Vice President	His-Huang Chang				
	Assistant Vice President	Yeh-Chin Ho				
	President of Branch	Kuo-Chi Huang				
	Vice President of Branch	Chi-Huang Su				
	President of Branch	Te-Ming Chen				
	Vice President of Branch	Juang-Fu Liao				

	Title (Note 1)	Name (Note 1)	Compensation in Stock	Compensation in Cash	Total	Total to Net Income(%)
Managers	President of Branch	Te-Li Chang (succeeded on January 1, 2023)				
	Vice President of Branch	Chih-Chiang Chiu (succeeded on May 10, 2023)				
	President of Business Group	Chin-Chou Chen (succeeded on June 30, 2023)				
	President of Business Group	Hsueh-Lan Wu (dismissed on June 30, 2023)				
	Vice President of Business Group	Chien-Chih Chen (succeeded on August 16, 2023)				
	Assistant Vice President	Pi Chiang (succeeded on August 22, 2023)				
	Assistant Vice President	Hsuan-Lung Liu				
	President of Business Group	Hey-Chyi Young (succeeded on August 15, 2023)				
	President of Business Group	Jung-Kuei Chen(succeeded on July 13, 2023; dismissed on August 15, 2023)				
	Vice President of Business Group	Chung-Shuo Lin (succeeded on January 3, 2023)				
	Vice President of Business Group	Jeu-Yih Jeng				
	Vice President of Business Group	Quen-Zong Wu				
	President of Telecommunication Laboratories	Tian-Tsair Su (succeeded on July 13, 2023)				
	Vice President of Telecommunication Laboratories	Chih-Hsiung Huang (succeeded on July 13, 2024)				
	Vice President of Telecommunication Laboratories	Ching-Hung Wang (succeeded on September 1, 2023)				
	President of Telecommunication Training Institute	Wei-Kuo Hong (succeeded on July 13, 2023)				
	Vice President of Telecommunication Training Institute	Shih-Mo Leu				
	President of Branch	Chen-Chien Su				
	Vice President of Branch	Yung-Feng Wang				
	Vice President of Branch	Yung-Cheng Chu (succeeded on November 8, 2023)				
	President of Branch	Ying-Hsueh Wang (succeeded on January 1, 2023)				
	Vice President of Branch	Ching-Hsu Wang				
	Vice President of Branch	Song-Hsiung Lin				
	President of Branch	Jinun-Jye Lee				
	Vice President of Branch	Chia-Ju Lin (succeeded on August 8, 2023)				
	President of Branch	Po-Ta Tseng (succeeded on July 24, 2023)				
	Vice President of Branch	Lung-Wuu Men				
	President of Branch	Huan-Hsing Chen				
	Vice President of Branch	Chun-Jen Chou (succeeded on August 8, 2023)				
	President of Branch	Lin-Yen Wu (succeeded on June 30, 2023)				
	Vice President of Branch	Hon-Yu Chang				

	Title (Note 1)	Name (Note 1)	Compensation in Stock	Compensation in Cash	Total	Total to Net Income(%)
Managers	President of Branch	Ling Chao				
	Vice President of Branch	Ting-Cheng Chen				
	President of Branch	Shih-Tsu Liu (succeeded on January 1, 2023)				
	Vice President of Branch	Ming-Yen Wu (succeeded on January 3, 2023)				
	President of Branch	Chia-Hsin Li (succeeded on January 1, 2023)				
	Vice President of Branch	Wan-Ju Lin (succeeded on May 10, 2023)				
	President of Branch	Yi-Mao Lin (succeeded on January 1, 2023)				
	Vice President of Branch	Chung-Ta Hsieh (succeeded on January 3, 2023)				
	President of Branch	Ruei-Shiuan Chang				
	Vice President of Branch	Ming-Chou Liao (succeeded on January 3, 2023)				
	President of Branch	Shi-Shen Cheng (succeeded on January 1, 2023)				
	Vice President of Branch	Chi-Cheng Lin (succeeded on January 3, 2023)				
	President of Branch	Chin-Chuan Liang				
	President of Branch	Rong-Shuen Huang (dismissed on June 30, 2023)				
	Vice President of Branch	Ming-Yuan Suen				
	Vice President of Branch	Tang-Lin Su				
	President of Branch	Yung-Shan Lin (succeeded on June 30, 2023)				
	President of Branch	Zhong-Xing Yan (dismissed on June 30, 2023)				
	Vice President of Branch	Te-Yao Wu (succeeded on August 9, 2023)				
	President of Branch	Min-Horng Tsai (succeeded on December 5, 2023)				
	Vice President of Branch	Han-Chin Lai				
	Vice President of Branch	Ting Lee				
	President of Branch	Huan-Chang Hsiao (succeeded on June 30, 2023)				
	Vice President of Branch	Jane-Jone Shae (succeeded on August 1, 2023)				
	President of Branch	Yung-Chang Lee				

Note 1: Disclose full names and titles, with summarized compensation amount.

Note 2: Refer to key employees' compensation as approved by the Board of Directors for fiscal year 2024. 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. Fiscal year net income refers to after-tax income in fiscal year 2023 and on the parent-only basis.

Note 3: The definitions of managers are in accordance to Security and Future Bureau Regulation 3-0920001301 issued by Financial Supervisory Commission, or FSC on March 27, 2003, and are listed below:

- (1) President and equivalent position
- (2) Vice President and equivalent position
- (3) Assistant Vice President and equivalent position
- (4) Financial Manager and equivalent position
- (5) Accounting Manager and equivalent position
- (6) Other managers with authorization

Note 4: The Company Chairman and President did not receive any employee compensation; Executive Vice President (included) and below officers have received employee compensation.

Note 5: The Company President Chau-Young Lin succeeded as The Company President on July 7, 2023.

3.4 Compensation to Directors, President, and Senior Executive Vice President, as Percentage of Net Income Stated in the Parent-only Financial Statements or Individual Financial Statements for the Most Recent Two Years; Compensation Policy, Budget, and Risks

(1) Compensation of Directors, President, Senior Executive Vice President, and Senior Directors, as Percentage of Net Income:

Unit: NT\$'000

Title	Items		Parent-only		Consolidated			
			2022		2023		2022	
	Total	Total to Net Income(%)	Total	Total to Net Income(%)	Total	Total to Net Income(%)	Total	Total to Net Income(%)
Compensation of Director	63,766	0.17%	83,016	0.22%	63,766	0.17%	83,264	0.23%
Compensation of President, Senior Executive Vice President, Senior Directors	65,307	0.18%	69,400	0.19%	69,969	0.19%	71,880	0.19%
Net income of parent-only financial statement	36,477,157	-	36,916,708	-	36,477,157	-	36,916,708	-

Note 1: Net income refers to after-tax income in fiscal year 2022 and 2023 and on a parent-only basis.

Note 2: Adjust net income in the consolidated column to refers to after-tax income in fiscal year 2022 on a parent-only basis, and update the proportion of compensation of directors to the net income of parent-only financial statement.

(2) Compensation Policy, Criteria and Composition:

- A. 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.
- B. The Chief Executive Officer and President are paid a salary and bonus as approved by the Board of Directors, but not as part of the employees' compensation.
- C. The salary of the Senior Executive Vice President, Department Heads, and Senior Directors are determined by the relevant employee compensation policy; bonuses and allowances are determined based on overall corporate performance and the performance of individual departments.
- D. The board of directors passed a resolution to approve the "Incentive Compensation Clawback Policy of Chunghwa Telecom Co., Ltd." (the "Policy"). This policy applies in the event of significant misstatements in the Company's financial reports requiring accounting restatements. In such cases, incentive-based compensation related to erroneous payments made to senior executives and tied to financial reporting metrics shall be subject to recovery. The recovery period includes the three fiscal years preceding the date of the financial report restatement.

(3) Compensation Budgeting Procedure:

The Compensation Committee shall periodically review and assess compensation packages for the Board of Directors and executive management, which are then approved by the Board of Directors.

(4) Compensation and Performance:

- A. The compensation for a Director who is concurrently an employee of other entities is established based on the Company's performance target, financial status, and the director's respective responsibilities.
- B. Compensation for management executives, the Chief Executive Officer, and President, is based on each individual's respective expertise and competencies, corporate performance, and financial status. The compensation of the Senior Executive Vice President, Department Heads and Senior Directors are in accordance to executive performance management and guidelines, and linked to various KPI assessments, such as corporate performance, subordinate unit performance, and personal performance, with the fulfillment of sustainability development in ESG as an additional reference point for changing compensation.
- C. The Company has established senior performance management and related incentive issuance methods, incorporating ESG sustainable development into the performance management framework. This is extended down to the supervised senior executives for implementation. The ESG

performance of senior executives is directly linked to individual bonuses and total employee compensation based on the correlation factor coefficients set for the current year, with these coefficients increasing annually to strengthen the linkage between ESG performance and variable compensation.

consideration of various risk assessments. These strategic initiatives shall drive profitability, which are linked to the compensation of the Company's executives. As a result, the compensation of Directors, the Chairman of the Board, the Chief Executive Officer, the Executive Vice President, Department Heads and Senior Directors are directly related to risk control and management.

(5) Compensation and Risks:

The Company's key strategies are formulated in

4. Corporate Governance

4.1 The Operations of the Board of Directors

(1) Information Regarding the Operation of the Board of Directors

The Board of Directors convened 9 meetings (A) in fiscal year 2023, of which the attendance is as follows:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Director	Shui-Yi Kuo	9	0	100 %	
Director	Chi-Mau Sheih	2	0	100 %	Dismissed on May 5, 2023, attended two meetings prior to dismissal.
Director	Chau-Young Lin	4	0	100%	Succeeded on July 4, 2023, attended a total of four meetings thereafter.
Director	Hsiang-Ling Hu	7	2	78 %	Should have attended 9 meetings, with 2 meetings attended by proxy.
Director	Ching-Hwi Lee	9	0	100 %	
Director	Shin-Yi Chang	9	0	100 %	
Director	Sin-Horng Chen	9	0	100 %	
Director	Hsiu-Chuan Tsai	9	0	100 %	
Director	Shih-Hung Tseng	9	0	100 %	
Independent Director	Su-ming Lin	9	0	100 %	
Independent Director	Chia-Chung Chen	9	0	100 %	
Independent Director	Yu-Fen Lin	9	0	100 %	
Independent Director	Chung-Chin Lu	9	0	100 %	
Independent Director	Yi-Chin Tu	9	0	100 %	

Other Matters of Importance :

1. If any of the following circumstances occur, it is necessary to specify the dates of the board meetings, sessions, contents of motion, all independent directors' opinions, and the Company's responses:
 - (1) Matters referred to in Article 14-3 of the Securities and Exchange Act : None
 - (2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
2. Any directors' recusal of a stated proposal must specify the name of the director, the content of the proposal, the reason for the recusal of interest, and the voting status:
 - (1) At the 4th meeting of the 10th Board of Directors on January 31, 2023, directors Chi-Mau Sheih, Shui-Yi Kuo, Hsiang-Ling Hu, Ching-Hwi Lee, Shin-Yi Chang, Sin-Horng Chen, Hsiu-Chuan Tsai and Shih-Hung Tseng voluntarily recused themselves from the meeting or went offline due to their involvement in the following case, abstaining from participating in the discussion and resolution:

The lawsuit against the Ministry of Transportation and Communications and National Property Administration, Ministry of Finance to return the overpaid amount arising from the "Dispute over supplementing the land price for the joint construction of the comprehensive office building of the Ministry of Transportation and Communications and the Chunghwa Telecom Ren'ai Building."
 - (2) At the 4th meeting of the 10th Board of Directors on January 31, 2023, directors Chi-Mau Sheih, Shui-Yi Kuo, and Shih-Hung Tseng voluntarily recused themselves from the meeting or went offline due to their involvement in the following case, abstaining from participating in the discussion and resolution:

To grant the employees with one-time special incentive bonus.
 - (3) At the 2nd interim meeting of the 10th Board of Directors on May 5, 2023, director Shui-Yi Kuo voluntarily recused himself due to conflicts of interest related to the following case, abstaining from participating in the discussion and resolution:
 - A. The appointment of the Company's CEO
 - B. The fixed monthly remuneration for the Company's newly elected Chairman.
 - (4) At the 4th interim meeting of the 10th Board of Directors on July 7, 2023, director Chau-Young Lin voluntarily recused himself due to conflicts of interest related to the following case, abstaining from participating in the discussion and resolution:
 - A. The appointment of the Company's President
 - B. The fixed monthly remuneration for the Company's newly appointed President
 - (5) At the 7th meeting of the 10th Board of Directors on August 9, 2023, directors Shui-Yi Kuo, Chau-Young Lin, Shin-Yi Chang, Shih-Hung Tseng and independent directors Su-ming Lin, Chia-Chung Chen, Yu-Fen Lin, Chung-Chin Lu and Yi-Chin Tu voluntarily recused themselves from the meeting or went offline due to their involvement in the following case, abstaining from participating in the discussion and resolution:

The appointment of the members for the Company's 10th Board's Sustainable Development and Strategy Committee.
 - (6) At the 7th meeting of the 10th Board of Directors on August 9, 2023, directors Chau-Young Lin, Shin-Yi Chang and independent directors Su-ming Lin, Chia-Chung Chen, Yu-Fen Lin, Chung-Chin Lu and Yi-Chin Tu voluntarily recused themselves from the meeting or went offline due to their involvement in the following case, abstaining from participating in the discussion and resolution:

The appointment of the members for the Company's 10th Board's Risk Management Committee.
 - (7) At the 7th meeting of the 10th Board of Directors on August 9, 2023, independent directors Chia-Chung Chen, Yu-Fen Lin and Yi-Chin Tu voluntarily recused themselves from the meeting due to their involvement in the following case, abstaining from participating in the discussion and resolution:

The release of non-competition restrictions on the Company's independent directors.
 - (8) At the 8th meeting of the 10th Board of Directors on November 8, 2023, on the proceeding of "To grant the employees with one-time special incentive bonus", directors Shui-Yi Kuo and Chau-Young Lin voluntarily waived the receipt of the bonus, and therefore no need to recuse themselves. Director Shih-Hung Tseng recused himself by going offline, abstaining from participating in the discussion and resolution.

3. Publicly-listed companies should disclose board self-evaluation (or peer-evaluation) information including cycle, period, scope, method, and content, and should fill in the attached form number two (2), Information Regarding the Implementation of the Evaluation of the Board of Directors.
4. Measures have been taken to strengthen the functioning of the Board of Directors (e.g. establishment of the Audit Committee, increasing transparency) to assist the board in carrying out its various duties; please refer to page 58, "BOARD OF DIRECTORS Composition and Responsibilities" in the table of Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Note 1: If the director is a juridical contact, the names of the juridical person and their representatives should be disclosed.

Note 2: (1) If a director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings and the actual number of attendance during the tenure.

(2) Before the end of the year, if any director is re-elected, both new and old directors should be listed, and the remarks column should indicate whether the director is old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of board meetings and the actual number of attendance during the tenure.

Note 3: A total of 9 Board meetings was held in 2023 with an average attendance rate of 98.4%.

(2) Information Regarding the Implementation of the Evaluation of the Board of Directors

The evaluation of the Board of Directors had been conducted according to the Company's "Regulations Governing the Performance Evaluation of the Board of Directors," and the execution result is as follows.

Cycle (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the board	Self-evaluation	1. Participation in the operation of the Company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; 5. Internal control; and 6. Participation in sustainable development (ESG).
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of individual directors	Self-evaluation	1. Alignment of the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the Company; 4. Management of internal relationship and communication; 5. The directors' professionalism and continuing education; and 6. Internal control.
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the Audit Committee	Self-evaluation	1. Participation in the operation of the Company; 2. Awareness of the duties of the Audit Committee; 3. Improvement of quality of decisions made by the Audit Committee; 4. Makeup of the Audit Committee and the election of its members; and 5. Internal control.
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the Compensation Committee	Self-evaluation	1. Participation in the operation of the Company; 2. Awareness of the duties of the Compensation Committee; 3. Improvement of quality of decisions made by the Compensation Committee; 4. Makeup of the Compensation Committee and the election of its members; and 5. Internal Control.
Once a year	January 1, 2023 to December 31, 2023	Performance evaluation of the Sustainable Development and Strategy Committee	Self-evaluation	1. Participation in the operation of the Company; 2. Awareness of the duties of the Corporate Strategy Committee; 3. Improvement of quality of decisions made by the Corporate Strategy Committee; 4. Makeup of the Corporate Strategy Committee and the election of its members; and 5. Internal Control.

Note 1: Refers to the execution frequency for the evaluation of the board of directors, individual directors, and functional committees, for example: once a year.

Note 2: Refers to the coverage period for the evaluation of the board of directors, individual directors, and functional committees, for example: evaluating the performance for the period from January 1, 2023, to December 31, 2023.

Note 3: Evaluation scope includes the board of directors, individual directors, and functional committees.

Note 4: Evaluation method includes internal board self-evaluation, evaluation of individual directors, evaluation by external professional organizations, experts, and other appropriate methods.

Note 5: The evaluation content includes, at minimum, the following items:

- (1) Board of Directors performance evaluation: includes participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors, internal control, and participation in sustainable development (ESG).
- (2) Individual director performance evaluation: includes alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.
- (3) Functional committee performance evaluation: participation in the operation of the Company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, and makeup of the functional committee, the election of its members, and internal control.

4.2 Audit Committee Operation

The Audit Committee convened 10 meetings (A) in fiscal year 2023, including four temporary meetings, of which attendance was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	Su-ming Lin	10	0	100%	Audit Committee Chairman
Independent Director	Yu-Fen Lin	10	0	100%	
Independent Director	Chung-Chin Lu	10	0	100%	
Independent Director	Yi-Chin Tu	10	0	100%	
Independent Director	Chia-Chung Chen	9	1	90%	

Other matters of importance:

1. The Audit Committee is composed of 5 independent directors, who support the Board of Directors in upholding the quality and integrity of the Company through the implementation of relevant accounting, auditing, financial reporting procedures and financial controls. The professional qualifications and experience of members of the Audit Committee; please refer to page 24 Chapter 3, "Disclosure of Directors Professional Qualifications and Independence".

• **The Audit Committee held 10 meetings in 2023, in which the primary considerations include:**

- (1) Adoption or amendment of internal control systems in accordance to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment of procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees of others, pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) Conflicts of interest on behalf of the directors.
- (5) Material asset or derivatives transactions.
- (6) Material monetary loans, endorsements, or provisions of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The hiring or dismissal of a CPA, or the compensation given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing supervisor.
- (10) Annual financial reports.
- (11) The matters regulated by the Business Mergers and Acquisitions Act.
- (12) The first to the third quarter financial reports.
- (13) Communications and discussions with CPAs.
- (14) Resolutions of potential differences of opinions between Company management and CPAs.
- (15) Discussing and reporting other financial information and required disclosures under the U.S. Securities Exchange Act between Company management and CPAs.
- (16) Approving the CPA firm's annual audit and non-audit services.
- (17) Any other material matter so required by the Company or relevant authorities.

• **Review financial reports**

The Board of Directors prepared the 2022 annual operational report, financial statements, and earnings distribution proposals, among which the financial statements have been verified by Deloitte & Touche, and a verification report has been issued. The above-mentioned operational report, financial statement and earnings distribution proposal have been reviewed by the Audit Committee, which found no discrepancies.

• **Assess the effectiveness of the internal control system**

The Audit Committee evaluated the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, legal compliance and other control measures), and reviewed the Company's audit department, certified public accountants, and management's regular reports, including risk management and compliance. In regards to the internal control system-integrated structure of internal controls issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee deems the Company's risk management and internal control systems to be effective, having adopted necessary control mechanisms to monitor and correct violations.

• **Appointment of Certified Public Accountants**

The Audit Committee has the responsibility of supervising the independence of the certified public accounting firm to ensure the fairness of the financial statements. With the exception of tax-related services or specially approved items, certified public accounting firms cannot provide other services to the Company. The Audit Committee must approve all services provided by the certified public accountants. To ensure the independence of the certified public accounting firm, the Audit Committee develops an independent evaluation form that refers to Article 47 of the Accountants Act and the Bulletin of the Professional Ethics of Accountants No. 10, "Integrity, impartiality, objectivity, and independence." The form assesses the independence of accountants, professionalism and competence, related parties, and mutual business or financial interests, in addition to other projects. On February 22, 2023, the 4th meeting of the 10th Audit Committee, reviewed and approved Deloitte & Touche Certified Public Accountants Yih-Shin Kao and Mei Yen Chiang, both of whom met the independence and competence assessment standards. To enhance corporate governance, the 9th meeting of the 10th Audit Committee on December 20, 2023, and the 5th temporary meeting of the 10th Board meeting on December 22, 2023 approved the change of accounting firm to PricewaterhouseCoopers Taiwan. The change will be effective from the first quarter of 2024. On February 21, 2024, the 10th meeting of the 10th Audit Committee reviewed and approved PricewaterhouseCoopers Taiwan Certified Public Accountants Huang, Shih-Chun and Hsu, Chien-Yeh, both of whom met the independence and competence assessment standards.

2. Operational status of Audit Committee

Date of Audit Committee Meetings	Contents of the Motion	Matters Cited in Article 14-5 of the Securities and Exchange Act	Dissenting Opinions, Reservations or Major Recommendations of Independent Directors	Other Matters that were not Approved by the Audit Committee but were Approved by more than Two-Thirds of All Directors
February 22, 2023 (10-4)	1. The Company's 2022 Internal Controls Statement in compliance with domestic regulations and the Sarbanes-Oxley Act.	V	-	-
	2. The Company's 2022 operational report and financial statements.	V	-	-
	3. Amendment to the Company's Internal Control System.	V	-	-
	4. Satellite Succession Plan.	V	-	-
	5. Supplementary Agreement for Land Lease of Yangmei Renmei.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
	The Company's response to the audit committee's recommendations: Approved by all board directors in attendance from the 5th meeting of 10th Board (February 24, 2023)			

Date of Audit Committee Meetings	Contents of the Motion	Matters Cited in Article 14-5 of the Securities and Exchange Act	Dissenting Opinions, Reservations or Major Recommendations of Independent Directors	Other Matters that were not Approved by the Audit Committee but were Approved by more than Two-Thirds of All Directors
May 8, 2023 (10-6)	1. The Company's financial statements for the 1st quarter of 2023.	V	-	-
	2. Amendment to the Company's "Guidelines of Investment".	V	-	-
	3. Amendment to the Company's Financial Business Operation Guidelines for Related Parties.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
	The Company's response to the audit committee's recommendations: Approved by all board directors in attendance from the 6th meeting of 10th Board (May 10, 2023)			
August 7, 2023 (10-7)	1. The Company's financial statements for the 2nd quarter of 2023.	V	-	-
	2. Selection of the Certified Public Accounting Firm.	V	-	-
	3. Binjiang IDC Data Center Construction Project.	V	-	-
	4. Release of non-competition restrictions on the Company's independent directors.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
October 19, 2023 (10-4 Temporary meeting)	The Company's response to the audit committee's recommendations: Approved by all board directors in attendance from the 7th meeting of 10th Board (August 9, 2023)			
	1. No.11205 Investment.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
November 6, 2023 (10-8)	The Company's response to the audit committee's recommendations: Approved by all board directors in attendance from the 8th meeting of 10th Board (November 8, 2023)			
	1. The Company's financial statements for the 3rd quarter of 2023.	V	-	-
	2. Appointment of the Certified Public Accounting Firm.	V	-	-
	3. CPA duties and compensation for 2024.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
December 20, 2023 (10-9)	The Company's response to the audit committee's recommendations: Approved by all board directors in attendance from the 7th meeting of 10th Board (November 8, 2023)			
	1. Re-appointment of the Certified Public Accounting Firm.	V	-	-
	2. Release of non-competition restrictions on the Company's directors.	V	-	-
	Audit Committee resolution results: Approved by all independent directors in attendance.			
	The Company's response to the audit committee's recommendations: 1.Approved by all board directors in attendance from the 5th temporary meeting of 10th Board (December 22, 2023) 2.Approved by all board directors in attendance from the 9th meeting of 10th Board (January 26, 2024).			

3. Any independent directors' avoidance of motions due to conflict of interest:

On August 7, 2023, during the 10-7 meeting of the Audit Committee, the proposal to release of non-competition restrictions on the Company's independent directors Chia-Chung Chen and Yi-Chin Tu was discussed. As these directors were considered related parties in this case, in accordance with regulations, they voluntarily abstained from participating in the discussions and voting. At the same meeting, the proposal to release of non-competition restrictions on the Company's independent director Yu-Fen Lin was also reviewed. She was considered a related party in this case, and also voluntarily abstained from participating in the discussions and voting as required. On December 20th, 2023, during the 10-9 meeting of the Audit Committee, the proposal to release of non-competition restrictions on the Company's independent director Su-ming Lin was reviewed. He was considered a related party in this case and also voluntarily abstained from participating in the discussions and voting as required.

4. Communication methods among independent directors, accountants and CAE:

To improve the Company's corporate governance and strengthen the Board's professional knowledge, the Company established the Audit Committee as part of the 7th Board, which consisted entirely of independent directors. In addition to supervising the Company's response plans for internal and external changes, the design of its internal control system and periodic inspection and audit reports, the Audit Committee also must ensure that the design and implementation of the internal control system are consistent and effective to establish communication channels and mechanisms with the internal audit supervisor and accountants, while advancing opinion exchanges. A summary of communication methods and recent communication subjects are as follows:

● Communication Policy among independent directors, accountants and the CAE:

- (1) A meeting between the accountants and the Chief Audit Executive should be held at least once a year to review and discuss the completed results, any deficiencies, and opinions resulting from internal CAE and external auditor findings. Meeting results and transcripts should be recorded and submitted to the Board for review.
- (2) Regular reports from CAE to the Audit Committee
 - i. Regular meetings should be held at least once a quarter with extraordinary meetings held as needed. During the meeting, the internal CAE should report to the independent directors on the Company's implementation of internal audit processes and performance of internal control. When items related to financial reports need to be discussed, accountants should attend the meeting to explain the financial reports and address questions raised by committee members.
 - ii. Annual internal audit plan.
 - iii. Annual professional training plan for internal auditors
- (3) The Company's accountants shall hold Audit Committee meetings for no less than 4 times per annum and report the quarterly review and annual financial results to the Board.
- (4) Others: Extraordinary meetings shall be held in the event of abnormal events, or events that the independent directors, CAE, and Company's accountants deem it necessary to communicate.

● Summary of Communications between Independent Directors and the CAE:

Date	Attendees	Information Communicated	Communication Results
February 22, 2023 Audit Committee (10-4)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	CAE reported the "Audit Follow-up Issues Report for 2022."	Independent Director Recommendations No comments were provided during this meeting. Handling Response The management department has reported current implementation status at the 6th meeting of the 10th Board.

Date	Attendees	Information Communicated	Communication Results
March 29, 2023 Audit Committee (10-5)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	1. CAE reported on the Company's implementation of internal audit processes and internal control operations from October to December of 2022. 2. CAE reported the "OT(Organizational Transformation) Effectiveness Audit Report for Administration and Asset Development System"	Independent Director Recommendations 1. No comments were provided during this meeting. 2. Track the improvement of the management department and report to the Audit Committee. Handling Response 1. Audit highlights were reported at the 6th meeting of the 10th Board. 2. The management department has tracked the progress of relevant departments in accordance with the conclusions of the meeting.
May 8, 2023 Audit Committee (10-6)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	CAE reported on the Company's implementation of internal audit processes and internal control operations from January to February of 2023.	Independent Director Recommendations No comments were provided during this meeting. Handling Response Audit highlights were reported at the 6th meeting of the 10th Board.
May 19, 2023 Audit Committee (10-2 Temporary meeting)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	CAE reported the "Audit Report on the Harbor and Wharf System Construction Project".	Independent Director Recommendations No comments were provided during this meeting. Handling Response Noted.
August 7, 2023 Audit Committee (10-7)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	1. CAE reported on the Company's implementation of internal audit processes and internal control operations from March to April of 2023. 2. CAE reported the "Summary Audit Report on the Operational Effectiveness of Customer Service Transfer to HongHwa for Contracting."	Independent Director Recommendations 1. (1)Track the improvement of the management department. (2)When undertaking a project, CSI should carefully evaluate both the project vendors and their own professional capabilities. 2. (1)Ask Consumer Business Group to implement all the audit recommendations. (2)The Headquarter and Consumer Business Group should organize project teams to discuss the manpower utilization and quality requirements for customer service. (3)Information Technology Group should assist in enhancing technological applications to improve customer service efficiency. Handling Response 1. (1)Audit highlights were reported at the 7th meeting of the 10th Board. (2)CSI has submitted a report at the 8th meeting of the 10th Audit Committee. 2. The management department has held a meeting to establish a project team to promote manpower utilization and the implementation of intelligent customer service.
November 6, 2023 Audit Committee (10-8)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu CAE Chiu-Ming Lien	CAE reported on the Company's implementation of internal audit processes and internal control operations from May to July of 2023.	Independent Director Recommendations No comments were provided during this meeting. Handling Response Audit highlights were reported at the 8th meeting of the 10th Board.
December 20, 2023 Audit Committee (10-9)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen CAE Chiu-Ming Lien	CAE reported on the Company's implementation of internal audit processes and internal control operations from August to September of 2023.	Independent Director Recommendations Track the improvement of the management department. Handling Response Keep following the tracking items.

• Summary of Communications Between Independent Directors and Accountants:

Date	Attendees	Information Communicated	Communication Results
February 22, 2022 Audit Committee (10-4)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen Accountants Yih-Shin Kao Mei Yen Chiang	1. Reviewed the Company's draft domestic and SOX internal control system statement for 2022. 2. Reviewed the Company's draft operation and financial report for 2022.	Independent Director Recommendations 1. The 2022 internal control system statement approved by all directors in attendance. 2. Draft 2022 financial report approved by all directors in attendance. 3. The 2022 operation report should be revised and then submitted to the Board of Directors for approval following the Chairman's review. Handling Response 1. The 2022 internal control system statement and the draft financial report have been reported and approved at the 5th meeting of the 10th Board. 2. The 2022 operation report had been revised and submitted by the chairman and approved at the 5th meeting of the 10th Board.

Date	Attendees	Information Communicated	Communication Results
March 29, 2023	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen Accountants Yih-Shin Kao	Private (closed-door) communication meeting among accountants and independent directors.	
March 22, 2023 Audit Committee (10-5)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen Accountants Yih-Shin Kao	Reviewed full 2022 IFRS financial draft report to be included in Form 20-F.	Independent Director Recommendations Approved by all independent directors to adopt the Full IFRSs Report and report it to the U.S. SEC on Form 20-F in accordance with regulations. Handling Response Full IFRSs Financial Report has been included in the Company's Form 20-F, filed to the U.S. Securities and Exchange Commission (the "SEC") on April 17, 2023.
May 8, 2023 Audit Committee (10-6)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen Accountants Yih-Shin Kao	Reviewed first quarter 2023 financial reports.	Independent Director Recommendations Approved with no comments. Handling Response Approved at the 6th meeting of the 10th Board
August 7, 2023 Audit Committee (10-7)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Chia-Chung Chen Accountants Yih-Shin Kao Mei Yen Chiang	Reviewed second quarter 2023 financial reports.	Independent Director Recommendations Approved with no comments. Handling Response Approved at the 7th meeting of the 10th Board.
November 6, 2023 Audit Committee (10-8)	Independent Directors Su-ming Lin Yu-Fen Lin Chung-Chin Lu Yi-Chin Tu Accountants Yih-Shin Kao Mei Yen Chiang	Reviewed third quarter 2023 financial reports.	Independent Director Recommendations Approved with no comments. Handling Response Approved at the 8th meeting of the 10th Board.

4.3 Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
1. Does the Company establish and disclose the proper corporate governance framework based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		The Company's Board of Directors adopted the "Code of Corporate Governance for Chunghwa Telecom Co., Ltd." which refers to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies." established by Taiwan Stock Exchange Corporation and the Taipei Exchange. The Company's principles are available for shareholder review on the Company's official website under "Corporate Governance."	None
2. Shareholding structure & shareholders' rights (1) Has the Company established an internal operating procedure to address shareholders' suggestions, doubts, disputes, and litigation, with proper implementation based on this procedure?	V		The Company has designated a shareholder service team to handle shareholder suggestions and disputes. Shareholder suggestions, inquiries, disputes and litigation are handled based on relevant standard operating procedures.	None

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(2) Is the Company fully aware of its major shareholders and the ultimate owners of those shares?	V		<p>In compliance with SEC Article 25, the Company reports changes in insiders' (directors, managers and shareholders of more than 10% of shares outstanding) shareholding on a monthly basis, which is published on the designated public information website.</p> <p>Since the first quarter of 2020, each of the Company's quarterly reports have disclosed the names of shareholders who hold more than 5% equity, the total amount and proportion of the shares they hold, and other relevant information.</p>	None
(3) Does the Company adopt and execute the proper risk management and firewall system within its affiliates?	V		<p>1. The Company's internal control system consists of corporate-level risk management and operational-level execution control. In addition, "Chunghwa Telecom Rules and Procedures on Monitoring and Managing Subsidiaries", approved by the CEO, are also in place as risk control mechanisms.</p> <p>2. "Rules Governing Financial and Business Matters between Chunghwa Telecom Co., Ltd and its Related Parties" were mended and approved by the Board of Directors. It is applicable to related party transactions on procurement and sales, asset disposal, guarantees, loans, etc.</p> <p>3. "Chunghwa Telecom Rules and Procedures on Investments" were amended and approved by the Board of Directors. It is applicable to investment strategy, due diligence, valuation, agreement signing, settlement, application, integration, post-investment management, performance review, exit mechanism and penalty, etc.</p>	None
(4) Does the Company establish internal rules against insider trading?	V		The Company prevents insider trading by controlling key points in its operations, which prohibits insiders from trading securities using material nonpublic information.	None
<p>3. Board of Directors Composition and Responsibilities</p> <p>(1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members?</p>	V		<p>1. Diversification Policy: In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the Company approved the resolution on enacting the "Code of Corporate Governance of Chunghwa Telecom Ltd. Co.," Article 20 of the Code states: The composition of the board members shall be considered in a diversified manner and the appropriate policy on diversity should be based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy includes, without being limited to, the following criteria in two aspects:</p> <p>(1) Basic requirements and values: Gender, age, nationality, culture and ethnicity; (2) Professional knowledge and skills: Such as legal, accounting, industry, finance, marketing or technology.</p> <p>2. Concrete Objectives: The Board shall direct company strategies, supervise management and be responsible to the Company and its shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board of Directors complies with the provisions of laws, regulations, its Articles of Incorporation and the resolutions of its shareholder meetings in exercising its authority. According to the Company's Articles of Incorporation, one-fifth of the Board members shall be expert representatives. All the directors of the Company are equipped with the knowledge, skills, literacy and decision-making and management capabilities necessary to perform their duties. The Company continuously arranges a variety of courses for the directors to enhance their decision-making quality and supervision skills, thus strengthening the functions of the Board of Directors. In addition, the Company values gender equality in the composition of the board of directors, with at least one female director on its board and aim of achieving female director representation of over one-third in 2025.</p> <p>3. Implementation of the Board Diversification Policy: The Company's 10th Board of Directors consists of 13 directors, including 5 independent directors and 8 legal representative directors, of which 3 are female. All 13 directors are R.O.C. nationals. The Company's Board possesses overall competence which includes operating judgment, accounting & finance, operating management, crisis management, industry knowledge, global market knowledge, leadership and decision-making ability. The Board members also possess industry experiences and expertise as follows: 10 equipped with business management skills, 12 with knowledge of sustainable development (ESG), 7 with ICT experiences, 3 with expertise in Fintech, 9 with audit and risk management skills, 6 are commerce and marketing specialists, 1 has experience in audiovisual and music-related creative content industry, 3 have experience in human resource management and development. Furthermore, 2 are legal professionals and 3 are accounting and finance experts.</p> <p>The policy that the composition of the Board of Directors should consider diversity as stipulated in the Company's Code of Corporate Governance has been implemented.</p>	None

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	V		<p>In addition to the Compensation Committee and Audit Committee the Company has established in accordance with the laws, the Company's Board has also set up a Corporate Strategy Committee at the 10th meeting of the 3rd Board on Oct 21, 2003. On Aug 9, 2023, the former "Corporate Strategy Committee" was renamed the "Sustainable Development & Strategy Committee" at the 7th meeting of the 10th Board. Meanwhile, the Company established the "Risk Management Committee" to strengthen the effectiveness of the Board of Directors.</p> <p>1. The Sustainable Development & Strategy Committee This committee aims to enhance the effectiveness of the Board of Directors and is responsible for holding meetings to discuss key matters for developing the Company's business while submitting the conclusions of the meetings to the Board of Directors for approval when necessary. Key matters include: establishment of sustainable development policies and management guidelines, mid to long-term goals and strategies, major investments and mergers and acquisitions, a major reorganization of the Company, application or return of business license, annual business operating plans and budget compilation and revision, capital increase or decrease and so on.</p> <p>The Sustainable Development & Strategy Committee currently consists of 9 directors (including 5 independent directors), namely, Shui-Yi Kuo (the Chairman), Shin-Yi Chang, Shih-Hung Tseng, Chau-Young Lin, Su-ming Lin, Chia-Chung Chen, Chung-Chin Lu, Yi-Chin Tu and Yu-Fen Lin. The Chairman of the Committee, Mr. Shui-Yi Kuo is well versed in the telecom industry and an expert in accounting. For the other directors' individual expertise, please refer to the "Disclosure of Directors Professional Qualifications and Independence" on page 24, each of the directors is capable to provide guidance for the Company's future development strategy.</p> <p>The Committee held 7 meetings in 2023. The attendance rate for all 9 directors was 100%. In-depth discussions in the meeting focus on ESG issues such as renewable energy and environmental sustainability, the Company's critical industrial business development strategies, reinvestment planning, and other topics. Relevant operations are conducted in accordance with the Company's "Organizational Regulations of Board of Directors Sustainable Development & Strategy Committee."</p> <p>2. The Risk Management Committee The committee aims to enhance the functions of the board of directors and risk management mechanisms. The responsibilities of the Committee are as follows: (1) Reviewing risk management policies, procedures, framework, and periodically reviewing their applicability and operating performance; (2) Approving risk appetite (risk tolerance) and guiding the resource allocation; (3) Ensuring that the risk management mechanism adequately address the risks faced by the Company and integrate into routine operational procedures; (4) Approving the prioritization and risk levels for risk control and management; (5) Reviewing the implementation of risk management and proposing necessary recommendations for improvements, and reporting to the board of directors regularly (at least once a year); (6) Executing the risk management decisions made by the Board of Directors.</p> <p>The current Risk Management Committee consists of seven members, with a majority being independent directors from the company, (including five independent directors), namely, Chia-Chung Chen (the Chairman), Yu-Fen Lin, Chung-Chin Lu, Yi-Chin Tu, Su-ming Lin, Shin-Yi Chang and Chau-Young Lin. The Chairman, Chia-Chung Chen, possesses expertise and experience in risk management. For the other directors' individual expertise, please refer to the "Disclosure of Directors Professional Qualifications and Independence" on page 24 and "Implementation of the Board Diversification Policy" on page 29. Each of the directors is capable to provide guidance for the Company's risk management.</p> <p>In 2023, the Risk Management Committee held one meeting, with a 100% attendance rate from all seven directors. The significant topics discussed during the meeting included an overview of the company's risk management processes and the management of internet and information equipment. All relevant operations are conducted in accordance with the company's "Organizational Regulations of Board of Directors Risk Management Committee."</p>	None
(3) Does the Company establish and implement on an annual basis a set of assessments to measure the performance of the Board of Directors, report the performance evaluation results to the Board to Directors, and use it as a reference for the compensation of the Board of Directors?	V		<p>The Company enacted the "Regulations Governing the Performance Evaluation of the Board of Directors of Chunghwa Telecom Co., Ltd." According to the Regulation, the performance evaluation is conducted at a set date annually and the report is submitted to its Board of Directors before the end of March of the following year for review and improvement, and to serve as a reference for the selection or nomination of directors.</p> <p>The self-evaluation of the Company's 2023 Board Performance has been completed. The evaluation results have been reported at the 9th meeting of the 10th Board of Directors on January 26, 2024, and are disclosed on the Company's website.</p>	None

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Does the Company regularly evaluate the independence of its CPAs?	V		<p>The Audit Committee is authorized to evaluate the independence of the CPAs on annual basis.</p> <p>1. The evaluation mechanisms are as follows:</p> <p>(1) In accordance to U.S. Sarbanes-Oxley Act, the CPA firm must be pre-approved by the Audit Committee prior to annual audit and any other project.</p> <p>(2) In accordance to U.S. Sarbanes-Oxley Act, the CPAs shall report the audit/ review content and independence to the Audit Committee on quarterly basis.</p> <p>(3) Any change of audit CPAs must strictly in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</p> <p>(4) Periodically obtain a Confirmation of Independence from the CPAs.</p> <p>(5) Periodically obtain Audit Quality Indicators (AQIs) reports from the CPAs, refer to "Guidance for Audit Committees on Interpreting the Audit Quality Indicators" and related regulations to assess the independence and competence of the CPAs, and then report the results of the assessment to the Audit Committee.</p> <p>2. The evaluation results are as follows:</p> <p>(1) The independence of the CPA is compliant with the regulations of the U.S. SEC, PCAOB, and other relevant regulations.</p> <p>(2) The Company has not appointed the same CPA for five successive years.</p>	None
(5) Has the Company adopted a succession plan for key executives?	V		<p>The Company has designed programs to foster managers who have potential to grow and support transformation through objective selection and evaluation mechanisms. Based on evaluation results, individual development plans (IDPs) are formulated, and high-level coaching teams are arranged to assist in developing their strategic thinking and leadership abilities. The Company annually evaluates succession candidates based on retirement gaps, succession bench depth (approximately 2-3 times), key development areas, and gender equality considerations. Through comprehensive assessments, the Company plans executive succession through the Executive Development Plan (EDP) and promote middle-level employees to higher positions through the Talent Development Plan (TDP). These plans serve as a reserve pool for succession over the next 3-5 years.</p>	None
4. Has the Company allocated suitable and sufficient corporate governance staff and appointed a manager of corporate governance responsible for corporate governance matters (including, but not limited to, furnishing information required for business execution by directors, assisting directors in complying with laws and regulations, handling matters related to board and shareholder meetings in accordance with the laws, producing minutes of board and shareholder meetings, etc.)?	V		<p>1. At the 7th meeting of the 10th Board of Directors on August 9, 2023, the Company has appointed Ms. An-An Hsia, the Assistant Vice President, to serve as the Chief Corporate Governance Officer.</p> <p>2. The Company allocated an appropriate number of corporate governance personnel and appointed a chief corporate governance officer to be in charge of corporate governance affairs, including, but not limited to,</p> <p>(1) Handling matters relating to board meetings and shareholders meetings;</p> <p>(2) Producing minutes of board meetings and shareholders meetings</p> <p>Furnishing information required for business execution by directors</p> <p>(3) Assisting in onboarding and continuous professional enhancement of directors ;</p> <p>(4) Furnishing information required for business execution by directors;</p> <p>(5) Assisting directors with legal compliance;</p> <p>(6) Report to the Board of Directors the result of its view on whether the qualification of independent directors comply with relevant laws and regulations at time of the nomination, election and during their tenure;</p> <p>(7) Handle matters related to the change of directors;</p> <p>(8) Assisting the board and its functional committees in their board performance self-evaluation and conducting external board performance evaluations every three years;</p> <p>(9) Other matters set out in the Articles of Incorporation and contracts;</p> <p>(10) Monitoring the latest developments of amendments to the laws and regulations related to corporate governance by the competent authorities.</p> <p>3. In 2023, the Company's Chief Corporate Governance Officer completed 30 hours of continuing professional education (CPE), surpassing the requirement of at least 18 hours of training courses within the year of her appointment. The training courses are as follows:</p> <p>(1) The 14th Taipei Corporate Governance Forum (6 hours)</p> <p>(2) How should the board of directors formulate ESG sustainable governance strategies (3 hours)</p> <p>(3) 2023 Insider Trading Prevention Advocacy Seminar (3 hours)</p> <p>(4) How independent directors can combine business judgement with the duty of loyalty (3 hours)</p> <p>(5) New Challenge to Corporate Governance as ESG Knocking (3 hours)</p> <p>(6) Corporate Governance Officer Compliance Work Practice (3 hours)</p> <p>(7) Unveiling the Mysterious Facet of the Architect behind Corporate Governance: Practical Operations for Corporate Governance Personnel (3 hours)</p> <p>(8) Corporate Governance Summit XIX- Creating New Sphere of Governance for the Elevating Value of Enterprises (6 hours)</p>	None
5. Has the Company established a communication channel and designated a website section for its stakeholders (including but not limited to shareholders, employees, customers and suppliers) as well as to handle all Corporate Social Responsibility related issues?	V		<p>The Company has established sections for "ESG" and "Stakeholders" on its website. It also maintains a Facebook page, customer service hotline, online platform, e-mail, instant message service and mobile app to serve as multiple and adequate access channels for responding to stakeholders. Stakeholder negotiation results are regularly reported to the Board of Directors and disclosed on the official corporate website.</p>	None
6. Does the Company appoint a professional shareholder service agency to handle shareholder meeting affairs?	V		<p>The Company has engaged the registrar and transfer agency department of Yuanta Securities to handle shareholder meeting affairs.</p>	None

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
7. Information Disclosure (1) Does the Company have a corporate website to disclose all information regarding finances, the business, and corporate governance?	V		The Company has established an official corporate website to disclose financial, business, corporate governance and related information in a timely manner.	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, investor conference webcasts, etc.)?	V		The Company has established an English version of the official corporate website and designated personnel responsible for Company information collection and disclosure. The Company implements a spokesperson system with the CFO designated as the spokesperson. Conference related materials, including audio recordings, financial, and operational metrics are disclosed in the "Investors" section of the website. The same information is also available on the MOPS website.	None
(3) Does the Company report its annual financial report within two months after the end of the fiscal year and announce the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines?	V		In order to enhance the timeliness of information disclosure, the Company reported its annual financial report within two months after the end of the fiscal year and announced the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices? (1) Employee rights	V		The Company's human resources policies comply with the provisions prescribed under laws, such as the Labor Standards Act, and collective bargaining agreements, in order to protect employee rights.	None
(2) Employee wellness	V		The Company engages professional organizations to handle employee assistance programs, including psychological, legal, financial, health and management consultations. The Company has also opened multiple channels for employees to express their opinions, creating a sense of active engagement and channels for smooth, mutual communication.	None
(3) Investor relations	V		The Company's most important goals are to protect shareholders' rights and to treat all shareholders equally. In addition to disclosing all required information such as financial, operational, changes in internal shareholdings, etc. in a timely manner, the Company voluntarily discloses material information on the investor relations section of its website. All shareholder meetings are recorded in accordance with the company laws and relevant regulations; all records of the meetings are disclosed on the official corporate website.	None
(4) Supplier relations	V		1. The Company purchases equipment from suppliers in accordance with the "Chunghwa Telecom Procurement Management Regulation" and other relevant provisions; the successful bidder fulfills the responsibilities of product delivery and warranties in accordance with the contract. 2. The Company also evaluates suppliers based on price, quality, delivery, service and fulfillment of ESG / corporate social responsibilities, which include the establishment of a stable and sustainable supply chain.	None
(5) Rights of stakeholder	V		In compliance with the latest domestic regulations and international trends, the Company publicly discloses related contracts and systems to ensure all stakeholder rights. The Company has established a website section for stakeholders, providing a communication channel that allows stakeholders to report and receive responses to unfair treatment or encroachment on rights. https://www.cht.com.tw/en/home/cht/esg/sustainable-governance/stakeholders-engagement/communication-channels	None
(6) Directors' training record	V		The Company follows the Taiwan Stock Exchange Corporation's "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies." Please refer to Appendix A "Directors' Continuing Education Records for fiscal year 2023."	None
(7) Implementation of risk management policies and risk assessments	V		1. The Company's risk management policy and risk assessment measurement standards are implemented in accordance with "Chunghwa Telecom Risk Management Rules" approved by Board of Directors, and the risk management operations across the corporate are promoted in accordance with the "Working Guidelines for the Risk Management of Chunghwa Telecom". 2. The Company evaluates the internal and external environment, consistently analyzes and rectifies all high-impacted risks to ensure achieving business operation targets, financial accuracy, etc.; the Company also utilizes risk management system to register, track and manage, those relevant risks to strengthen overall governance and risk management.	None

Evaluation Criteria	Implementation Status			Deviations From "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(8) Implementation of customer relations policies	Y		<p>The Company provides the highest level of comprehensive customer service, using big data analysis to understand customer behavior and provide technological products and innovative services that meet customer needs. For internet communication, the Company strives to deliver a consistently stable and high-quality communication environment; as for customer service, the Company prioritizes customer-centric approaches, infusing elements of emotional service to provide a service marketing experience that combines warmth and efficiency. The Company is committed to establishing diverse services and communication channels that are convenient, quick, and professional.</p> <p>The service quality of physical stores is inspected using the "On-site Inspection of Service Quality Protocol." In addition, the Company offers a 24-hour customer service hotline through direct dial 123 from Chunghwa Telecom local calls or mobile phones and online store services. The Company actively improves weaknesses identified in customer satisfaction surveys, aiming to provide customers with refined and personalized services. To actively improve customer satisfaction, the Company also offers paperless payment choices, such as SMS, e-mail, voice, and others, to adhere to its carbon reduction policy.</p>	None
(9) Insurance for Directors	Y		To lower and disperse material damage and risk to the Company and shareholders arising from director mistakes or carelessness while executing business within the scope of their term, the Company has purchased liability insurance according to their respective terms of office. The details of the insurance coverage have also been reported to the directors.	None
9. Implementation of the Management of Intellectual Property	Y		<ol style="list-style-type: none"> 1. The Company has formulated relevant intellectual property management regulations to manage the Company's intellectual property rights, such as patents, trademarks, copyrights, and trade secrets. 2. Chunghwa Telecom Laboratories has established a patent management system to improve business performance and reduce intellectual property disputes and litigations. 3. The Company links the intellectual property management plan with the Company's business plan and development strategy, and reports findings to the Board of Directors annually to foster continuous development. 4. The Company obtained the A-level verification in the Taiwan Intellectual Property Management System (TIPS) on November 7, 2023, becoming the first telecommunications operator in Taiwan to attain the verification. The certificate is valid until December 31, 2024. 	None
10. Please explain items that have been already improved and priority measures to reinforce matters have not been improved, in accordance to the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange.				
Items already improved	The Company's corporate governance manager is full-time; the company has introduced and implemented the Taiwan Intellectual Property Management System (TIPS) and has been verified by an independent third party; the company voluntarily discloses directors' remuneration on an individual basis in the annual report.			
Items to be improved	None			

4.4 Compensation Committee Composition, Responsibilities and Operations

(1) Compensation Committee Member Profiles

December 31, 2023

Title	Name	Criteria	Professional Qualification and Work Experiences	Criteria for Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as Compensation Committee Member
Independent Director (10th Chairman)	Yu-Fen Lin		(Note)	(Note)	0
Independent Director	Chia-Chung Chen		(Note)	(Note)	1
Independent Director	Su-ming Lin		(Note)	(Note)	1

Note: Please see page 24, Chapter 3, "Disclosure of Directors Professional Qualifications and Independence".

(2) Compensation Committee Operation

A. The Compensation Committee is currently comprised of 3 members.

B. Current Compensation Committee Member Terms: May 30, 2022, through May 26, 2025; the committee convened 7 meetings (A) in 2023, of which attendance is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Committee Chairman	Yu-Fen Lin	7	0	100%	Scope of Responsibilities: 1. Regularly formulate and review policies, systems, standards, and structures related to director and management performance assessments and compensation. 2. Regularly enact and review director and management compensation.
Committee Chairman	Chia-Chung Chen	6	1	86%	
Committee Chairman	Su-ming Lin	7	0	100%	

Other Matters of Importance:

- In circumstances where the Board of Directors declines to adopt, or make modifications based on, recommendations from the Compensation Committee, specify the dates of meetings, sessions, contents of motion, Board of Directors resolutions, the Company's response to the Compensation Committee's opinion (for example, where the compensation passed by Board of Directors exceeds the recommendations of the Compensation Committee, the circumstances and reasons for the difference of opinions shall be specified): None in the current fiscal year.
- In circumstances where resolutions of the Compensation Committee were objected to by members, or members had a reserved opinion, and were recorded or declared in writing, specify the dates of meetings, sessions, contents of motions, all member opinions, and responses to member opinions: None in the current fiscal year.
- Compensation Committee discussions and resolutions:

In 2023, the Compensation Committee met 7 times

Date	Information Communicated	Results Communicated	
February 22, 2023 (10-2)	(1) Review of the executive management team's final performance results for 2022.	Approved by all members in attendance	Used to determine the Company's executive managements' performance and bonuses
	(2) Allocation of the Company's fiscal year 2021 compensation for board directors		The allocation of director compensation for 2022, along with the distribution amount of employee compensation, was submitted for discussion to the Audit Committee. The proposed remuneration distribution ratio was then presented to the Board of Directors for review and approval.
May 5, 2023 (10-1 Interim meeting)	Determination of monthly compensation for the Company's newly appointed Chairman	Approved by all members in attendance	Reported to the Board for review and approval
May 8, 2023 (10-3)	Review of the Company's fiscal year 2022 compensation distribution for senior executive management	Approved by all members in attendance	Used to determine the annual allocation of senior executive management compensation
May 30, 2023 (10-2 Interim meeting)	Review the 2022 performance appraisal appeal case of the company's auditors.	Approved by all members in attendance	Based on this, the complainant's 2022 performance appraisal score was able to be increased
July 7, 2023 (10-3 Interim meeting)	Determination of monthly compensation for the Company's newly appointed President	Approved by all members in attendance	Reported to the Board for review and approval

Date	Information Communicated	Results Communicated	
August 7, 2023 (10-4 Interim meeting)	Adjust the monthly fixed part-time remuneration amount of the company's legal representative director	Approved by all members in attendance	It is submitted to the board of directors for review and approval that the monthly fixed part-time remuneration will be adjusted to the legal basic salary retroactively from August 1, 2023; in the future, the monthly fixed part-time remuneration will be adjusted along with the statutory basic salary.
November 6, 2023 (10-5 Interim meeting)	To approve "Incentive Compensation Clawback Policy of Chunghwa Telecom Co., Ltd."	Approved by all members in attendance	The Chinese and English provisions of the "Incentive Compensation Clawback Policy of Chunghwa Telecom Co., Ltd." were submitted to the Board of Directors for review and approval.

4.5 Fulfilment of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Criteria	Implementation Status			Deviations From the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
1. Has the Company established a Sustainable Development unit (full- or part-time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?	V		<ol style="list-style-type: none"> In August 2023, the Sustainable Development Committee was integrated with the Strategy Committee into the Sustainable Development and Strategy Committee, which was elevated to be a functional committee under the board of directors and composed of five to nine directors. The committee convenes meetings to discuss the sustainable development vision, medium to long-term objectives, and other significant strategic issues, and reports necessary conclusions to the Board of Directors for decision-making. At the management level, the Sustainable Development Promotion Committee was established and led by the Chief Sustainability Officer, served concurrently by the Company's Chairman. The committee consists of four working groups: Environmental Group (E), Social Group 1 (S1), Social Group 2 (S2), and Governance Group (G), and each group is supervised by an executive vice president of the head office. The committee reports regularly to the Sustainable Development and Strategy Committee, presenting important progress, achievements, and strategic plans, which are disclosed in the annual report and on the Company's website. In 2023, the Company reported its important sustainable development performance, progress towards goals, key issues, and future work plans to the Board of Directors in January, May, August, and November. The Board of Directors oversaw and supervised the progress of sustainable development strategies and various projects, and provided necessary guidance. 	None

Evaluation Criteria	Implementation Status			Deviations From the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																
	Yes	No	Explanation																	
2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies? (Note)	V		1. The Company's Risk Management Committee conducts risk assessments on environmental, social, and corporate governance issues related to the operations based on the principle of materiality, and establishes relevant risk management policies and strategies. The risk assessment scope and boundary include the Company, its branches and subsidiaries. For information on the relevant risk management policies, scope, organizational responsibilities, and operations, please refer to Chapter 6, "Risk management structure and operation" on page 144.	None																
			2. Based on the principles of materiality, the following are the enterprise-level risk assessment items and relevant risk management strategies for environmental, social, and governance issues related to our operations in 2023:																	
			<table><tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Explanation of Relevant Risk Management Strategies</th></tr><tr><td>Environmental</td><td>Abnormal climate and lower-than-expected carbon emission reduction may impact sustainable development</td><td>1. The Sustainable Development Promotion Committee has set short, medium, and long-term carbon reduction goals, and cross-organizational collaboration by the environmental team is being promoted to achieve these goals through green energy procurement, construction, etc., as well as energy-saving and energy-storage measures. 2. Enhance network disaster prevention capabilities in response to extreme weather conditions.</td></tr><tr><td rowspan="2">Social</td><td>Insufficient development of emerging businesses affects the digital empowerment</td><td>1. Develop and deploy new products to enhance digital empowerment for our customers by proactively exploring insight of customer needs and utilizing new technologies and disruptive innovations, like AIoT, AI, Big Data, Cloud, enterprise private network, and cybersecurity, etc. 2. To accelerate product launch and to scale-up business revenue and profits by constructing a sustainable ecosystem.</td></tr><tr><td>Not enough emerging technology talents in place</td><td>1. Promote the implementation of "a happy enterprise" with continuous enhancement in the welfare of our employee to enhance the attractiveness of the emerging technology talents. 2. Cooperation with academic institutions (Intern included), diverse recruitments, employees training of emerging technology, to expand the talents source of emerging technologies.</td></tr><tr><td rowspan="2">Governance</td><td>Communication and reporting should meet stakeholders' needs</td><td>1. Regularly confirm the requirements of internal and external stakeholders regarding management decisions. 2. Establish proactive communication channels for key decision-making information. 3. Review the website to strengthen information disclosure and safeguard the rights and interests of investors.</td></tr><tr><td>Major information security and personal data leakage incidents</td><td>1. Maintain an overall information security defense plan in place to meet the requirements of the Cybersecurity Management Act. 2. Enhance plans for preventing, reporting, and responding to personal data privacy breaches.</td></tr></table>		Major Issues	Risk Assessment Items	Explanation of Relevant Risk Management Strategies	Environmental	Abnormal climate and lower-than-expected carbon emission reduction may impact sustainable development	1. The Sustainable Development Promotion Committee has set short, medium, and long-term carbon reduction goals, and cross-organizational collaboration by the environmental team is being promoted to achieve these goals through green energy procurement, construction, etc., as well as energy-saving and energy-storage measures. 2. Enhance network disaster prevention capabilities in response to extreme weather conditions.	Social	Insufficient development of emerging businesses affects the digital empowerment	1. Develop and deploy new products to enhance digital empowerment for our customers by proactively exploring insight of customer needs and utilizing new technologies and disruptive innovations, like AIoT, AI, Big Data, Cloud, enterprise private network, and cybersecurity, etc. 2. To accelerate product launch and to scale-up business revenue and profits by constructing a sustainable ecosystem.	Not enough emerging technology talents in place	1. Promote the implementation of "a happy enterprise" with continuous enhancement in the welfare of our employee to enhance the attractiveness of the emerging technology talents. 2. Cooperation with academic institutions (Intern included), diverse recruitments, employees training of emerging technology, to expand the talents source of emerging technologies.	Governance	Communication and reporting should meet stakeholders' needs	1. Regularly confirm the requirements of internal and external stakeholders regarding management decisions. 2. Establish proactive communication channels for key decision-making information. 3. Review the website to strengthen information disclosure and safeguard the rights and interests of investors.	Major information security and personal data leakage incidents	1. Maintain an overall information security defense plan in place to meet the requirements of the Cybersecurity Management Act. 2. Enhance plans for preventing, reporting, and responding to personal data privacy breaches.
			Major Issues		Risk Assessment Items	Explanation of Relevant Risk Management Strategies														
			Environmental		Abnormal climate and lower-than-expected carbon emission reduction may impact sustainable development	1. The Sustainable Development Promotion Committee has set short, medium, and long-term carbon reduction goals, and cross-organizational collaboration by the environmental team is being promoted to achieve these goals through green energy procurement, construction, etc., as well as energy-saving and energy-storage measures. 2. Enhance network disaster prevention capabilities in response to extreme weather conditions.														
Social	Insufficient development of emerging businesses affects the digital empowerment	1. Develop and deploy new products to enhance digital empowerment for our customers by proactively exploring insight of customer needs and utilizing new technologies and disruptive innovations, like AIoT, AI, Big Data, Cloud, enterprise private network, and cybersecurity, etc. 2. To accelerate product launch and to scale-up business revenue and profits by constructing a sustainable ecosystem.																		
	Not enough emerging technology talents in place	1. Promote the implementation of "a happy enterprise" with continuous enhancement in the welfare of our employee to enhance the attractiveness of the emerging technology talents. 2. Cooperation with academic institutions (Intern included), diverse recruitments, employees training of emerging technology, to expand the talents source of emerging technologies.																		
Governance	Communication and reporting should meet stakeholders' needs	1. Regularly confirm the requirements of internal and external stakeholders regarding management decisions. 2. Establish proactive communication channels for key decision-making information. 3. Review the website to strengthen information disclosure and safeguard the rights and interests of investors.																		
	Major information security and personal data leakage incidents	1. Maintain an overall information security defense plan in place to meet the requirements of the Cybersecurity Management Act. 2. Enhance plans for preventing, reporting, and responding to personal data privacy breaches.																		

Evaluation Criteria	Implementation Status			Deviations From the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
3. Environment (1) Does the Company establish proper environmental management systems in line with its industry characteristics?	V		<ol style="list-style-type: none"> The Company joined the Taiwan Alliance for Net Zero Emission in June 2021 and proposed the goals of halving carbon emissions in 2030 and net-zero emissions in 2050. Chunghwa Telecom officially received validation of its greenhouse gas reduction NEAR TERM Targets from the Science Based Targets initiative (SBTi) on July 27, 2023 and set the 2030 target of reducing Scope 1 and Scope 2 carbon emissions by 50% compared to 2020 levels, and reducing Scope 3 carbon emissions by 22.5% compared to 2021 levels. In addition, the Company's head office building is targeting to be the first to achieve the goal of net-zero emissions in 2030. Chunghwa Telecom's greenhouse gas inventory followed the GHG Protocol and ISO14064-1: 2018 standards, and adopted the operation control method, covering 100% of its operational sites and offices. In addition to the inventory of carbon emissions generated by Scope 1 and Scope 2 operating activities, the Company also expanded to the emissions of 15 upstream and downstream items in Scope 3, implementing environmental management in a comprehensive manner. The Company adopted the Chunghwa Telecom Energy-Saving Policy for a Sustainable Environment and ESG Sustainable Telecom Facility Operation Energy-Saving Plan, as it actively promotes conservation initiatives to reduce carbon emissions. In addition, the Company has supplemented these initiatives with comprehensive green energy saving solutions of an Intelligent Energy Network (iEN) and Power Operations Support System (POSS) to dynamically manage the use of air conditioning energy. The Company's headquarters was recognized with the "Net Zero Mark Green Level" by the "Taiwan Alliance for Net Zero Emission," targeting to achieve net-zero emissions by 2030. In 2021, the Company adopted the BS 8001 Circular Economy framework, and became the first in Taiwan's telecommunications industry to obtain the BS8001 Circular Economy Review certification. The Company adopted the self-developed Environment ARTificer THeurgy (EARTH 2.0) to effectively collect environmental data including the use of electricity and water, waste and recycling management, and green procurement among others, in order to secure efficient use of energy in real-time. To achieve ESG environmental sustainability, the Company continued to improve the system and expand functions such as management of Scope 1, 2 and 3 carbon emission projects and renewable energy management. In 2023, the Company further optimized EARTH 2.0 as a product service and launched "Carbon Intelligence Cloud Carbon Management Service" to assist companies in effectively managing carbon emissions and formulating carbon reduction strategies, becoming the best partner in the digitally empowered carbon industry chain. In accordance with the Task Force on Climate-related Financial Disclosures (TCFD), the Company discloses climate-related risks and opportunities from the four core elements: "Governance," "Strategy," "Risk Management" and "Metrics and Goals," and formulates the Company's climate change strategy. To fulfill the green commitment and meet the global green challenge, through the strategy of "Green Enterprise, Green Sustainability and Green Innovation", the Company actively executes the 5G (Green) actions: "Green Operations, Green Energy, Green Stores, Green Supply Chain and Green Procurement" initiative, to pursue and realize economic, environmental and social benefits. The Company formulated the "Environmental Sustainability Strategy and Target Plan", to cover environmental sustainability policies, and strategic outlines to actively promote sustainable actions. The Company also prepares the annual budget to sufficiently meet these policies. The Company has obtained ISO14001 and ISO50001 certifications. ISO 14001 is valid until December 24, 2023, while ISO 50001 is valid until December 2, 2023. The Company has conducted a climate-related risk inventory of more than 900 major telecom facility offices, including but not limited to potential for heavy rain and flooding, so as to serve as a reference for the telecom facility office response to climate risks in order to enhance resilience. 	None
(2) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with a low environmental footprint?	V		<ol style="list-style-type: none"> The Company is committed to improve the efficient use of energy. Based on current electricity use of telecom facilities, the Company consolidates or shuts down facilities (UPS or SMR) and implements other strategies to improve power efficiency. In terms of air conditioning equipment, the Company optimized the cooling water tower operation, which combines the water tower fan and the cooling water pump with the frequency converter to achieve energy saving in air-conditioning. Concurrently, the Company has steadily replaced its older, more energy-consuming equipment, such as SMR equipment, air conditioning equipment, etc. The Company uses more than 90% high-efficiency SMR equipment, high sensible heat air-conditioning hosts and maglev frequency conversion chillers to reduce energy consumption and power costs. The energy saving results in 2023 are as follows: <ol style="list-style-type: none"> The energy saving measures of fixed network facilities include converting PSTN to IP, old power equipment and air conditioning equipment replacement, NG SDH-UT phase-out, ERI load shedding, ADSL DSLAM replacement, V1 DSLAM replacement, 7342 GPON OLT replacement, broadband AGG-E integration, etc. A total of 47.44 million kilowatt hours of electricity was reduced across Company's 17 operational offices. The energy saving measures of mobile network facilities (including mobile base stations) include adopting C-RAN architecture in mobile base stations, replacing old energy-consuming equipment gradually, retiring 2G gate switches, shutting down 3G-F2 cells, turning on hibernate mode and optimizing 4G equipment, etc. A total of 12.99 million kilowatt hours of electricity was reduced. The Company has adopted Chunghwa Telecom Energy-Saving Policy for a Sustainable Environment and ESG Sustainable Telecom Facility Operation Energy-Saving Plan, which includes incentives for energy conservation, carbon reduction, green procurement and environmental sustainability, to achieve the goal to "improve resource utilization efficiency while reducing environmental impact." The Company uses a system template construction method for new building constructions, which uses recyclable aluminum formwork instead of the traditional wooden formwork, to enhance outdoors aesthetics while also reducing environmental impact of construction waste. The Company actively promotes the electrification of vehicles and purchased the first batch of 90 electric vehicles in 2023, which can support the electrification of vehicles from 2024 to 2025, as an active measure to reduce carbon emissions. To align with the government's policies of a circular economy to achieve efficiency in resource use, the Company selected the most up-to-date MOD video service with highest penetration rate as its target. The Company minimized the MOD set-top box and power usage to successfully reduce the use of raw materials and electricity consumption. On the consumer side, the Company organized and reused the MOD STB under the principle of "Ensuring Service Quality," to successfully extend the life cycle of the MOD STB while preventing resource waste and reducing pollution. The Company actively invests in the development of renewable energy. As of the end of 2023, the Company has built 69 solar photovoltaic sites in Taiwan, with a total installation capacity of 5.56 MWp. Installation capacity is expected to be increased additional 2 MWp or more in the future, demonstrating the Company's ambition to branch out into the renewable energy industry. In 2023, 73.575 million kilowatt-hours of energy were transferred through self-built and purchased renewable energy. The target for renewable energy usage in 2024 is expected to exceed 70 million kilowatt-hours. The Company will strive to achieve the goal of using 100% renewable energy in 2040. 	None

Evaluation Criteria	Implementation Status			Deviations From the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
(3) Does the Company evaluate the impact of climate change on the Company's current and future potential risks and opportunities, and adopt measures to respond to climate-related issues?	V		<p>The Company launched the Task Force on Climate-related Financial Disclosure (TCFD) in 2020. In accordance with the TCFD framework, the Company will disclose information on governance, strategy, risk management, and metrics and goals regarding climate-related risks and opportunities in its ESG report and on its official website. As of the end of 2020, the Company has obtained the third-party review certification for two consecutive years.</p> <p>Please find below a brief of the implementation results:</p> <p>Governance: The Company's Sustainable Development Promotion Committee consists of four groups, E, S1, S2, and G, which are led by the senior executive vice president of the headquarters and supervised by dedicated departments. Among them, the E(Environment) group is responsible for the Company's climate change issues. The Environment group follows the resolutions of the Committee and the instructions of the President's inter-group meeting to promote climate change strategies and actions plan.</p> <p>Strategy: Strategies to mitigate and adapt to the effects of climate change are as follows: 1. Mitigation: Transition towards a net-zero emissions path, committed to improving energy efficiency, use of renewable energy, and introduce emerging technologies and development. 2. Adaptation: Strengthen the climate resilience of the Company's communication equipment and facilities to reduce the impact of natural disasters.</p> <p>Risk Management: With reference to ISO 31000 Risk Management Guidance, the Company established a risk management process related to climate change and regularly assesses climate change impact.</p> <p>Metrics and Goals: The Company set a target to achieve net-zero carbon emissions by 2050. Aligning with the government's policy and striving to implement the Adaptation Strategy to Climate Change, the Company established its climate change adaptation targets.</p> <p>Future potential risks and opportunities derived from climate change: Based on the results of the 2021 TCFD project, the Company re-evaluated and assessed the risks and opportunities derived from climate change, and identified and actively managed risks (physical and transformation risk) and opportunities. The Company will actively manage related risks and opportunities and monitor the impact of climate change to reduce the operational and financial impact. Details are as follows: 1. Risks: Physical Risk - immediate risk (If the frequency and severity of heavy rain and floods increase, resulting in equipment inoperability or service interruption); Transformation Risk—Policy and Regulatory Risk(In response to Taiwan's 2050 net-zero emission policy, the company must invest in low-carbon transformation). 2. Opportunities: energy source—IDC center adopts renewable energy; low carbon products—Invest in green products and emerging technologies to drive revenue growth. Please refer to our official website regarding ESG report and environmental related information.</p>	None
(4) Does the company collect information on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies on greenhouse gas reduction, water usage reduction, or other waste management policies?	V		<p>Greenhouse Gas Management Initiatives: 1. Chunghwa Telecom has carried out an annual greenhouse gas examination plan since 2008, covering 100% of the Company's its operational sites and offices, in accordance with the guidelines of the GHG Protocol and ISO14064-1: 2018 standards, and passed the third-party external verification. 2. The Company formulated Energy-Saving Policy for a Sustainable Environment and has incorporated greenhouse gas reduction and environment-related issues into risk management process. Meanwhile, through the Environment ARTificer THEurgy (EARTH 2.0), regularly tracking the electricity consumption of each office and reporting to the Risk Management Committee and the Board of Directors to effectively manage greenhouse gases reduction. Please refer to our official corporate website (https://www.cht.com.tw/en/home/cht/esg/environmental-sustainability/environmental-strategy-and-goal/environmental-sustainability-strategies-and-goal) 3. Reduction Goals: Chunghwa Telecom officially received validation of its greenhouse gas reduction NEAR TERM Targets from the Science Based Targets initiative (SBTi) on July 27, 2023, and set the target of reducing Scope 1 and Scope 2 carbon emissions by 50% by 2030 (compared to 2020 levels) and achieving net-zero emissions by 2050. 4. Achievements: Through the use of renewable energy and technology to reduce carbon emissions, as well as driven by the two major policies, the Company reduced carbon emissions by approximately 15.94% in 2023 compared to 2020 levels and has achieved 6.5% of the carbon reduction target (converting from the electricity emission coefficient of 0.495 kgCO₂e). For the company's greenhouse gas emissions status in the past two years, please refer to "Annex 1-1. Company greenhouse gas inventory and assurance status in the last two years" of "Climate-Related Information of TWSE/TPEX Listed Company in this chapter (page 74)</p> <p>Water Saving Measures: 1. Build recovery systems for rainwater, groundwater and air-conditioning condensation to achieve water reuse. 2. The Company's recycled water is primarily used for everyday use. In addition to tap water, water for cooling and air conditioning are recycled for everyday use. The Company promotes the recycling of rainwater and condensation water, and the Banqiao IDC computer room has obtained ISO14046 certification for water footprint inspection. 3. Utilize the Company's IoT and electronic water meters, and build an innovative smart water meter monitoring platform and equipment, to enable remote monitoring of the daily water floor consumption. 4. Based on the water consumption in 2020, the Company targets to reduce water consumption by 1% every year.</p> <p>Waste Reduction Measures: 1. To launch waste reduction programs 5R, the Company actively monitors and manages the amount of waste generated through the online system and entrusts qualified processing manufacturers to recycle waste, such as lead-acid batteries, cables and hardware, among other miscellaneous items. 2. The Company adopted the BS 8001 Circular Economy framework in 2021, to enable a private waste disposal agency, approved by the environmental protection agency, for waste disposal services. The Company became the first enterprise in Taiwan's telecommunication industry to obtain the BS8001 Circular Economy Review certification. 3. The Company continues to promote consumer electronic billing and combined billing, the reuse and recycling of water, digital document systems, etc. 4. Based on the amount of waste in 2021, the target for domestic waste is to reduce waste by 3% per year and 100% of industrial waste is handed over to Environmental Protection Agency (EPA) qualified manufacturers to recycle/reuse and incinerate.</p>	None

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			<p>The Company's levels of water consumption and total weight of waste for the two preceding years are as follows:</p> <table><tr><th colspan="3">Water Usages & Waste Management</th><th>Unit: t</th></tr><tr><th>Year</th><th>2022</th><th>2023</th><th></th></tr><tr><td>Tap Water Consumption</td><td>566,165</td><td>634,908</td><td></td></tr><tr><td>Air-Conditioner Water Consumption</td><td>1,609,038</td><td>1,533,227</td><td></td></tr><tr><td>Recycled Water</td><td>7,453</td><td>4,143</td><td></td></tr><tr><td>Biological Waste</td><td>1,968</td><td>1,903</td><td></td></tr><tr><td>Industrial Waste</td><td>5,147</td><td>5,152</td><td></td></tr></table> <p>Note: The statistics of 2023 are preliminary results calculated by Chunghwa Telecom and is to be verified by an external third-party.</p> <p>Please refer to our official website regarding environmental related information.</p>	Water Usages & Waste Management			Unit: t	Year	2022	2023		Tap Water Consumption	566,165	634,908		Air-Conditioner Water Consumption	1,609,038	1,533,227		Recycled Water	7,453	4,143		Biological Waste	1,968	1,903		Industrial Waste	5,147	5,152		
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4. Social Responsibilities (1) Does the Company form appropriate management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		<p>1. The Company publicly supports and voluntarily follows standards including the United Nation's (UN) Universal Declaration of Human Rights (UDHR), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the Global Compact.</p> <p>2. The Company publicly discloses human rights policies on official website, adopts appropriate internal policies and procedures according to relevant regulations and the International Bill of Human Rights, and conducts an annual review and audit of relevant implementation activities.</p> <p>3. The Company regularly conducts human rights due diligence to ensure that various human rights issues across the operating value chain are assessed and recognized, and that mitigation and remedial measures are implemented to control and minimize various risks.</p> <p>4. Chunghwa Telecom attaches great importance to workplace human rights and gender equality and is committed to building an inclusive and friendly working environment and advocating work force diversity and gender equality. In 2023, the Company's female employees accounted for 30% of the total workforce while females in management positions (senior management) accounted for 17.5%. In addition, to implement the spirit of gender equality in work, Chunghwa Telecom has formulated the "Chunghwa Telecom Anti-discrimination and Anti-harassment Guidelines" and the "Chunghwa Telecom Sexual Harassment Prevention Measures and Complaint Processing Guidelines," and has established a "Complaint Investigation and Evaluation Committee" to specially handle employee complaints about discrimination and other improper behaviors at work. Chunghwa Telecom strives to improve the women-friendly workplace environment and has won international recognition. Chunghwa Telecom have launched the women empowerment initiative in 2023 and organized a series of "Career Lectures for Successful Female CEOs", "Workplace Stress Relief Lectures", "Parenting Expert Lectures", and "Gender Equality! Yes, I Do" events, and more than 3,000 people participated in the courses online and offline in total. Chunghwa Telecom focuses on employees' work-family-life balance and promotes employees' awareness of gender equality.</p> <p>5. In terms of employee diversity, Chunghwa Telecom has significantly exceeded the requirements of Article 38 of the "People with Disabilities Rights Protection Act." In 2023, the Company hired 3.19 times more employees with disabilities than the statutory quota. In addition, there were 62 indigenous employees employed at Chunghwa in 2023, and the Company fully respects their cultural customs with no violations to their work and human rights reported during the year. The implementation of workplace diversity and promotion of gender equality are disclosed in the Company's ESG Report.</p> <p>6. The Company complies with the "Labor Union Act" and is the only telecom provider in Taiwan with labor union that has signed a collective bargaining agreement with its employees.</p>	None																												

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	Yes	No	Explanation	
(2) Does the company formulate and implement reasonable employee benefits (including compensation, vacation, and other benefits), and appropriately reflect operating performance or results in employee compensation?	V		<p>The Company has established and implemented reasonable employee welfare measures, including remuneration, vacation and other benefits, and appropriately reflects the operating performance in employee remuneration:</p> <ol style="list-style-type: none"> 1. The Board of Directors has a Compensation Committee, which is responsible for formulating and regularly assessing the policies, regulations, standards and structures of performance management and compensation of directors and executives, as well as regularly evaluating and proposing the compensation of directors and executives. 2. Verification and evaluation: The evaluation results are used as the basis for salary promotion, bonuses and remuneration distribution. 3. Bonus distribution: Links bonuses with the Company's operating performance, annual net profit and employee assessment. 4. The Company offers favorable leave policies to employees, including 21 days of annual leave for people who have been with the Company for over 7 years, 5 days of personal leave, 30 days of sick leave with full compensation, and 10 days of pregnancy checkup leave, 10 days of paternity leave, 42 days for maternity leave (excluding weekends, official holidays and national holidays), etc. 5. Other measures to enhance employee benefits are listed below: <ol style="list-style-type: none"> (1) Employee Stock Ownership Trust: According to the ratio of incentive funds allocated by the Company and the employee stock ownership association, the incentive funds are allocated according to the amount of employees' monthly salary deposits. (2) The Company provides an employee welfare fund in accordance with rules and regulations of the Employee Welfare Committee to handle various employee subsidies including marriage, childbirth, children's education, children's education scholarships, employee retirement, employee death and death of dependent events, three holidays (Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival), employee recreational activities, birthday parties and group insurance, etc. (3) The Company has begun to provide annual reimbursements of NT\$12,000 (one spouse may apply for the subsidy) to employees with children aged under 6 to align with the national fertility policy and help retain young talent. Concurrently, the Company applies to the local authorities for corporate childcare subsidies and offers the subsidies to employees who have children in daycare. (4) The Company introduced 16 classes titled "Mutual-help Education and Health Center in Workplace" in the six major cities, to create a family-friendly workplace environment and support employees' childcare. (5) Starting from 2022, the Company was the first in the industry to begin to offer employees with children under the age of 3, the option to apply for a one-hour reduction per working day with no salary deduction. The Company had a cumulative total of 141,844 hours of parenting time within 2023. In 2024, the Company will extend its policy to allow employees caring for children under 6 years old to apply for a 1-hour reduction in working hours per day. 6. Salary increases for all employees and promotion of various employee welfare policies in 2024: In order to motivate talents and create a better future, we will increase the salary of each employee by NT\$3,000 starting from January 1, 2024, with an average salary increase exceeding 4%. At the same time, a food allowance will be provided to each person starting from July 1 to enhance the quality of life for employees. To further motivate frontline employees, we have relaxed promotion conditions, providing more channels for employees to have promotion opportunities. In addition, two important reward and welfare measures were approved by the 10-9th Board of Directors meeting on January 26, 2024. In particular, the "Talent Retention Program Ratio for Enhanced Stock Trust Incentive Bonus " was newly designed and formulated for employees, which has been implemented in January of the same year. The talent retention program ratio increased to 37.5% for retaining talents. Furthermore, to enhance employee motivation and encourage collaborative achievements, we adjust the employee compensation distribution ratio within the framework of laws and regulations. The Board of Directors approved "The amendments to the Company's Implementation Guidelines for Employee Compensation Distribution Based on Profitability Metrics" to increase employee compensation distribution ratio from 1.7%~4.3% to 2%~5%, and the distribution standards of the profits will be adjusted appropriately, which allows the Company to share more business performance results with employees. Subsequently, it is necessary to amend the article 22 of the Company's Articles of Incorporation to "If the company makes a profit during the year, it shall allocate 2% to 5% of the distributable earnings as employee compensation based on the Company's earnings for the relevant year. "The proposal has been submitted to the shareholders' annual general meeting in May 2024 for discussion and will be implemented after approval. <p>The Company values employees as its most important assets, and has long been committed to investing in employee welfare and care, a dedication that has garnered significant recognition from the public. In 2023, the Company won the 1111 Job Bank 2023 Happy Enterprise Gold Award (Technology R&D Group), and won the first-ever Friendly Award from Parenting Magazine Family Workplace Award.</p>	None

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	Yes	No	Explanation	
(3) Does the Company provide a safe and healthy working environment, and provide training on safety and health for its employees on a regular basis?	Y		<p>The Company strives to provide its employees with a safe and healthy working environment, regularly holding education and training sessions on health and safety for its employees. The curriculum is summarized, as follows:</p> <ol style="list-style-type: none"> To build a safe and healthy working environment, regularly hold education and training sessions on health and safety: <ol style="list-style-type: none"> Formulate the occupational safety and health policy; promote and implement various safety and health management measures based on this policy. Establish specialized teams and personnel to be responsible for occupational health and, create a friendly and high-quality working environment. Contract on-site physicians and hire dedicated nurses to provide on-site health services. Handle medical checkups and Employee Assistance Programs ("EAP") to plan and implement various medical checkup packages on an annual basis, providing one-on-one professional consulting services. At the Company's Employee Training Centers in Banqiao, Taichung, and Kaohsiung: hold health and safety education training, raise awareness and practice drills for employees and contractors to strengthen awareness of work safety, improve health and safety skills and adaptability, and protect employees and contractors during everyday work. To continue to promote the efficiency of occupational safety and health management, the Company proactively adheres to international standards for occupational safety and health (ISO 45001) and undergoes global certification. In 2023, all the 27 sites passed the external independent third-party verification audit and underwent annual reviews. Through the systematic Plan-Do-Check-Act management cycle, the Company expects to continue improving the efficiency of its health and safety management system and build a good culture focused on overall safety and health. In 2023, there were 38 occupational accidents. (Including commuting traffic accidents), accounting for 0.19% of employees, of which 30 were traffic accidents. To achieve the goal of zero occupational accidents, the Company will continue to strengthen training programs to reduce workplace accidents and raise awareness for traffic safety, and to hold traffic accident prevention digital learning courses (e-learning) to strengthen traffic safety knowledge and skills such as defensive driving and road rights. There were two fire incidents in 2023, both of which resulted in no casualties. In addition to implementing corrective measures for the identified root causes, to ensure the safety of hot work operations in the future, our company has enhanced the "Regulations on Hot Work Operations" and strengthened the control measures for hot work operations. 	None
(4) Does the Company establish effective career development programs for its employees?	Y		<ol style="list-style-type: none"> The Company has constructed a function-oriented training system, which is divided into two major types: "professional function and management function". It conducts various management training and provides employees through training academies, continuing education, in-house training and external training. This initiative covers both part-time and fixed-term employees. Based on AGLOW (Attraction: Talent aggregation, Growth: Skill enhancement, Leadership: Excellence in leadership, Opportunity: Career development, Winning: Smooth succession), the Company plans different professional courses for employees at different levels, starting from new recruits to current staff. Customized training is provided for supervisors at each level, and accelerated training and development are provided for high-potential employees to groom them as successors. Construct a lifelong learning mindset and foster a conducive learning environment by utilizing e-Learning systems, encouraging all employees to pursue continuous learning and growth. 	None
(5) With respect to customer health and safety of products and services, customer privacy, marketing, and labeling, does the Company comply with relevant regulations and international standards, and formulate related consumer protection policies and appeal procedures?	Y		<ol style="list-style-type: none"> In accordance with the law, the Company has established a set of internal Corporate Marketing Standards and service contracts. The Company implements the "Regulations for Telecommunications Service Quality Items of National Communications Commission Announcement" to accomplish the four major categories of "Service Efficiency," "Customer Service Center," "Customer Complaint Processing" and "Accounting Services" that address a total of 26 service quality indicators to ensure consumer rights. The Company has a privacy policy, which is disclosed publicly: https://www.cht.com.tw/home/consumer/privacy To protect consumer privacy, the Company: <ol style="list-style-type: none"> has adopted a management system in accordance with relevant regulations and standards; has designated a responsible department; classifies fundamental consumer information as "Highly Confidential"; is implementing the new version of the "Personal Data Collection Notice," https://pdpn.cht.com.tw; requires that all employees sign a "Business Confidentiality Agreement," with direct supervisors bearing joint liability; has integrated privacy protection as part of employees' key performance indicators (KPIs) for performance reviews; has received international information security and individual privacy protection certification (such as ISO27001 and BS10012). Products and services are designed to take into account of the impact of consumer overuse, and marketing material contains explanations on scope of use and other helpful reminders. To manage and ease concerns about Electromagnetic (EM) waves: <ol style="list-style-type: none"> Base stations comply with regulations and standards; The public can apply for free professional measurement; Taiwan Telecommunication Industry Development Association (TTIDA) is entrusted with touring the country to advocate for correct understanding. Provides diverse customer service and appeal channels, including physical stores, a dedicated customer service line, and an online platform. The appeals filing and handling procedure has been standardized and has a target of providing satisfactory responses and resolutions within 3 business days. Conducts customer satisfaction surveys and improves service quality in a timely manner. Uses big data analysis to enhance products, services and functionality. 	None

Evaluation Criteria	Implementation Status			Deviations From the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
(6) Does the Company have a supplier management policy that requires suppliers to comply with and implement relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?	V		<p>1. The Company established the "Chunghwa Telecom Company, Ltd. Supplier Code of Conduct" that informs suppliers of CSR standards on ethics, labor, environment, and health and safety, in order to achieve good ethical standards, respect for labor rights, and environmental sustainability on both fronts.</p> <p>2. When purchasing tenders, tenderers must review the "General Terms of Information on the Purchase Tender" and complete the "Basic Data and Review Form for Participating Tenderers" before participating in the tender. The tenderers self-report on corporate integrity, material sourcing, environmental safety, occupational safety, energy conservation and carbon reduction, among other topics, and agree to follow the Company's "Chunghwa Telecom Company, Ltd. Supplier Code of Conduct".</p> <p>3. On December 11, 2019 the Company implemented the "Chunghwa Telecom Supplier Management Operation Plan" to improve supplier management efficiency. The Suppliers are evaluated using various KPIs such as financial capabilities, performance quality, ability to meet deadlines, price advantages, professional abilities, after-sales service, warranty responsibilities, engineering cooperation, work safety performance and cooperation with the Company, as well as ESG responsibilities. Since 2019, to enhance suppliers' ESG capability, the Company has implemented the "Sustainability Supply Chain Grading System." Based on the evaluation results, the Company will assign the evaluated supplier with a grade that is divided to four levels: Gold, Silver, Bronze and Participation. From these grades, the Company encourages suppliers to improve their standards in environmental protection, labor rights, and occupational safety and health to meet standards. Furthermore, the Company is committed to suppliers with carbon-reduced and green products during the procurement bidding process.</p> <p>Implementation:</p> <p>(1) Since 2010, the Company has held an annual "Chunghwa Telecom Supplier Partner ESG Exchange" to publicly recognize vendors with outstanding ESG efforts and carbon management and invites experts, scholars and leading company representatives to share their implementation experience to work together with supply chain partners towards a more sustainable future.</p> <p>(2) Since 2011, suppliers with large procurement volumes or high levels of influence have been required to fill out online sustainability/ESG implementation status questionnaires and carry out sustainability assessments. Gradually taking ESG into consideration during supply chain selection, the Company looks forward to working with suppliers to achieve good ethical standards, respect for labor rights, set goals to reach environmental sustainability and more.</p> <p>(3) Since 2014, the Company commissioned the external verification unit of SGS Taiwan to conduct the "supplier evaluation" for key suppliers. It is expected to construct a complete supply chain management mechanism through a two-part strategy through "understanding analysis" and "on-site visits." Since 2011, the Company has rewarded extra points to suppliers who passed the "dual evaluation program" in the past three years, offering sustainable competitive advantages to suppliers.</p> <p>(4) Since 2016, annual supplier education and training sessions have been conducted to emphasize the importance of environmental sustainability through on-site visits.</p> <p>(5) Since 2019, The "Supplier Sustainability Rating" mechanism launched to establish a list of suppliers qualified for sustainability through internal ranking of suppliers' ESG.</p> <p>(6) Since 2020, the Company conducts the "Supplier ESG Education Training" on an annual basis. The Company uses the "Sustainable Supply Chain" initiative to promote a series of improvement actions for sustainability. Ongoing education and training on sustainability will help suppliers deepen their knowledge and recognition of ESG and direct them to meet the proper guidelines.</p> <p>(7) Since 2022, the Company continues to collaborate with suppliers annually to advocate for carbon reduction commitment; meanwhile, suppliers have set their own carbon reduction goals and practices. Both parties are working together to achieve the goal of net-zero emissions by 2050.</p> <p>(8) Since 2023, we have jointly committed with our suppliers to achieve the Net Positive Impact (NPI) and No Net Deforestation (NND) goals on biodiversity in 2030. We highly prioritize the importance of biodiversity and forest protection.</p>	None
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third party verifier?	V		<p>Each year, the Company creates its ESG report according to the latest version of the Global Reporting Initiative (GRI) Standards and International Integrated Reporting <IR> Framework in both Chinese and English. In 2021, ahead of regulatory requirements, the Company created its "2020 ESG Report" following standards of Telecommunication Services by Sustainability Accounting Standards Board (SASB) and publishing a separate "SASB Report." In addition, SGS Taiwan verifies all content and data through a major review and assurance program to ensure its compliance with the GRI Standards, AA 1000 AS (2018) Type 2 High Level Assurance, International Integrated Reporting <IR> Framework, and SASB Standards. The ESG Report has obtained the SGS-Taiwan Review Certification Statement.</p> <p>Please download the ESG report for more details from the official corporate website.</p>	None
<p>6. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation:</p> <p>No discrepancy found.</p>				

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	Yes	No	Explanation	
7. Other important information to facilitate better understanding of the Company's sustainable development practices				
(1) Institutionalization of corporate volunteering: In 2023, continued to conduct corporate volunteer training to facilitate the promotion of various corporate volunteering activities.				
(2) Systemization of sustainable actions: The Company promotes environmental awareness through the concepts of "sharing economy and circular economy", collaborates with strategic partners, and is rooted in environmental protection to address and solve environmental system issues using more precise and scientific methods. The Company holds its inaugural "5G Plastic-Free Corporate Volunteer Sustainable Actions" featuring series of activities, including corporate volunteer camps, environment-themed children's plays, environmental knowledge courses, online environmental interactive games, 5G plastic-free lifestyle festivals, PET bottle recycling umbrella projects, and "Bag to Bag" campaigns, to promote the concepts of circular economy and sharing economy. Meanwhile, the Company collaborates with multiple subsidiaries and suppliers to organize Digital Empowerment - Sustainable Family Day, promoting digital empowerment and equal access to life, attracting over a hundred corporate volunteers to join the service team and over 5,500 people to participate.				
(3) Innovation of digital empowerment: The Company aligns with the United Nations Sustainable Development Goals (SDGs) and actively implements the exclusive and leading 51 SDGs initiative, including I Helping, I Learning, I Technology, I Protecting and I Sharing, promoting the innovation of Tech4Good digital empowerment ecosystem, and leveraging its core technology, resources, capabilities and features to "bridge the digital divide" and "create digital opportunities." in the Company is committed to achieving digital equality and participation of local corporate volunteers to spread love and passion to remote rural areas. Action items include:				
• I Helping – Helping visually-impaired individuals to implement digital equality, through activities such as the EYE Social Innovative Call Center, the "iPhone Assist Technology Course and Second-hand iPhone Donation" series of activities, the visually-impaired voice assistant, and the optimization of the "Help Me See" app.				
• I Sharing – Benefiting from Chunghwa Telecom's high-quality manpower as corporate volunteers to implement various forms of social feedback and public welfare assistance, through activities such as assisting visually-impaired friends through iPhone accessibility courses, teaching digital knowledge to elderly people in rural areas and elementary school students, and serving as corporate volunteers at science and technology museums to help the public establish digital literacy.				
• I Learning – Using the Internet as a road to care for and accompany rural communities, to meet their learning needs, and cultivate their ability to adapt to the digital age, through activities such as the "Read with you" Community Network Tutoring program, the Colab project with the Cheng-Zhi Foundation, and the Digital Empowerment Incubation Program for Children and Adolescent Care in Lanyu.				
• I Technology – Utilizing digital technology to assist disadvantaged groups in remote areas, children with developmental delays, the elderly, and individuals without access to medical services to promote local industrial development, through activities such as Chunghwa Telecom's "Good Digital Neighbors(GDN)" program, "Click Taiwan", "Click Taiwan Innovative Design Action", GDN Little Directors program, Smart Academy, Smart little Academy, 5G telemedicine collaboration projects, smart agriculture services, and telecommunication accessibility services in remote areas.				
• I Protecting – Promoting and implementing environmental protection through innovative and systematic approaches, such as organizing environmental corporate volunteer training courses, inviting suppliers to participate and promote the concept of plastic-free living through the 5G Plastic-Free Festival, collaborating with the Vision Project Foundation and China Trust Bank on the cross-sector sharing of recycling umbrellas, and encouraging the recycling of used mobile phones through the "Bag to Bag" campaign				
(4) Social Investment Statistics: Includes cash donation and non-cash input conversion through commercial events, in-kind donation, corporate volunteering, sending short messages for charity, free short-code services, preferential measures and convenient services for the disabled with a total social investment of NT\$136 million in fiscal year 2023.				
(5) Supporting cultural industry in Taiwan: Chunghwa Telecom provides professional technical support, including 5G private networks, mobile edge computing, and AR/VR applications, for the public to enjoy digital culture and entertainment easier. Meanwhile, the Company assists in the implementation of domestic culture development. Cooperating with cultural institutions, the Company jointly develops digital cultural content to further promote the development of the cultural and creative industry in Taiwan, with details on execution listed below:				
• The National Theater & Concert Hall Taipei Male Choir presents 'Let's drink' 5G Immersive Concert				
• Chiayi City Cultural Affairs Bureau presents 'Exploring the Chiayi City Museum with 5G Interactive Digital Application				
• Tainan City Government's Urban Marketing Services through 5G Metaverse Technology				
• Pingtung County Government presents ' Through Time and Space ~ Resonating Voices and Images' Folk Music and 5G Remote Collaborative Performance				
• The Ministry of Culture's demonstration project 'Virtual-Reality Fusion: Revival of the Ancient Splendor in Hengchun Old Town'				
• The Taoyuan City Cultural Affairs Bureau's Sunshine Theater LED Next-Generation Virtual Studio				
• The Chimei Museum's 'AR Reality Game' Experience Area				
• Taiyen Cigu Salt Mountain and Matsu Visitor Center WebAR Navigation Application				
• Integration of VR Collaborative Learning Materials for Teachers and Students at Danlu Elementary School in Pingtung				

Note: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the Company.

4.6 Climate-Related Information of TWSE/TPEX Listed Company

(1) Implementation of Climate-Related Information

Item	Implementation status
1. Does the board of directors' and management's oversight and government of climate-related risks and opportunities.	<p>1. The Company established the board-level "Risk Management Committee" in 2023 to strengthen the functions of the Board of Directors and the risk management mechanism. This committee, composed of seven directors, regularly discusses the management of various key corporate risks, including climate change risks and other related issues.</p> <p>2. An environmental Group was established as a working group under the Sustainable Development Promotion Committee, to be responsible for promoting various climate change mitigation and adaptation strategies, as well as the implementation of related action plans. The initiatives include conducting greenhouse gas investigations, energy-saving measures for data centers, carbon management projects such as participation in Science Based Targets initiative (SBTi) and RE100.</p> <p>3. The company is the first to commit to achieve the Net Positive Impact (NPI) and No Net Deforestation (NND) goals on biodiversity by 2030, and implement biodiversity, avoid deforestation and further promote forest restoration based on "United Nations Post-2020 Global Biodiversity Framework".</p>

Item	Implementation status													
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the business (short, medium, and long term).	<p>Risks</p> <p>1. Policy and Regulatory Risks are the primary climate risks that the Company faced, which include increased operational costs due to greenhouse gas emissions and the procurement of renewable energy under the national net-zero emission policies and renewable energy policies.</p> <p>2. The risks of inadequate new technology deployment or investment failures, changes in customer demand for product and services, and lower-than-expected carbon reduction effectiveness may affect ESG ratings and the Company's reputation, leading to customer attrition and affect investors' willingness to invest.</p> <p>3. Climate Change Risks: Severe weather events and long-term climate environmental changes may lead to asset damage and operational disruptions, which may not only impact revenue but also increase operational costs.</p> <p>Opportunities</p> <p>1. Through transformative execution, the Company will improve its energy efficiency, strengthen asset resilience, and is expected to reduce related operational costs.</p> <p>2. The Company will actively develop low-carbon products and services to seize the opportunities created by customers' emphasis on net-zero carbon emissions. Additionally, in response to Taiwan government's energy transition policy of "Creating Green Growth" in 2050 net-zero emission pathway, the Company will actively develop smart energy industry business models, integrate technologies such as AIoT, big data analysis, Energy-as-a-Service (EaaS), and provide innovative energy services.</p>													
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Extreme weather events, such as typhoons and floods, may result in damage to facilities such as data centers and base stations, communication interruptions, customer attrition, revenue decline, and incurring disaster repair costs. Moreover, long-term climate environmental changes, such as consistently rising average temperatures, alerted rainfall patterns, and rising sea levels, may lead to increased air conditioning costs, asset damage, and operational disruptions.</p> <p>Transformative actions implemented were introduced in response to extreme weather events, such as early replacement of equipment and enhancing flood and disaster prevention capabilities of network equipment in data centers, will lead to increased operational costs.</p>													
4. Describe how climate risk identification, assessment, and management process are integrated into the overall risk management system.	<p>Climate change is an important focus of the Company's risk management. Therefore, in addition to regularly incorporating it into overall risk management process using risk identification, assessment, control procedures, and taking necessary mitigation measures, the Company also identifies climate risks and opportunities and adapts relevant response measures and strategies in accordance with the Take Force on Climate-related Financial Disclosures (TCFD) framework.</p>													
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>To assess the Company's resilience to climate change risks, the Company adopted the TCFD framework to establish a baseline scenario and 1.5°C scenario, identifying and analyzing short, medium, and long-term climate risks and opportunities across the Company's operational scope and throughout the lifecycle of its assets; Climate mitigation strategies (transition risks) utilize IEA STEP's (baseline scenario) and IEA NZE (1.5°C scenario) climate scenarios, while climate adaptation strategies (physical risks) use IPCC RCP 8.5 (baseline scenario) and IPCC RCP2.6 (1.5°C scenario) climate scenarios. Detailed information on parameters, assumptions, analysis factors, and primary financial impacts, can be found in the Company's sustainability TCFD report.</p>													
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>1. The Company's transition plan for managing climate-related risks, including:</p> <p>(1) Enhancing energy efficiency by reducing the use of electricity, including improving the energy efficiency of IDCs and facilities, replacing outdated equipment, maintaining and optimizing existing equipment, and continuously improving the energy efficiency across the Company's products.</p> <p>(2) Actively deploying renewable energy through initiatives such as establishing renewable energy sites, purchasing renewable energy, as well as developing energy storage equipment.</p> <p>(3) Technology-driven carbon reduction efforts, including the effective use of our self-developed intelligent energy-saving systems and centralized monitoring systems for IDC power and air conditioning, which utilize dynamic energy management through the network to achieve technological energy-saving and carbon reduction benefits, thus protecting the environment.</p> <p>(4) Implementing an internal carbon pricing mechanism. In addition to levying carbon fees, the Company also established a carbon fee fund to incentivize innovative carbon reduction projects and the development of low-carbon products and other efforts, thereby achieving energy-saving and carbon reduction goals.</p> <p>2. Indicators and objectives for identifying and managing physical risks and transition risks:</p> <table><tr><th>Risk</th><th>Indicators</th><th>Targets</th></tr><tr><td>Physical risks</td><td>Degree of climate disaster</td><td>Please refer to the Company's short, medium, and long-term climate change adaptation plans for specific equipment-based targets. https://www.cht.com.tw/en/home/cht/esg/environmental-sustainability/tcfd</td></tr><tr><td rowspan="3">Transition risks</td><td>greenhouse gas emissions</td><td>By 2030: Scope 1 and 2 emissions decreased by 50% (compared to 2020 levels), and scope 3 emissions decreased by 22.5% (compared to 2021 levels). By 2050: achieving net-zero emissions.</td></tr><tr><td>Renewable energy usage</td><td>Achieving RE100 by 2040.</td></tr><tr><td>IDC power usage efficiency (PUE)</td><td>IDC PUE decline to 1.5 by 2030</td></tr></table>	Risk	Indicators	Targets	Physical risks	Degree of climate disaster	Please refer to the Company's short, medium, and long-term climate change adaptation plans for specific equipment-based targets. https://www.cht.com.tw/en/home/cht/esg/environmental-sustainability/tcfd	Transition risks	greenhouse gas emissions	By 2030: Scope 1 and 2 emissions decreased by 50% (compared to 2020 levels), and scope 3 emissions decreased by 22.5% (compared to 2021 levels). By 2050: achieving net-zero emissions.	Renewable energy usage	Achieving RE100 by 2040.	IDC power usage efficiency (PUE)	IDC PUE decline to 1.5 by 2030
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	Renewable energy usage	Achieving RE100 by 2040.												
	IDC power usage efficiency (PUE)	IDC PUE decline to 1.5 by 2030												
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>The Company's internal carbon pricing is primarily based on considerations such as the additional costs required for achieving carbon reduction goals through renewable energy, the EU CBAM (Carbon Border Adjustment Mechanism) price, and international perspectives including the World Bank's suggested carbon pricing. After comprehensive evaluation, the Company has set the internal carbon price at NT\$1,600 per tonne of carbon emissions.</p>													

Item	Implementation status																																								
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or RECs to be offset should be specified.	<p>The Company has adopted actions such as introducing climate-related financial disclosures (TCFD), regularly responding to CDP questionnaires, responding to the RE100 initiative and the Science-Based Target Initiative (SBTi), and setting short, medium and long-term greenhouse gas reduction targets to achieve net-zero emissions by 2050.</p> <p>Chunghwa Telecom's carbon reduction path:</p> <p>The Company passed the SBTi near-term greenhouse gas reduction target verification on July 27, 2023. Its carbon reduction path is as follows. Scope 1 and Scope 2 commit to an absolute reduction of 50% by 2030 with 2020 as the base year; Scope 3 commits to an absolute reduction of 22.5% by 2030 with 2021 as the base year. At the same time, it is set that the IDC centers will use 100% renewable energy in 2030, and the RE100 goal will be fully achieved in 2040.</p> <table><tr><th><div>SBT reduction target</div><div>Year</div></th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th><th>2025</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>2030</th></tr><tr><td>Scope 1 and 2</td><td>base year</td><td>1.70%</td><td>3.70%</td><td>6.50%</td><td>10.10%</td><td>14.50%</td><td>20.00%</td><td>26.00%</td><td>33.00%</td><td>41.00%</td><td>50.00%</td></tr><tr><td>Scope 3</td><td>base year</td><td>2.50%</td><td>5.00%</td><td>7.50%</td><td>10.00%</td><td>12.50%</td><td>15.00%</td><td>17.50%</td><td>20.00%</td><td>22.50%</td><td></td></tr></table> <p>Greenhouse gas emissions management:</p> <p>The Company has planned specific carbon management actions, and has implemented greenhouse gas (GHG) inventories every year since 2008 (covering 100% of its operating sites). The Company adopted international standards, including the Greenhouse Gas Inventory Protocol (GHG Protocol) and ISO 14064-1: The 2018 Greenhouse Gas Inventory Standard completes systematic greenhouse gas emission inventory and verification procedures to facilitate the information foundation for greenhouse gas reduction and carbon management. The Company's greenhouse gas inventory scope includes 15 categories of Scope 1 (direct emission sources), Scope 2 (indirect emission sources) and Scope 3 (other indirect emission sources).</p> <p>Achievement progress description:</p> <table><tr><th>2022</th><th>2023</th></tr><tr><td><div>1. Carbon emissions decreased by 76,000 tons (9.6%) compared with 2020</div><div>2. The Company's renewable energy usage was 24.049 million kWh (1.67%)</div><div>3. Renewable energy usage in the IDC centers was 18.9 million kWh</div><div>4. Obtained a total of 24,029 national renewable energy certificates (T-RECs)</div></td><td><div>1. Carbon emissions decreased by 125,900 tons (15.94%) compared with 2020.</div><div>2. The Company's renewable energy usage was 73.575million kWh)</div><div>3. Renewable energy usage in the IDC centers was 66.94 million kWh</div><div>4. Obtained a total of 73,541 national renewable energy certificates (T-RECs)</div></td></tr></table>	<div>SBT reduction target</div> <div>Year</div>	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Scope 1 and 2	base year	1.70%	3.70%	6.50%	10.10%	14.50%	20.00%	26.00%	33.00%	41.00%	50.00%	Scope 3	base year	2.50%	5.00%	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	22.50%		2022	2023	<div>1. Carbon emissions decreased by 76,000 tons (9.6%) compared with 2020</div> <div>2. The Company's renewable energy usage was 24.049 million kWh (1.67%)</div> <div>3. Renewable energy usage in the IDC centers was 18.9 million kWh</div> <div>4. Obtained a total of 24,029 national renewable energy certificates (T-RECs)</div>	<div>1. Carbon emissions decreased by 125,900 tons (15.94%) compared with 2020.</div> <div>2. The Company's renewable energy usage was 73.575million kWh)</div> <div>3. Renewable energy usage in the IDC centers was 66.94 million kWh</div> <div>4. Obtained a total of 73,541 national renewable energy certificates (T-RECs)</div>
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9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	Greenhouse gas inventory and assurance status for 2022 were filled in Annex 1-1.																																								

Annex 1-1. Company greenhouse gas inventory and assurance status in the last two years.

Year	Party	Scope 1		Scope 2		Scope 3		Assurance Institution	Assurance Status (Note 1)
		GHG Emission (t-CO2e)	Emission Intensity (t-CO2e/ NT\$ millions)	GHG Emission (t-CO2e)	Emission Intensity (t-CO2e/ NT\$ millions)	GHG Emission (t-CO2e)	Emission Intensity (t-CO2e/ NT\$ millions)		
2023	Parent company	18,874.8892	0.1000	645,490.6474	3.4202	1,814,662.2596	9.6151	Industrial Technology Research Institute, TUV SUD	Scope 1 & 2 are reasonable assurance. Scope3 is Limited assurance
	The subsidiaries (Note 2)	7,462.3101	0.1309	58,187.8071	1.0208	NA	NA	TUV SUD, SGS, AFNOR, GREAT	Under Verification (Note 3)
2022	Parent company	19,185.3151	0.1053	694,912.7210	3.8129	1,828,060.8890	10.0303	TUV SUD	Scope 1 & 2 are reasonable assurance. Scope3 is Limited assurance
	The subsidiaries (Note 2)	9,371.1932	0.1689	56,808.2373	1.0241	NA	NA	TUV SUD, SGS, AFNOR, GREAT	Reasonable assurance

Note 1: The total emissions disclosed by Chunghwa Telecom, 100% will be assured by the external third-party.

Note 2: Included subsidiaries: Senao International Co., Ltd. (excluding its subsidiaries, inventorying the head office in 2022 and all operation sites, including offices, stores and warehouses, in 2023), CHIEF Telecom Inc. (excluding its subsidiaries), CHYP Multimedia Marketing & Communications Co., Ltd., Donghua Telecom Co., Ltd., Chunghwa Telecom Global, Inc., Chunghwa System Integration Co., Ltd., Light Era Development Co., Ltd., Chunghwa Telecom Singapore Pte., Ltd., Chunghwa Telecom Japan Co., Ltd., Chunghwa Telecom Vietnam Co., Ltd., Honghua International Co., Ltd., Chunghwa Telecom (Thailand) Co., Ltd., Chunghwa Investment Co., Ltd. (including Chunghwa Precision Test Tech. Co., Ltd. (excluding its subsidiaries)), CHT Security Co., Ltd., Chunghwa Leading Photonics Tech Co., Ltd., Smartfun Digital Co., Ltd., Spring House Entertainment Tech. Inc., Chunghwa Sochamp Technology Inc., International Integrated Systems, Inc. (excluding its subsidiaries).

Note 3: The statistics of 2023 are the preliminary result calculated by the subsidiaries of Chunghwa Telecom. The assured result will be completed in 2024.

4.7 Ethical Corporate Management

Evaluation Criteria	Implementation Status			Deviations From "The Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Explanation	
<p>1. Enactment of ethical corporate management policies and programs</p> <p>(1) Does the Company disclose its ethical corporate management policies and procedures in its official charter and material documents issued externally, as well as the commitment of the Board of Directors and management team to its implementation?</p>	V		The Company has enacted the "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., LTD." Its formulation and amendments were approved by the Board of Directors, reported to the shareholders' general meeting, and disclosed on MOPS as well as the Company's website. It clearly states that the Board of Directors, executive management, employees and mandataries, shall comply with laws and regulations during execution of business operations. Both the Board and managers shall commit to proactively implement it, and to do so through internal management and external business activities.	None
<p>(2) Has the Company established a mechanism to assess the risks of non-ethical conduct, regularly analyze and assess relatively high-risk non-ethical conduct and activities within its scope of business, and formulate policies to prevent unethical conduct, which at minimum covers measures to prevent the conduct mentioned in Article 7.2 of "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?"</p>	V		The Company has adopted the "Chunghwa Telecom Procedures for Ethical Management and Guidelines for Conduct," which the Company has implemented to provide measures for preventing unethical conduct, analyze relatively high-risk nonethical conduct and activities within its scope of business, and strengthen relevant preventative measures.	None
<p>(3) Do the Company's measures to prevent high-risk unethical misconduct clearly specify operating procedures, conduct guidelines, disciplinary and appeal mechanisms for violations? Are they implemented and are regularly reviewed for amendment?</p>	V		The Company has enacted the "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., LTD.," which clearly specifies measures to prevent unethical conduct and include operating procedures, conduct guidelines, disciplinary and appeal systems for violations. The Company has implemented the measures and regularly reviews the plan for amendments.	None
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the Company evaluate business partners' ethical records and clearly indicate ethical conduct clauses in business contracts?</p>	V		When purchasing tenders, tenderers must review the "General Terms of Information on the Purchase Tender" and complete the "Basic Data and Review Form for Participating Tenderers" before participating in the tender. The tenderers self-report on corporate integrity, material sourcing, environmental safety, occupational safety, energy conservation and carbon reduction, among other topics, and agree to follow the Company's "Chunghwa Telecom Company, Ltd. Supplier Code of Conduct" and anti-corruption commitment. Anyone who violates the integrity of business operations will be suspended for one year and required to pay punitive liquidated damages and damages of 20% of the purchase amount. They will not be allowed to participate in the bidding of Chunghwa Telecom's procurement case or be the winner of the bid subcontractors.	None

Evaluation Criteria	Implementation Status			Deviations From "The Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(2) Has the Company established a dedicated unit to promote ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy, measures to prevent unethical conduct, and monitor implementation?	V		<p>1. The Company designates the Organization and Talent Development Department as a dedicated unit to promote Company integrity and ethics in operations. Responsibilities of this department include assisting the Board of Directors and Executive Management team in formulating and supervising the implementation of ethical policy and codes of conduct, as well as implementing ethical standards. The department reported to the Board of Directors on February 24 and August 9, 2023.</p> <p>2. The Company implemented the ethical management policy. Please see below for implementation details for the year 2023:</p> <p>(1) Education and Training In each training course, a series of training classes were provided to employees, covering topics such as regulation, inspection, and risk management, etc., to help them learn basic legal knowledge, codes of conduct, ethical management principles and operating procedures. In 2023, the total training hours were 78,780. Throughout the course, case studies were used to strengthen the conceptualization and implementation of prevention mechanisms in order to both manage and prevent dishonest behavior.</p> <p>(2) Law and Case Advocacy The Company's dedicated unit is committed to the education and promotion of all employees. In 2023, the Company consolidated the ethical management principles, code of conduct, and processing standards for material non-public information, using a digital learning platform to share case studies and publicize the matters that colleagues should pay attention to in day-to-day business.</p> <p>(3) Annual Test The Company conducted an online test for all employees from October 2 to October 31, 2023. The test covered the ethical management principles, ethical management operating procedures and behavior guidelines, the code of conduct, and obligations to maintain the Company's confidential business matters.</p> <p>(4) Regular Inspection To prevent dishonest and unethical behavior while controlling fraud risks, the Company established a dedicated unit to monitor and track the above behaviors and factors internally to prevent fraud. The Company implemented an anti-fraud plan, outlining measures to be taken by the Company's affiliated institutions in anti-fraud operations. These measures include advisory on business reform and corrections, reports of major situations, spot checks, and anti-fraud case studies. Based on the annual plan, the anti-fraud department collects all cases on a monthly basis and then records, analyzes, and evaluates the performance, before evaluating the case through the internal control system, to ensure the overall operation and to prevent the occurrence of dishonest acts.</p> <p>(5) Reporting and Whistleblower Protection Rule</p> <ul style="list-style-type: none"> Detailed reporting rules can be found within the Company's "Code of Corporate Governance for Chunghwa Telecom Co., Ltd.," "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., LTD.," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethics of Chunghwa Telecom Co., Ltd." All the rules are actively implemented to prevent any dishonest behaviors, in accordance with a system of checks and balances to investigate and discipline in the event of violations and employee complaints. The Company encourages both internal and external reporting on dishonest behavior and misconduct. The Company assigns the Organization and Talent Development Department as the special unit responsible for accepting reports. The stakeholder section on the Company's website provides effective communication methods for employees, shareholders, stakeholders and external parties. In addition, the Company's website also includes contact information, including a special mailing address, email address, and phone number, for the Audit Committee, which accepts employee reports and complaints, and reports related to internal accounting and auditing. If a report involves the Board of Directors or senior executives, the case will be delivered and presented to independent directors or the Audit Committee. Detailed reporting and whistleblower protection rules can be found within the Company's "Code of Corporate Governance for Chunghwa Telecom Co., Ltd.," "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., Ltd.," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethics of Chunghwa Telecom Co., Ltd.," "Key Points for Employee Complaints Operation," and "Practicing Points for Practitioners Violating the Code of Ethics." The whistleblower's identity and personal information are kept confidential, and the Company is committed to protect whistleblowers from improper handling or retaliation. In 2023, the Company reviewed 68 cases, including 43 externally reported cases and 25 internal employee reported cases. There were no major violations of ethical management. 	The Company designates the Organization and Talent Development Department as a dedicated unit to promote Company integrity and ethics. Responsibilities of this department include assisting the Board of Directors and Executive Management team in formulating and supervising the implementation of ethical policy and codes of conduct, as well as implementing ethical standards through the management and supervision, internal audits, and the timely reports to the Board of Directors, which allows the Company to implement the policy of integrity and ethics effectively.
(3) Does the Company establish policies to prevent conflicts of interest, provide suitable channels to report such conflicts, and implement such policies?	V		The Company has a "Code of Ethics of Chunghwa Telecom Co., Ltd.," and has established channels including a dedicated telephone line, fax, and e-mail for employees and external parties to report violations. The Company also conducts regular and irregular audits through its internal control system.	None

Evaluation Criteria	Implementation Status			Deviations From "The Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
(4) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management? Does its internal audit team provide risk assessment results and formulate audit plans related to unethical conduct, and audit compliance of non-ethical conduct measures, or does the Company engage external CPAs to implement such audits?	V		<ol style="list-style-type: none"> 1. The Company has established accounting policies and amended accounting policies as required by the amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) endorsed and issued into effect by the Financial Supervisory Commission (FSC) as well as business practices. 2. The Company has established the control activities at entity level, with "Code of Conducts," which are amended according to changes of environment and regulations. No major violations of ethical standards are found by external audits this year. 3. The audit plan for fiscal year 2023 was formulated in accordance with the Financial Supervisory Commission's "Regulations Governing Establishment of Internal Control Systems by Public Companies", the Company's "Internal Control System" & "Internal Audit Implementation Rules", and the assessment results that include the risk of unethical conduct. The contents include audit targets, scope, projects, and frequency, etc., The audit results include measures preventing unethical conduct practices, which is reported to the Board of Directors. 	None
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	V		<ol style="list-style-type: none"> 1. In October 2023, the Company conducted advocacy and testing on the integrity operation guidelines, implementing digital learning for all employees. The "Code of Ethics of Chunghwa Telecom Co., Ltd." and "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., LTD." courses were provided with an online "Comprehensive Exam" requiring a score of 100 to indicate completion. The course and exam took a total of about 1 hour altogether. All employees excluding those with reasonable exemptions (such as maternity leave, injury, or long-term sick leave) completed the exam, representing a 100% completion rate. The Company shall continue to enhance corporate management, risk controls, and an ethical corporate management culture for long-term sustainable corporate management. 2. In 2023, the Company requested its invested companies and supply partners to implement the Company's code of conduct, human rights policy, and anticorruption policy among other commitment goals. The Company also conveyed to their respective employees about the principles of strictly maintaining ethics and discipline. 	None
3. Reporting ethical violations (1) Has the Company formulated a concrete whistleblowing and incentive system, established a convenient whistleblowing channel, and assigned appropriate personnel to handle the cases of those who have reports raised against them?	V		The Company has enacted "Operational Rules for Handling Cases in Violation of Code of Ethics" to handle violations of ethical corporate management rules, with the following reporting channels for internal and external use: 1. Contact Address: Room 503, No. 21-3, Sec.1, Xinyi Rd, Taipei 100012, R.O.C. 2. Telephone: 0800-080998 3. Fax: (02)23570007 4. E-mail: chthr@cht.com.tw Reported cases are handled by personnel with a clear division of power and responsibilities, whom are appointed on a case-to-case basis.	None
(2) Has the Company established standard operating procedures for handling whistleblowing claims and, after a complete investigation, follow-up measures and mechanisms related to maintaining confidentiality?	V		<ol style="list-style-type: none"> 1. The Company has established the "Implementation of the Violation of Code of Ethics Case Investigation and Handling Principles," which conducts active investigation, while adhering to confidentiality principles according to the Company rules. 2. After case investigation, follow-up measures to be taken: If evidence indicates that there were illegal activity or violations of regulations, violators with administrative responsibility will be handled according to regulations. For violators with legal responsibility, the Company will transfer the case to the prosecutor's office or file a civil/criminal lawsuit, depending on the evidence presented. 	None
(3) Does the Company provide proper whistleblower protection?	V		The Company has established the "Implementation of the Violation of Code of Ethics Case Investigation and Handling Principles". Measures are in place to protect whistleblowers from any form of retaliation or adverse treatment as a result of their whistleblowing activities.	None
4. Enhancing information disclosure Does the Company disclose its established ethical corporate management policies and promotion results on its website and MOPS?	V		The Company has fully disclosed all ethical corporate management related content, status, and performance results on its official website and on MOPS.	None
5. If the Company has established ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancies between the policies and their implementation: No discrepancy found.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies) (1) The Company has adopted the "Chunghwa Telecom Sustainability/ESG Guidelines," which fully discloses its corporate ethical principles. In addition, these principles are communicated and emphasized in procurement bidding documents and the annual supplier partner exchange conference. This is to establish a corporate culture of integrous operation, promote sound development, foster integrity, transparency, and responsible business practices. Furthermore, the Company expects its suppliers to adopt the "Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., LTD.," or enact similar codes of ethics, with proper disclosure.				

4.8 Access to Corporate Governance Rules and Procedures

The Company has established the "Code of Corporate Governance for Chunghwa Telecom Co., Ltd.," which is available on the Company website at: Home > About CHT > Corporate Governance > Other Bylaws >

Code of Corporate Governance (<https://www.cht.com.tw/en/home/cht/about-cht/corporate-governance/other-bylaws>).

4.9 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance Practices

(1) The Company's Material Information Disclosure Procedure

The Company has enacted the "Chunghwa Telecom Insider Trading Prevention and Control" guideline, "Procedures for Handling Material Information of Chunghwa Telecom Co., Ltd." which clearly specifies material information disclosure procedures, insider trading management processes, and a requirement for strict compliance with all relevant rules and regulations of the TWSE/TPEX. This information should also be communicated to all affiliated institutions to ensure compliance and establish internal controls to prevent insider trading. This is to prevent improper disclosure of company information and ensure the timeliness and accuracy of information disclosed to the public. Below are key content categories:

- A. Target audience and scope of material information.
- B. Corporate confidentiality procedure.
- C. Designated responsible unit.
- D. The Company's material information disclosure procedure.

(2) In 2023 the Company's President undertook 22 hours of corporate governance related courses and training. In addition, the managerial department also dispatched personnel to participate in similar courses and training. In the future, the Company expects to continue such courses and training for senior executives and managers.

(3) Data Governance

Since 2022, Chunghwa Telecom has been promoting "Data Governance" to drive business innovation through data-driven insights, effectively strengthening the Company's decision-making capabilities and core competitiveness. With the rapid development of AI technology, data is an essential foundation for AI development, and data governance maximizes the

benefits of AI technology.

The achievements of the company's data governance in 2023 are as follows:

- A. Enhancement of organizational management capabilities: Through data governance, the Company has improved data understanding and accuracy, enhanced data credibility, and increased operational efficiency in areas such as member management refinement, precision marketing, and network infrastructure resilience.
- B. Construction of critical data assets: The Company has completed the process of managing about 50% of business-critical metadata, improving the definition of data meaning and ensuring data quality, and accelerating the operation and effectiveness of the enterprise's data-driven operations.
- C. Enhancement of data governance quality: Through region-wide education and training and academic program certification, the Company has completed the cultivation of hundreds of talents, and obtained a total of 20 CDMP (Certified Data Management Professional) international certifications, with theoretical, professional, and practical experience to promote various tasks.
- D. Improvement of system development processes: The Company has incorporated data governance standards into the System Development Life Cycle (SDLC) to enhance data system development processes.

Looking ahead to 2024, the Company's data governance goals include not only completing the management of 100% of critical business data assets but also integrating non-structured data related to AI development into the data governance objectives. Additionally, the Company aims to integrate data governance operations into consulting services to assist other large enterprise clients in accelerating their digital transformation.

(4) Intellectual Property Management

Chunghwa Telecom has always attached great importance to intellectual property. To properly protect, manage, and leverage intellectual property resources, reduce the risk of intellectual property infringement, we have formulated an intellectual property policy that aligns with operational goals and established a systematic intellectual property management system. In November 2023, the company successfully completed the A-level verification of the "Taiwan Intellectual Property Management Standard (TIPS)," making it the first telecommunications company in Taiwan to achieve such verification.

4.10 Internal Control Systems

(1) Statement of Internal Control System

Chunghwa Telecom Co., Ltd.
Statement of Internal Control System

Date : February 23, 2024

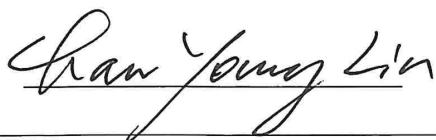
Based on the results of self-assessments, Chunghwa Telecom Co., Ltd. states the following with regard to its internal control system during the year 2023:

1. Our board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and we take immediate remedial actions in response to any identified deficiencies.
3. We evaluate the design and operating effectiveness of our internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the “Regulations”). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component contains certain elements which stated in the Regulations.
4. We have evaluated the design and operating effectiveness of our internal control system according to the aforesaid Regulations.
5. Based on the results of such evaluation, we believe that, on December 31, 2023, we have maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of our annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the board of directors in their meeting held on February 23, 2024, with none of the 13 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Chunghwa Telecom Co., Ltd.



Shui-Yi Kuo,
Chairman and Chief Executive Officer



Chau-Young Lin,
President

(2) Auditor Review Report

The Company did not need to engage CPAs to conduct internal control audit in accordance to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." However, as some of the Company's shares are also traded as American Depositary Shares on the New York Stock Exchange of the United States, which stipulates that internal controls system must comply with U.S. Sarbanes-Oxley Act. As a result, the Company has engaged qualified CPAs to audit the design and operating effectiveness of internal control over financial reporting accordingly, and no material weakness is discovered that may significantly impact financial reporting.

4.11 Any Penalties for Violations of Regulations or the Company's Internal Control Systems; Major Defects and the Status of Corrections of Internal Control Systems for Fiscal Year 2023 and Up To the Publication Date of This Annual Report

None.

4.12 Major Resolutions of Shareholders' Meetings and Board Meetings for Fiscal Year 2023 and Up To the Publication Date of This Annual Report

(1) Major Resolutions and Execution Status of 2023 General Shareholders' Meeting

A. The Company's 2022 Business Report and Financial Statements.

B. The Company's 2022 Earnings Distribution

Status: For the 2022 earnings distribution, cash dividends paid to the shareholders totaled NT\$36,475,513,654, representing NT\$4.702 per share. July 6, 2023 served as the ex-dividend date and August 4, 2023 as the dividend payment date, but due to the impact of Typhoon Khanun, the dividend payment date was postponed to August 7, 2023. All dividends have been paid at this time.

C. Amendments to the Company's Articles of Incorporation

Status: Approved by the Ministry of Economic Affairs on June 6, 2023; proper registration and disclosure can be found on the official corporate website.

D. Termination of non-competition restrictions on the Company's director, Hsiu-Chuan Tsai

Status: Disclosed on MOPS on May 26, 2023

(2) Major Resolutions of Board Meetings

A. The 4th meeting of the 10th Board of Directors on January 31, 2023

- (1) Approved the Company's business operation plan (including budget) and condensed consolidated financial forecast for the year 2023
- (2) Approved the lawsuit against the Ministry of Transportation and Communications and National Property Administration, Ministry of Finance to return the overpaid amount arising from the "Dispute over supplementing the land price for the joint construction of the comprehensive office building of the Ministry of Transportation and Communications and the Chunghwa Telecom Ren'ai Building"
- (3) Approved the amendment to the Company's "Articles of Incorporation"
- (4) Approved the amendments to the Company's "Code of Corporate Governance"
- (5) Approved the amendment to the Company's "Rules Governing the Scope of Powers of Independent Directors"
- (6) Approved the amendments to the Company's "Corporate Social Responsibility Best Practice Principles"
- (7) Approved the formulation of the Company's "Rules Governing the Preparation and Filing of Sustainability Reports"
- (8) Approved to grant the employees with special one-time incentive bonus
- (9) Approved Personnel appointment to the Company's invested company

B. The 5th meeting of the 10th Board of Directors on February 24, 2023

- (1) Approved the Company's 2022 earnings distribution for remuneration to directors and employees
- (2) Approved the Company's 2022 operational report and financial statements
- (3) Approved the Company's 2022 Internal Control Statement for the purpose of domestic regulatory and Sarbanes-Oxley Act compliance
- (4) Approved the Company's 2022 earnings distribution

- (5) Approved the Company's ST-2 Satellite Succession Plan
- (6) Approved the Company to donate NT\$10 million to its related party of the Forestry Bureau, Council of Agriculture, Executive Yuan for tree planting
- (7) Approved the Company's approval to sign a "Supplemental Agreement of the Lease Agreement" with the current land lessee of the "2001 Plot of Land, Renmei Section, Yangmei District, Taoyuan City"
- (8) Approved the amendment to the Company's "Internal Control Systems"
- (9) Approved the amendment to the Company's "Code of Ethics"
- (10) Approved to convene the Company's 2023 Annual General Meeting of Shareholders at its Training Institute on May 26, 2023
- (11) Approved personnel appointment to the Company's invested company

C. The 2nd interim meeting of the 10th Board of Directors on May 5, 2023

Supplementary election for the Chairman of the Company's 10th Board of Directors

- (1) Approved the appointment of the Company's CEO
- (2) Approved the fixed monthly remuneration for the Company's newly elected Chairman

D. The 6th meeting of the 10th Board of Directors on May 10, 2023

- (1) Approved the Company's consolidated financial report for the first quarter of 2023
- (2) Approved the amendment to the Company's "Segregation of Power between the Board of Director and Management"
- (3) Approved the amendment to the Company's Regulations "Governing the Performance Evaluation of the Board of Directors"
- (4) Approved the amendment to the Company's "Guidelines of Investment"
- (5) Approved the amendment to the "Rules Governing Financial and Business Matters Between Chunghwa Telecom Co., Ltd and its Related Parties"
- (6) Approved personnel appointment to the Company's invested company

E. The 3rd interim meeting of the 10th Board of Directors on June 29, 2023

Approved personnel appointment and dismissal to the Company and its invested company

F. The 4th interim meeting of the 10th Board of Directors on July 7, 2023

- (1) Approved personnel Appointment and Dismissal to the Company's President
- (2) Approved the fixed monthly remuneration for the Company's newly appointed President
- (3) Approved personnel appointment and dismissal to the Company and its invested company

G. The 7th meeting of the 10th Board of Directors on August 9, 2023

- (1) Approved the Company's Consolidated Financial Statements for 2Q 2023
- (2) Approved the selection of the Company's Certified Public Accountant (CPA) Firm for the years 2024, 2025 and 2026
- (3) Approved the Company's real estate exchange with the National Property Administration
- (4) Approved the construction of the Company's BinJiang Internet Data Center investment project
- (5) Approved to reassign a dedicated custodian of the Company's seal for endorsements and guarantees
- (6) Approved to rename the Company's Corporate Strategy Committee as "Sustainable Development and Strategy Committee" and make amendments to the title and partial articles of its organizational regulations
- (7) Approved the appointment of the members for the Company's 10th Board's Sustainable Development and Strategy Committee
- (8) Approved the Company's establishment of the Risk Management Committee and formulation of its committee organizational regulations
- (9) Approved the appointment of the members for the Company's 10th Board's Risk Management
- (10) Approved the amendment to the Company's Risk Management Regulations
- (11) Approved the release of non-competition restrictions on the Company's independent directors
- (12) Approved the Company's donation of NT\$0.72 million to its related party, National Chengchi University, as an academic feedback fund
- (13) Approved the appointment of the Company's Chief Corporate Governance Officer
- (14) Approved personnel appointment to the Company and its invested companies

H. The 8th meeting of the 10th Board of Directors on November 8, 2023

- (1) Approved the Company's consolidated financial report for the third quarter of 2023
- (2) Approved appointment of the Company's audit firms for the fiscal years 2024, 2025, and 2026, as well as the audit service fees for financial, tax, internal control, and other certifications within the Group for the fiscal year 2024
- (3) Approved the amendment to the Company's Regulations Governing the Performance Evaluation of the Board of Directors
- (4) Approved the Company's 2023 Audit Plan
- (5) Approved the Company to subscribe Next Commercial Bank Co., Ltd.'s common shares via private placement
- (6) Approved the Company's 2024 short-term line of credit
- (7) Approved the Company to conduct a 20-year, 100MW renewable energy procurement project
- (8) Approved the formulation of the Company's "Incentive Compensation Clawback Policy"
- (9) Approved to grant the employees with one-time special incentive bonus
- (10) Approved personnel appointment to the Company and its invested company

I. The 5th interim meeting of the 10th Board of Directors on December 22, 2023

- (1) Approved re-appointment of the Company's audit firms for the fiscal years 2024, 2025, and 2026
- (2) Approved personnel appointment to the Company's invested company

J. The 9th meeting of the 10th Board of Directors on January 26, 2024

- (1) The Company's business operation plan (including budget) and condensed consolidated financial forecast for the year 2024
- (2) Approved the Company to donate NTD58.7 million to its related party of the Chunghwa Telecom Foundation
- (3) Approved the Company to donate NTD19 million to its related party of the Tourism Administration, Ministry of Transportation and Communications, for the 2024 Taiwan Lantern Festival
- (4) Approved after renegotiating with the current land lessee, the Company to sign a "Supplemental Agreement of the Lease Agreement for 2001 Plot of Land, Renmei Section, Yangmei District, Taoyuan City"

- (5) Approved the amendments to the Company's Rules and Procedures on Investments
- (6) Approved the Formulation of the Ratio for Increasing the Retention-Enhanced Employee Stock Trust Incentive Bonus at Chunghwa Telecom Co., Ltd.
- (7) Approved the amendments to the Company's Implementation Guidelines for Employee Compensation Distribution Based on Profitability Metrics
- (8) Approved the release of non-competition restrictions on the Company's directors
- (9) Approved personnel recommendation to the Company's invested company

K. The 10th meeting of the 10th Board of Directors on February 23, 2024

- (1) Approved the Company's 2023 earnings distribution for remuneration to directors and employees
- (2) Approved the Company's 2023 operational report and financial statements
- (3) Approved the Company's 2023 Internal Control Statement for the purpose of domestic regulatory and Sarbanes-Oxley Act compliance
- (4) Approved the Company's 2023 earnings distribution
- (5) Approved the Company's Investment in the Fund of Cultural Content Industry
- (6) Approved the Company's Investment in Taiwan Hive Technology Fund L.P.
- (7) Approved the amendment to the Company's Articles of Incorporation
- (8) Approved the amendment to the Company's Segregation of Power between the Board of Director and Management
- (9) Approved the amendment to the Company's Meeting Rules of Order of the Board of Directors
- (10) Approved the amendment to the Company's Organizational Regulations of Board of Directors Audit Committee
- (11) Approved the Company's Employee Stock Trust Incentive Program is planned to be extended and implemented for another three years, starting from April 2024
- (12) Approved to convene the Company's 2024 Annual General Meeting of Shareholders at its Training Institute on May 31, 2024

4.13 Major Dissenting Comments Among Directors Over Board Meeting Resolutions for Fiscal Year 2023 and Up To the Publication Date of This Annual Report

None.

4.14 Resignation/Dismissal of Key Officers (including Chairman, President, Accounting Manager, Financial Manager, Internal Auditor, and R&D Manager) for Fiscal Year 2023 and Up To the Publication Date of This Annual Report

Position	Name	Date of Appointment	Termination Date	Reason for Resignation or Dismissal
Chairman	Chi-Mau Sheih	April 22, 2019	May 5, 2023	Retirement
President	Shui-Yi Kuo	May 8, 2019	July 7, 2023	New replacement
Corporate Governance Officer	Ya-Chian Shiue	January 1, 2021	August 9, 2023	Position adjustment

5. Certified Public Accountant, or CPA, Professional Fees

NT\$'000

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Deloitte & Touche	Yih-Shin Kao and Mei Yen Chiang	January 1 ~ December 31, 2023	36,339	5,260	41,599	-

Note: Non-audit fee of \$5,260,000 paid in 2023 was for reviewing the non-management employees' salary information, performing the tax compliance audit, providing audit service of financial statements for the enterprise with significance in the telecommunications service market and providing audit service of telecommunications universal service by the accounting firm.

5.1 If the audit fees of the year in which the Company changes CPA firm is lower than that of the prior year, specify the amount of audit fee before and after, the fee reduction percentage, and the reasons

Not applicable.

5.2 If the audit fee dropped year on year by more than 10%, specify the amount, percentage, and reasons for the reduction

Not applicable.

6. Change of Certified Public Accountant

(1) Former CPAs

Date of Change	Approved by Board of Directors on December 22, 2023		
Reasons and Explanation of Changes	For the enhancement of corporate governance, accounting firm and CPA change made effective beginning in the first quarter of 2024.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client	CPA	Consignor
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	V
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	None		
Is there any disagreement in opinion with the issuer	Yes	-	Accounting principle or practice
		-	Disclosure of financial statements
		-	Auditing scope or procedures
		-	Others
	No	V	
	Explanation	-	
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

(2) Successor CPAs

Accounting Firm	PricewaterhouseCoopers, Taiwan
CPA	Huang, Shih-Chun and Hsu, Chien-Yeh
Date of Engagement	Approved by Board of Directors on December 22, 2023
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

(3) The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

None.

7. Audit Independence for the Most Recent Year

None.

8. Shareholding Changes of Directors, Supervisors, Management, and Major Shareholders with Shareholding of 10% and more for the most recent year and up to the Publication Date of this Annual Report

8.1 Shareholding Changes of directors, managers and major shareholders

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Major Shareholder and Director	MOTC (Note1)	0	0	0	0
Chairman, Chief Executive Officer and Director	Chi-Mau Sheih (Note 2) (dismissed on May 5, 2023)	0	0	0	0
Chairman, Chief Executive Officer and Director	Shui-Yi Kuo (Note 2) (succeeded on May 5, 2023)	0	0	0	0
Director	Chau-Young Lin (Note 2) (succeeded on July 4, 2023)	8,000	0	0	0
Director	Hsiang-Ling Hu (Note 2)	0	0	0	0
Director	Ching-Hwi Lee (Note 2)	0	0	0	0
Director	Shin-Yi Chang (Note 2)	0	0	0	0
Director	Sin-Horng Chen (Note 2)	0	0	0	0
Director	Hsiu-Chuan Tsai (Note 2)	0	0	0	0
Director	Shih-Hung Tseng (Note 2)	0	0	0	0
Independent Director	Su-ming Lin	0	0	0	0
Independent Director	Chia-Chung Chen	0	0	0	0
Independent Director	Yu-Fen Lin	0	0	0	0
Independent Director	Chung-Chin Lu	0	0	0	0
Independent Director	Yi-Chin Tu	0	0	0	0
President	Chau-Young Lin (succeeded on July 7, 2023)	8,000	0	0	0
Senior Executive Vice President	Chih-Cheng Chien (succeeded on July 13, 2023)	0	0	0	0
Senior Executive Vice President	Yu-Shen Chen	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Senior Executive Vice President	Rong-Shy Lin	0	0	0	0
Senior Executive Vice President	Li-Show Wu (dismissed on January 1, 2024)	0	0	0	0
Senior Executive Vice President	Chih-Hsiung Huang (succeeded on January 1, 2024)	0	0	0	0
Vice President	Hui-Chen Wei	0	0	0	0
Vice President	Shu-Ling Chen	0	0	0	0
Vice President	Yuan-Kai Chen	0	0	0	0
Vice President	Shih-Chung Chang	0	0	0	0
Vice President	Hong-Bin Chiou	0	0	0	0
Vice President	Shui-Mu Chiang (dismissed on January 1, 2023)	0	0	0	0
Vice President	Di-Yao Chan (succeeded on January 3, 2023)	0	0	0	0
Vice President	Ru-Kuen Lee (succeeded on July 31, 2023)	0	0	0	0
Vice President	Wen-Chiyh Lin	0	0	0	0
Vice President	I-Fang Wu (dismissed on February 28, 2023)	0	0	0	0
Vice President	Fu-Fu Shen (dismissed on January 1, 2023)	0	0	0	0
Vice President	Wan-Min Chou (dismissed on January 1, 2024)	0	0	0	0
Vice President	Wen-Wang Tseng (dismissed on June 30, 2023)	0	0	0	0
Assistant Vice President	An-An Hsia (succeeded on October 2, 2023)	0	0	0	0
Assistant Vice President	Ya-Chian Shiue	0	0	0	0
Assistant Vice President	Ming-Tzu Hsiao	0	0	0	0
Assistant Vice President	Wei-Ting Chen (succeeded on August 16, 2023)	0	0	0	0
Assistant Vice President	Cho-Fen Tsai (succeeded on August 16, 2023)	0	0	0	0
Assistant Vice President	Yih-Chyau Kuo (succeeded on October 30, 2023)	0	0	0	0
Assistant Vice President	Chun-Yen Chan (succeeded on January 9, 2023)	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Assistant Vice President	Ming-Chih Yang (succeeded on June 30, 2023)	0	0	0	0
Assistant Vice President	Wen-Hao Yang (succeeded on February 22, 2023)	0	0	0	0
Assistant Vice President	Chieh-Hsin Keng (succeeded on July 31, 2023)	0	0	0	0
Assistant Vice President	Ren-Bin Chiue	0	0	0	0
Assistant Vice President	Chih-Cheng Tsao (succeeded on July 17, 2023)	0	0	0	0
Assistant Vice President	Shih-Yuan Lin (dismissed on January 1, 2023)	0	0	0	0
Assistant Vice President	Ze-Run Liu (dismissed on January 1, 2024)	0	0	0	0
Assistant Vice President	Wen-Ruey Wu (succeeded on February 20, 2024)	0	0	0	0
President of Business Group	Hsueh-Hai Hu (succeeded on July 13, 2023)	0	0	0	0
Vice President of Business Group	Hui-Pao Huang	0	0	0	0
Vice President of Business Group	Rong-Yi Chen	0	0	0	0
Vice President of Business Group	Suh-Chiou Ke (succeeded on December 5, 2023)	0	0	0	0
Assistant Vice President	Liang-Wei Lee	0	0	0	0
Assistant Vice President	Ming-Hua Chang (succeeded on January 3, 2023)	0	0	0	0
Assistant Vice President	Chia-Bao Chong	0	0	0	0
Assistant Vice President	Shu-Ling Chen	0	0	0	0
Assistant Vice President	Wen-Ming Chuang (dismissed on January 1, 2023)	0	0	0	0
President of Business Group	Pen-Yuang Chang (succeeded on July 13, 2023)	0	0	0	0
Vice President of Business Group	Kuan-Hsiung Liang (succeeded on October 27, 2023)	0	0	0	0
Vice President of Business Group	Lai-Ting Chen (succeeded on November 8, 2023)	0	0	0	0
Vice President of Business Group	Wei-Jenn Ke	0	0	0	0
Assistant Vice President	Hui-Ling Feng (succeeded on January 2, 2024)	0	0	0	0
President of Business Group	Hsueh-Lan Wu (dismissed on June 30, 2023)	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
President of Business Group	Chin-Chou Chen (succeeded on June 30, 2023)	0	0	0	0
Vice President of Business Group	Chien-Chih Chen (succeeded on August 16, 2023)	0	0	0	0
Assistant Vice President	Pi Chiang (succeeded on August 22, 2023)	0	0	0	0
Assistant Vice President	Hsuan-Lung Liu	0	0	0	0
Vice President of Business Group	Chih-Cheng Lo	0	0	0	0
Vice President of Business Group	Chung-Yung Kang (dismissed on June 30, 2023)	0	0	0	0
Vice President of Business Group	Ching-Chuan Kuo (succeeded on June 30, 2023)	0	0	0	0
Vice President of Business Group	Zhong-Yong Jia	0	0	0	0
Assistant Vice President	Yeh-Chin Ho	0	0	0	0
Assistant Vice President	His-Huang Chang (dismissed on January 1, 2024)	0	0	0	0
President of Branch	Kuo-Chi Huang	0	0	0	0
Vice President of Branch	Chi-Huang Su	0	0	0	0
President of Branch	Te-Ming Chen	0	0	0	0
Vice President of Branch	Juang-Fu Liao	0	0	0	0
President of Branch	Jung-Chin Kung (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Te-Li Chang (succeeded on January 1, 2023)	0	0	0	0
Vice President of Branch	Chih-Chiang Chiu (succeeded on May 10, 2023)	0	0	0	0
President of Business Group	Jung-Kuei Chen (succeeded on July 13, 2023, dismissed on August 15, 2023)	0	0	0	0
President of Business Group	Hey-Chyi Young (succeeded on August 15, 2023)	0	0	0	0
Vice President of Business Group	Jeu-Yih Jeng	0	0	0	0
Vice President of Business Group	Quen-Zong Wu	0	0	0	0
Vice President of Business Group	Chung-Shuo Lin (succeeded on January 3, 2023)	0	0	0	0
Vice President of Business Group	Ming Chung (dismissed on January 1, 2023)	0	0	0	0
President of Telecommunication Laboratories	Tian-Tsair Su (succeeded on July 13, 2023)	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Vice President of Telecommunication Laboratories	Ching-Hung Wang (succeeded on September 1, 2023)	0	0	0	0
Vice President of Telecommunication Laboratories	Rong-Ruey Lee (succeeded on January 2, 2024)	0	0	0	0
President of Telecommunication Training Institute	Wei-Kuo Hong (succeeded on July 13, 2023)	0	0	0	0
Vice President of Telecommunication Training Institute	Shih-Mo Leu	0	0	0	0
President of Branch	Jason Hsu (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Chen-Chien Su	0	0	0	0
Vice President of Branch	Chi-Ho Chiang (succeeded on January 2, 2024)	0	0	0	0
Vice President of Branch	Yung-Cheng Chu (succeeded on November 8, 2023)	0	0	0	0
Vice President of Branch	Yung-Feng Wang (dismissed on January 1, 2024)	0	0	0	0
President of Branch	Ying-Hsueh Wang (dismissed on January 1, 2024)	0	0	0	0
President of Branch	Ming-Tsung Chen (succeeded on January 1, 2024)	0	0	0	0
Vice President of Branch	Felicia Lai (succeeded on January 5, 2024)	0	0	0	0
Vice President of Branch	Ching-Hsu Wang	0	0	0	0
President of Branch	Jinun-Jye Lee	0	0	0	0
Vice President of Branch	Chia-Ju Lin (succeeded on August 8, 2023)	0	0	0	0
President of Branch	Po-Ta Tseng (succeeded on July 24, 2023)	0	0	0	0
Vice President of Branch	Lung-Wuu Men	0	0	0	0
Vice President of Branch	Chi-Min Lo (succeeded on January 15, 2024)	0	0	0	0
President of Branch	Huan-Hsing Chen	0	0	0	0
Vice President of Branch	Chun-Jen Chou (succeeded on August 8, 2023)	0	0	0	0
President of Branch	Lin-Yen Wu (succeeded on June 30, 2023)	0	0	0	0
Vice President of Branch	Hon-Yu Chang	0	0	0	0
President of Branch	Ling Chao	0	0	0	0
Vice President of Branch	Ting-Cheng Chen	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
President of Branch	Yung-Hua Chou (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Shih-Tsu Liu (succeeded on January 1, 2023)	0	0	0	0
Vice President of Branch	Ming-Yen Wu (succeeded on January 3, 2023)	0	0	0	0
President of Branch	Chio-Fu Lai (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Chia-Hsin Li (succeeded on January 1, 2023)	0	0	0	0
Vice President of Branch	Wan-Ju Lin (succeeded on May 10, 2023)	0	0	0	0
Vice President of Branch	Wen-Tu Chang (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Tang Chang (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Yi-Mao Lin (succeeded on January 1, 2023, dismissed on January 1, 2024)	0	0	0	0
President of Branch	Song-Hsiung Lin (succeeded on January 1, 2024)	0	0	0	0
Vice President of Branch	Chung-Ta Hsieh (succeeded on January 3, 2023)	0	0	0	0
President of Branch	Ruei-Shiuan Chang	0	0	0	0
Vice President of Branch	Ming-Chou Liao (succeeded on January 3, 2023)	0	0	0	0
President of Branch	Chaw-Chia Chang (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Shi-Shen Cheng (succeeded on January 1, 2023)	0	0	0	0
Vice President of Branch	Chi-Cheng Lin (succeeded on January 3, 2023)	0	0	0	0
Vice President of Branch	Mu-Hsiang Lai (dismissed on January 1, 2023)	0	0	0	0
President of Branch	Rong-Shuen Huang (dismissed on June 30, 2023)	0	0	0	0
President of Branch	Chin-Chuan Liang	0	0	0	0
Vice President of Branch	Ming-Yuan Suen	0	0	0	0
Vice President of Branch	Tang-Lin Su	0	0	0	0
President of Branch	Zhong-Xing Yan (dismissed on June 30, 2023)	0	0	0	0
President of Branch	Yung-Shan Lin (succeeded on June 30, 2023)	0	0	0	0
Vice President of Branch	Te-Yao Wu (succeeded on August 9, 2023)	0	0	0	0

Title	Name	2023		As of February 29, 2024	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
President of Branch	Min-Horng Tsai (succeeded on December 5, 2023)	0	0	0	0
Vice President of Branch	Han-Chin Lai	0	0	0	0
Vice President of Branch	Ting Lee (dismissed on January 1, 2024)	0	0	0	0
Vice President of Branch	Kuo-Pin Lo (succeeded on January 2, 2024)	0	0	0	0
President of Branch	Huan-Chang Hsiao (succeeded on June 30, 2023)	0	0	0	0
Vice President of Branch	Jane-Jone Shae (succeeded on August 1, 2023)	0	0	0	0
President of Branch	Yung-Chang Lee	0	0	0	0

Notes: 1. Major shareholders with 10% and more shareholding of the Company
2. Representatives of MOTC

8.2 Stock Trade with Related Party

None.

8.3 Stock Pledge with Related Party

None.

9. Relationship among the Top Ten Shareholders

July 2, 2023

Name	Current Shareholding		Spouses' and Minors' Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ministry of Transportation and Communications (MOTC) Representative: Kwo-Tsai Wang	2,737,718,976	35.29%	-	-	-	-	Chunghwa Post Co., Ltd.	MOTC owns 100%	-
	-	-	-	-	-	-	-	-	-
Shin Kong Life Insurance Co., Ltd. Representative: Mark Wei	383,811,184	4.95%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
CTBC Bank Trust Account - CHT Employee Stock Ownership Trust Plan	307,944,571	3.97%	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd. Representative: Ming-Ho Hsiung	200,123,000	2.58%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
JP Morgan Chase Bank, N.A., acting as depositary and representative of CHT ADRS	191,324,120	2.47%	-	-	-	-	-	-	-

Name	Current Shareholding		Spouses' and Minors' Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chunghwa Post Co., Ltd. Representative: Hong-Mo Wu	159,680,719	2.06%	-	-	-	-	MOTC	The only shareholder of Chunghwa Post Co., Ltd.	-
	-	-	-	-	-	-	-	-	-
New Labor Pension Fund	157,358,300	2.03%	-	-	-	-	-	-	-
Labor Insurance Fund	103,888,644	1.34%	-	-	-	-	-	-	-
Taiwan Life Insurance Co., Ltd. Representative: Tai-Keh Cheng	79,519,000	1.03%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Old Labor Retirement Fund	64,727,824	0.83%	-	-	-	-	-	-	-

10. Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investment.

As of December 31, 2023
Unit: Share; %

Affiliated Companies (Note)	Investments of the Company		Direct or Indirect Investments		Total Investments	
	Shares	%	Shares	%	Shares	%
Prime Asia Investments Group Ltd. ("Prime Asia")	1,301	100%	-	-	1,301	100%
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	15,000,000	100%	-	-	15,000,000	100%
Donghua Telecom Co., Ltd. ("DHT")	178,589,592	100%	-	-	178,589,592	100%
Chunghwa Telecom Global, Inc. ("CHTG")	6,000,000	100%	-	-	6,000,000	100%
Chunghwa System Integration Co., Ltd. ("CHSI")	60,000,000	100%	-	-	60,000,000	100%
Light Era Development Co., Ltd. ("LED")	300,000,000	100%	-	-	300,000,000	100%
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	26,382,976	100%	-	-	26,382,976	100%
Chunghwa Telecom Japan Co., Ltd. ("CHTJ")	1,000	100%	-	-	1,000	100%
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	-	100%	-	-	-	100%

Affiliated Companies (Note)	Investments of the Company		Direct or Indirect Investments		Total Investments	
	Shares	%	Shares	%	Shares	%
Honghwa International Co., Ltd. ("HHI")	18,000,000	100%	-	-	18,000,000	100%
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	1,300,000	100%			1,300,000	100%
Chunghwa Investment Co., Ltd. ("CHI")	68,085,000	89%	-	-	68,085,000	89%
Chunghwa Leading Photonics Tech Co., Ltd. ("CLPT")	7,050,000	75%	-	-	7,050,000	75%
CHT Security Co., Ltd. ("CHTSC")	24,000,000	69%	-	-	24,000,000	69%
Smartfun Digital Co., Ltd. ("SFD")	6,500,000	65%	-	-	6,500,000	65%
CHIEF Telecom Inc. ("CHIEF")	43,368,383	56%	2,285,800	3%	45,654,183	59%
Spring House Entertainment Tech. Inc. ("SHE")	8,250,731	56%	-	-	8,250,731	56%
International Integrated System, Inc. ("IISI")	37,210,575	51%			37,210,575	51%
Chunghwa Sochamp Technology Inc. ("CHST")	2,040,000	37%	-	-	2,040,000	37%
Senao International Co., Ltd. ("SENAO")	71,773,155	28%	1,001,000	0%	72,774,155	28%
Chunghwa SEA Holdings	1,020,000	51%			1,020,000	51%
CHUNGHWA PCHOME FUND I CO., LTD. ("CPFII")	20,000,000	50%	-	-	20,000,000	50%
Cornerstone Ventures Co., Ltd. ("CVC")	490,000	49%	-	-	490,000	49%
Next Commercial Bank Co., LTD. ("NCB")	462,643,000	46%			462,643,000	46%
Taiwan International Standard Electronics Co., Ltd. ("TISE")	1,760,000	40%	-	-	1,760,000	40%
KKBOX Taiwan Co., Ltd. ("KKBOX TW")	4,438,286	30%	-	-	4,438,286	30%
So-net Entertainment Taiwan Limited ("So-net")	9,429,000	30%	-	-	9,429,000	30%
Viettel-CHT Co., Ltd. ("Viettel-CHT")	-	30%	-	-	-	30%
Taiwan International Ports Logistics Corporation ("TIPL")	8,000,000	27%	-	-	8,000,000	27%
KingwayTek Technology Co., Ltd. ("KWT")	11,563,467	23%	-	-	11,563,467	23%
WiAdvance Technology Corporation ("WATC")	3,700,000	19%	-	-	3,700,000	19%

Note: Investment accounted for using equity-method.

Appendix A

Directors' Continuing Education Records for fiscal year 2023

Title	Name	Appointment Date	Training Period		Organizer	Course Name	Training Hours	In Compliance with Regulations (Note 1)
			From	To				
Representative of Juristic Person Director (Chairman & CEO)	Shui-Yi Kuo	2022.5.27	2023.9.4	2023.9.4	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Representative of Juristic Person Director (President)	Chau-Young Lin	2023.7.4	2023.4.26	2023.4.26	Securities and Futures Institute	Merger and Acquisition Strategic Thinking and Evaluation Practices	9	Y (Note 2)
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value		
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Representative of Juristic Person Director	Hsiang-Ling Hu	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Representative of Juristic Person Director	Ching-Hwi Lee	2022.5.27	2023.6.9	2023.6.9	Taiwan Corporate Governance Association	Promoting Corporate Sustainable Development through Risk Management -Best Practice Principles on Risk Management for TWSE/TPEx Listed Companies	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Representative of Juristic Person Director	Shin-Yi Chang	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	12	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
			2023.12.12	2023.12.12	Taiwan Corporate Governance Association	Corporate Governance Summit XIX- Creating New Sphere of Governance for the Elevating Value of Enterprises		
Representative of Juristic Person Director	Sin-Horng Chen	2022.5.27	2023.5.10	2023.5.10	Securities and Futures Institute	The Technological Development and Business Opportunities of ChatGPT	6	Y
			2023.8.9	2023.8.9	Securities and Futures Institute	Legitimacy of Information Security Management Laws under the Threat of Ransomware		

Title	Name	Appointment Date	Training Period		Organizer	Course Name	Training Hours	In Compliance with Regulations (Note 1)
			From	To				
Representative of Juristic Person Director	Hsiu-Chuan Tsai	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	9	Y
			2023.10.20	2023.10.20	Securities and Futures Institute	2023 Insider Trading Prevention Advocacy Seminar		
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Representative of Juristic Person Director	Shih-Hung Tseng	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	9	Y
			2023.10.20	2023.10.20	Securities and Futures Institute	2023 Insider Trading Prevention Advocacy Seminar		
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Independent Director	Su-ming Lin	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Independent Director	Chia-Chung Chen	2022.5.27	2023.1.5	2023.1.5	Securities and Futures Institute	Advanced Seminar on Directors and Supervisors (Including Independent Directors) Practices - Leveraging the Profitable Functions of Board Committees	12	Y
			2023.2.10	2023.2.10	Taiwan Corporate Governance Association	Competition and Consumer Protection Issues under Digital Economy		
			2023.2.16	2023.2.16	Taiwan Academy of Banking and Finance	Cybersecurity Governance Lecture - Cybersecurity Strategic Thinking and Practices		
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value		

Title	Name	Appointment Date	Training Period		Organizer	Course Name	Training Hours	In Compliance with Regulations (Note 1)
			From	To				
Independent Director	Yu-Fen Lin	2022.5.27	2023.2.23	2023.2.23	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Friendly Finance through Fair Customer Treatment	19	Y
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value		
			2023.7.25	2023.7.25	Taiwan Corporate Governance Association	Introduction to Corporate Governance 4.0		
			2023.7.25	2023.7.25	Taiwan Corporate Governance Association	Protection of Trade Secret and Fraud Prevention Practices		
			2023.8.22	2023.8.22	Taiwan Academy of Banking and Finance	Corporate Governance Forum - International Trends in Anti-Money Laundering and the Utilization of Fintech		
			2023.9.9	2023.9.9	Taiwan Corporate Governance Association	Delving into the 2030 sustainable governance landscape of the financial industry through a comprehensive exploration of the 2023 International ESG Mega Trends		
			2023.11.23	2023.11.23	Taiwan Insurance Institute	Senior-Friendly Customer Series - Basic Understanding of Elderly Consumers		
Independent Director	Chung-Chin Lu	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		
Independent Director	Yi-Chin Tu	2022.5.27	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthening Board Functions to Elevate Corporate Sustainability Value	6	Y
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking		

Note 1: Refers to compliance with respect to "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies" in terms of hours, scope, system, arrangement, and disclosure.

Note 2: Director Chao-Young Lin served as a director at Chunghwa Precision Test Tech. Co., Ltd. (CHPT) during the period from June 3, 2020, to June 2, 2023., in compliance with 6 hours of training.

Note 3: Directors Shui-Yi Kuo, Hsiang-Ling Hu, Ching-Hwi Lee, Shin-Yi Chang, Sin-Horng Chen, Hsiu-Chuan Tsai, Shih-Hung Tseng, Su-ming Lin, Chia-Chung Chen, Yu-Fen Lin, Chung-Chin Lu and Yi-Chin Tu were all re-elected as directors, which were all in compliance with 6 hours of training.

Appendix B

Records of the President, Senior Executive Vice Presidents and Other Management Officers Continuing Education for Fiscal Year 2023

Title	Name	Appointment Date	Training Period		Organizer	Course Title	Hours
			From	To			
President	Chau-Young Lin	2023.7.7	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.12	2023.4.12	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	4
			2023.4.26	2023.4.26	Securities & Futures Institute (SFI)	M&A strategic thinking and evaluation practice	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
			2023.6.27	2023.6.27	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	3
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3
Senior Executive Vice President	Chih-Cheng Chien	2023.7.13	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
Senior Executive Vice President	Rong-Shy Lin	2020.6.30	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3

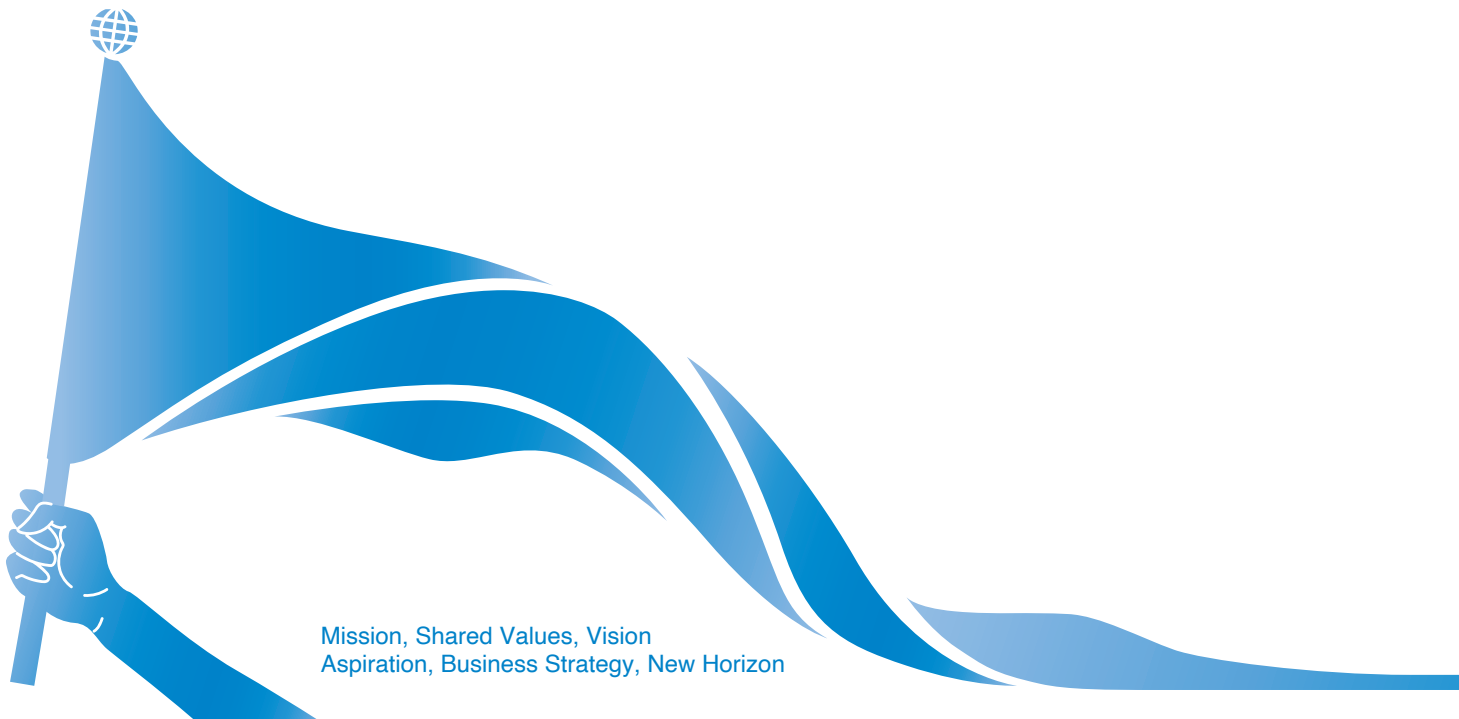
Title	Name	Appointment Date	Training Period		Organizer	Course Title	Hours
			From	To			
Senior Executive Vice President	Yu-Shen Chen	2020.9.1	2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
Senior Executive Vice President	Li-Show Wu	2022.6.30 (Retired on 2023.12.31)	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
President of the Business Group	Hsueh-Hai Hu	2023.7.13	2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
			2023.6.27	2023.6.27	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	3
President of the Business Group	Pen-Yuang Chang	2023.7.13	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3
President of the Business Group	Hsueh-Lan Wu	2018.11.15 (Retired on 2023.6.30)	2023.4.12	2023.4.12	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	4
President of the Business Group	Chin-Chou Chen	2023.6.30	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
			2023.8.17	2023.8.17	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	3
			2023.11.8	2023.11.8	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3

Title	Name	Appointment Date	Training Period		Organizer	Course Title	Hours
			From	To			
President of the Business Group	Hey-Chyi Young	2023.8.15	2023.11.8	2023.11.8	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3
President of Telecommunication Laboratories	Tian-Tsair Su	2023.7.13	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3
			2023.6.27	2023.6.27	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	3
President of Telecommunication Training Institute	Wei-Kuo Hong	2018.11.15	2023.2.23	2023.2.23	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.4.12	2023.4.12	Telecommunication Training Institute, Chunghwa Telecom	Case Study for Leaders-Harvard Business Review	4
			2023.4.27	2023.4.27	Telecommunication Training Institute, Chunghwa Telecom	Manager Operations Discussion Forum	3
			2023.5.10	2023.5.10	Taiwan Corporate Governance Association	Strengthen the functions of the board of directors and enhance the sustainable value of the enterprise	3

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Capital Review

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Capital Review

1. Capital and Shares

1.1 Source of Capital

As of February 29, 2024

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount(NT\$)	Shares	Amount(NT\$)	Sources of Capital	Capital Paid-in by Assets Other than Cash	Other
Jul 1996	34	9,647,724,900	96,477,249,000	9,647,724,900	96,477,249,000	assumed capital from Ministry of Transportation, Directorate General of Telecommunications	-	-
May 2006	10	9,647,724,902	96,477,249,020	9,647,724,902	96,477,249,020	capital increase of 2 special shares purchased by MOTC	-	-
Aug 2006	10	9,647,724,902	96,477,249,020	9,455,724,902	94,557,249,020	treasury shares cancellation	-	-
Oct 2006	10	12,000,000,002	120,000,000,020	9,667,845,095	96,678,450,950	earnings to capital increase	-	FSC Document No. 0950126724 June 27, 2006
Aug 2007	10	12,000,000,002	120,000,000,020	10,634,629,604	106,346,296,040	capital surplus to capital increase	-	SEF Authorization No. 09601199260 August 22, 2007
Nov 2007	10	12,000,000,002	120,000,000,020	9,667,845,095	96,678,450,950	capital reduction by cash	-	SEF Authorization No. 09601280910 November 15, 2007
Mar 2008	10	12,000,000,002	120,000,000,020	9,557,776,914	95,577,769,140	treasury shares cancellation	-	SEF Authorization No. 09701049860 February 29, 2008
Nov 2008	10	12,000,000,002	120,000,000,020	11,608,363,565	116,083,635,650	earnings and capital surplus to capital increase	-	SEF Authorization No. 09701293050 November 19, 2008
Jan 2009	10	12,000,000,002	120,000,000,020	9,696,808,183	96,968,081,830	capital reduction by cash	-	SEF Authorization No. 09801006090 January 14, 2009
Apr 2009	10	12,000,000,002	120,000,000,020	9,696,808,181	96,968,081,810	special shares cancellation	-	SEF Authorization No. 09801077020 April 23, 2009
Sep 2009	10	12,000,000,000	120,000,000,000	10,666,488,999	106,664,889,990	capital surplus to capital increase	-	SEF Authorization No. 09801205990 September 7, 2009
Nov 2009	10	12,000,000,000	120,000,000,000	9,696,808,181	96,968,081,810	capital reduction by cash	-	SEF Authorization No. 09801261140 November 11, 2009
Nov 2010	10	12,000,000,000	120,000,000,000	7,757,446,545	77,574,465,450	capital reduction by cash	-	SEF Authorization No. 09901266330 November 29, 2010

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common	7,757,446,545	4,242,553,455	12,000,000,000	Listed

1.2 Shareholder Structure

As of July 2, 2023 (Note)

Shareholder Structure Amount	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign Institutions & Individuals	Total
Number of Shareholders	9	44	1,003	293,459	1,388	295,903
Shareholding (shares)	3,161,883,265	1,161,938,973	653,838,558	1,450,572,463	1,329,213,286	7,757,446,545
Shareholding %	40.76%	14.98%	8.43%	18.70%	17.13%	100%

Note: Based on the most recent book closure date for shareholder to register

1.3 Shareholding Distribution

As of July 2, 2023 (Note)

Shareholding Range (Unit: Share)	Number of Shareholders	Shareholding (shares)	Shareholding (%)
1-999	85,357	23,755,974	0.31%
1000-5,000	156,627	319,947,940	4.12%
5,001-10,000	23,132	178,169,947	2.30%
10,001-15,000	8,501	106,707,306	1.38%
15,001-20,000	5,319	95,836,764	1.24%
20,001-30,000	6,278	158,003,726	2.04%
30,001-40,000	3,621	126,349,804	1.63%
40,001-50,000	2,082	94,173,458	1.21%
50,001-100,000	3,290	223,755,584	2.88%
100,001-200,000	877	119,847,562	1.54%
200,001-400,000	316	87,356,408	1.13%
400,001-600,000	115	56,352,640	0.73%
600,001-800,000	64	44,809,648	0.58%
800,001-1,000,000	38	34,519,147	0.44%
1,000,001-999,999,999	285	3,350,141,661	43.19%
>1,000,000,000	1	2,737,718,976	35.29%
Total	295,903	7,757,446,545	100.00%

Note: Based on the most recent book closure date for shareholder to register

1.4 Major Shareholders

As of July 2, 2023 (Note)

Major Shareholder	Shareholding	Shares	%
Ministry of Transportation and Communications R.O.C.		2,737,718,976	35.29%
Shin Kong Life Insurance Co., Ltd.		383,811,184	4.95%
CTBC Bank Trust Account - CHT Employee Stock Ownership Trust Plan		307,944,571	3.97%
Cathay Life Insurance Co., Ltd.		200,123,000	2.58%
JP Morgan Chase Bank, N.A., acting as depositary and representative of CHT ADRS		191,324,120	2.47%
Chunghwa Post Co., Ltd.		159,680,719	2.06%
Labor Pension Fund of the New Labor Pension System, R.O.C.		157,358,300	2.03%
Labor Insurance Fund, R.O.C.		103,888,644	1.34%
Taiwan Life Insurance Co., Ltd.		79,519,000	1.03%
Labor Pension Fund Supervisory Committee-Labor Retirement Fund		64,727,824	0.83%

Note: Based on the most recent book closure date for shareholder to register

1.5 Share Price, Net Value, Earnings, Dividends and Related Information in Recent 2 Years

Items			2022	2023	2024 (As of Feb. 29)
Market Price per Share	Highest (Note 1)		132.50	128.00	122.50
	Lowest (Note 1)		105.50	111.50	118.50
	Average (Note 1)		119.85	118.79	120.33
Net Worth per Share	Before Distribution		49.14	49.28	-
	After Distribution		44.44	(Note 2)	-
Earnings per Share	Weighted Average Shares		7,757,446,545	7,757,446,545	7,757,446,545
	Earnings Per Share		4.70	4.76	-
Dividends per Share	Cash Dividends		4.702	4.758 (Note 2)	-
	Stock Dividends	From Retained Earnings	0	0 (Note 2)	-
		From Additional Paid-in Capital	0	0 (Note 2)	-
	Accumulated Undistributed Dividends		0	0	-
Return on Investment (Note 3)	Price / Earnings Ratio		25.50	24.96 (Note 2)	-
	Price / Dividend Ratio		25.49	24.97 (Note 2)	-
	Cash Dividend Yield Rate%		3.92	4.01 (Note 2)	-

Notes:

1. Data sourced from Taiwan Stock Exchange, or TWSE.

2. 2023 dividends distribution to be approved by shareholders at Annual General Meeting, or AGM, in 2024.

3. Price / Earnings Ratio = Average Market Price / Earnings per Share

Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price (2022=NT\$119.85, 2023=NT\$118.79)

1.6 Dividend Policy and Discussion

(1) Dividend Policy

In accordance with the Chunghwa's Articles of Incorporation, Chunghwa must pay all outstanding taxes, offset deficits in prior years and set aside a legal reserve equal to 10% of its net income before distributing a dividend or making any other distribution to shareholders, except when the accumulated amount of such legal reserve equals to Chunghwa's total issued capital, and depending on its business needs or requirements, may also set aside or reverse special reserves. No less than 50% of the remaining earnings comprising remaining balance of net income, if any, plus cumulative undistributed earnings shall be distributed as shareholders' dividends, of which cash dividends to be distributed shall not be less than 50% of the total amount of dividends to be distributed. If cash dividend to be distributed is less than \$0.10 per share, such cash dividend shall be distributed in the form of common stocks.

Dividend distribution is dependent on the actual profitability, capital expenditure plan, cash status and other conditions for the relevant year, as well as a resolution adopted at the shareholders' meeting.

The Company is not permitted to distribute dividends or make other distributions to stockholders in any year in which the Company does not have any net income or unappropriated earnings (excluding reserves).

If the Company does not incur a loss, the Company is permitted to make distributions on a pro rata basis to its stockholders of additional common shares or cash by the legal reserve, the premium derived from the issuance of new shares and the income from endowments received by the Company.

(2) Dividend Distribution

Below is the dividend distribution from years 2021 to 2023; the appropriation amount for 2023 has yet to be approved at the 2024 AGM.

Unit: NT\$/share

Year	Cash Dividend		Stock Dividend
	From Retained Earnings	From Additional Paid-in Capital	
2021	4.608	0	0
2022	4.702	0	0
2023	4.758	0	0

(3) Expected Material Changes in Dividend Policy

None.

1.7 Impact of Stock Dividend Distribution in 2024 Shareholders' Meetings on Business Performance and EPS

None.

1.8 Compensation of Employees and Directors

(1) Overall compensation strategy

A. Employees' and Directors' Compensation According to the Articles of Incorporation

If the Company incurs positive earnings for the relevant year, then the employees are entitled to 1.7% to 4.3% of the distributable earnings as employee compensation; the directors are entitled to no more than 0.17% of the distributable earnings as director compensation. If the Company has cumulative deficits, then the Company must first retain the necessary earnings to offset the deficits. The aforementioned employee compensation in the form of stocks or cash should be determined by the board of directors with the approval of two-thirds or more of the directors present at the meeting and the majority of attending directors, and reported to the shareholders' meeting.

B. The Compensation Basis for Employees and Directors; Accounting Treatment for the Differences between Estimated and Actual Amount of Compensation

- The Company accrues all employees' and directors' compensation in accordance to the Articles of Incorporation and "Employee Compensation Distribution Guidelines of Chunghwa Telecom Co., Ltd." as well as historical experience and future estimates.
- If there is a change in the accrual amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in accounting estimate in the following year.

C. Compensation Approved in the Board of Directors Meeting

- Employees and directors' compensation in the form of cash or stock. The Board of Directors

have approved employee cash compensation of 1,522,481,595, and directors cash compensation of 39,796,708.

- b. The amount of any employee compensation distributed in stocks; and the size of this amount as a percentage of the net income stated in the

parent only financial reports or individual financial reports for the current period; and the size of this amount as a percentage of the total employee compensation.

No employee compensation in the form of stock is distributed for the year of 2023.

D. 2022 Actual Distribution of Employees' and Directors' Compensation (including number of shares, monetary amount, and stock price)

Items	Actual Distribution (NT\$)	2022 Approved Distribution by BoD (NT\$)	Differences (NT\$)
Employees' cash compensation	1,498,374,390	1,498,374,390	0
Employees' stock compensation	0	0	0
Directors' compensation	39,479,796	39,479,796	0

Notes:

1. In accordance to 2022 directors and employees cash compensation, approved by Board of Directors in 2023.
2. In 2023, the Company's Board of Directors was consisted of 5 independent directors, and 8 directors.
3. The independent directors are not entitled to any cash compensation; the directors are representatives from MOTC, so their cash compensation are distributed to MOTC, which is calculated on pro-rate basis in terms of days of service for newly elected directors within the years.

(2) Equal and competitive compensation system

The Company is committed to providing a working environment with dignity and equity for its employees. The Company implements employment diversity, equal pay, and impartiality in promotion opportunities. The Company has established a "Compensation Committee" and offers competitive compensation to talents with potential. Through a transparent remuneration policy, employees are rewarded in line with the operational performance of the Company.

(3) Employee Stock Ownership Trust

The Company has established the Employee Stock Ownership Trust in order to increase employee welfare benefits, enhance corporate unity, share the success of business operations, and ensure better living after employee retirement or departure. The Trust consists of certain pro-rata share-based bonuses based on the amount of employee's monthly salary deposits.

1.9 Share Repurchase by the Company

None.

2. Corporate Bonds

2.1 Corporate Bond

As of December 31, 2023

Issue	Domestic Unsecured Corporate Bond (2020-1)	Domestic Unsecured Corporate Bond (2021-1)	Domestic Unsecured Corporate Bond (2022-1, Sustainability Bond)
Issuing Date	2020.7.30	2021.4.20	2022.3.15
Denomination	NT\$10,000,000	NT\$10,000,000	NT\$10,000,000
Offering Price	Par	Par	Par
Total Amount	NT\$20,000,000,000	NT\$7,000,000,000	NT\$3,500,000,000
Coupon	Tranche A: 0.50% p.a. Tranche B: 0.54% p.a. Tranche C: 0.59% p.a.	Tranche A: 0.42% p.a. Tranche B: 0.46% p.a. Tranche C: 0.50% p.a.	0.69% p.a.

Issue		Domestic Unsecured Corporate Bond (2020-1)	Domestic Unsecured Corporate Bond (2021-1)	Domestic Unsecured Corporate Bond (2022-1, Sustainability Bond)
Tenor and Maturity Date		Tranche A: 5 years Maturity: 2025.7.30 Tranche B: 7 years Maturity: 2027.7.30 Tranche C: 10 years Maturity: 2030.7.30	Tranche A: 5 years Maturity: 2026.4.20 Tranche B: 7 years Maturity: 2028.4.20 Tranche C: 10 years Maturity: 2031.4.20	5 years Maturity: 2027.3.15
Guarantor		None	None	None
Trustee		Bank of Taiwan	Bank of Taiwan	Bank of Taiwan
Underwriter		Yuanta Securities	MasterLink Securities	Capital Securities
Legal Counsel		True Honesty International Law Offices	True Honesty International Law Offices	True Honesty International Law Offices
Auditor		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		Bullet	Bullet	Bullet
Outstanding		NT\$20,000,000,000	NT\$7,000,000,000	NT\$3,500,000,000
Redemption or Early Repayment Clause		None	None	None
Covenants		None	None	None
Credit Rating		twAAA (Taiwan Ratings Corporation, 2019.12.6)	twAAA (Taiwan Ratings Corporation, 2020.12.17)	twAAA (Taiwan Ratings Corporation, 2021.12.20)
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs or Other Securities	None	None	None
	Conversion Right	Not Applicable	Not Applicable	Not Applicable
Dilution Effect and Other Adverse Effects on Existing Shareholders		None	None	None
Custodian		None	None	None

2.2 Convertible Bond:

None.

2.3 Exchangeable Bond:

None.

2.4 Shelf Registration:

None.

2.5 Bond with Warrants:

None.

3. Preferred Shares

None.

4. Overseas Depository Receipts

Item Issuing date		Issuance and Trade Market	Issuance Amount (US\$ billion)	Issuance Price per Unit (US\$)	Number of Issuance Units	DR-Represented Securities	Number of DR-Represented Securities (shares)
Initial Public Offering 2003.7.17		NYSE	1.58	14.24	110,975,000	common shares	1,109,750,000
Additional Issuance 2005.8.9		NYSE	2.56	18.98	135,068,200	common shares	1,350,682,000
Additional Issuance 2006.9.28		NYSE	0.96	16.99	56,434,790	common shares	564,347,900
Additional Issuance 2006.10.31		NYSE	-	-	4,920,862	common shares	49,208,623
Additional Issuance 2007.9.7		NYSE	-	-	30,409,227	common shares	304,092,271
Capital Reduction by Cash 2008.1.9		NYSE	-	-	-30,709,825	common shares	-307,098,254
Additional Issuance 2008.12.3		NYSE	-	-	33,131,017	common shares	331,310,172
Capital Reduction by Cash 2009.3.20		NYSE	-	-	-56,025,734	common shares	-560,257,344
Additional Issuance 2009.9.18		NYSE	-	-	11,258,465	common shares	112,584,650
Capital Reduction by Cash 2010.2.8		NYSE	-	-	-26,860,182	common shares	-268,601,820
Capital Reduction by Cash 2011.1.25		NYSE	-	-	-53,720,364	common shares	-537,203,639
Rights & Liabilities of DR Holders		Same with common shareholders					
Trustee		NA					
Depository		JPMorgan Chase Bank, N.A.					
Custodian		JPMorgan Chase Bank, N.A., Taipei Branch					
Outstanding Units		18,566,141 (As of February 29, 2024)					
Related Fee for Issuance and Maintenance		The MOTC paid for the issuance in July 2003, August 2005 and September 2006. The shareholders paid for the issuance by stock dividend in October 2006, September 2007, December 2008 and September 2009. The shareholders also paid for the capital reduction with cash in January 2008, March 2009, February 2010 and January 2011. The Company paid for registration and related maintenance fees.					
Key Terms of the Deposit Agreement and the Custodian Agreement		As per the Deposit Agreement and the Custodian Agreement					
Market price	2023	Highest			US\$ 41.51		
		Lowest			US\$ 35.50		
		Average			US\$ 38.0254		
	2024.1.1~ 2024.2.29	Highest			US\$ 38.95		
		Lowest			US\$ 37.51		
		Average			US\$ 38.3405		

Note: Data sourced from Bloomberg, based on closing market prices

5. Employee Stock Options

None.

6. List of Executives Receiving Employee Stock Options and Top Ten Employees with Stock Options up to the Publication Date of this Annual Report

None.

7. Employee Restricted Stock Shares

None.

8. List of Executives Receiving Restricted Shares and Top Ten Employees with Restricted Shares up to the Publication Date of this Annual Report

None.

9. Shares Issuance for Mergers and Acquisitions

None.

10. Funding Use Plan and Execution

The funds raised by the Company through issuances of domestic corporate bonds were used in accordance with respective funding plans and actual needs. As of December 31, 2023, all funding plans were fully utilized and completed.

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Operational Highlights

1. Business Overview
2. Markets & Sales Overview
3. Human Resources
4. Environmental Protection Expenditure
5. Employee Relations
6. Cybersecurity Management
7. Major Contracts



Operational Highlights

1. Business Overview

1.1 Business Scope

Chunghwa Telecom is the largest telecommunications service provider in Taiwan, with leading offerings in mobile communication, domestic and international fixed-line (including fixed voice, fixed broadband, Internet, leased line and multi-media service), and domestic and international ICT integrated services (including IDC, cloud, cybersecurity, AIoT, mobile application, big data, etc.).

(1) Revenue Breakdown

As of December 31, 2023, Consumer Business Group revenue accounted for 61.4% of total revenue, Enterprise Business Group accounted for 32.7%, International Business accounted for 4.1%, and the rest accounted for 1.8%. Among these, Consumer Business Group has shown impressive revenue growth, particularly in the core business and mobile sales. In addition, the revenue of Enterprise Business Group benefited from the increasing demand for ICT applications from enterprise clients. Moreover, the revenue of International Business Group has also grown, benefiting from the rising demand for international roaming and cross-border ICT services. The revenue from the three business groups has increased compared to the same period the previous year.

(2) Current Products / Services

A. Individual and Household Market

With the aim of building the largest domestic audio-visual platform and smart life ecosystem, the company continues to drive the integration of fixed-line, mobile, and Wi-Fi networks to create an "Always Broadband Connected" environment. Our goal is to provide consumers with the best service by integrating these three networks, with a focus on the four main concepts of entertainment, health, safety, and convenience. Additionally, the company is also dedicated to developing innovative smart life services.

- **Mobile Broadband Services:** With the evolution of fifth-generation (5G) mobile communication technologies, the Company continues to move towards a new era of higher speeds and the pervasive connection of all things with the internet. Through 5G's three characteristics of high speed,

low latency, and massive connectivity, the Company is able to bring new and unprecedented network experiences to all customers by providing VR/AR, 4K/8K Video and various innovative 5G application services.

- **Domestic Fixed Voice Services**
 - **Domestic Local and Long Telephone:** voice call, operator-assisted long distance call, subscriber toll dialing (STD) and other value-added services (such as call waiting, call transfer, three-way calling, speed dial, wake-up call, do-not-interrupt, ringback tone, call screening, direct call, 1288 information inquiry, etc).
 - **Intelligent Network (IN):** 0800 Advanced Free Phone (AFP), 0203 Mass Announcement (MA), 099 Personal Number, 0204 Premium Rate Service (PRS), etc., and other premium rate telephone service.
- **Fixed Broadband**
 - **Asymmetric Digital Subscriber Line (ADSL):** install additional equipment at user telephone terminal using ADSL technology in order to provide internet connection and MOD/OTT multimedia services.
 - **FTTx Fiber Access:** utilize various optical network equipment, with Ethernet or Very-high-bit-rate Digital Subscriber Line (VDSL) technology, to provide high speed internet access, MOD/OTT multimedia, and other data communication services, as well as CHT Home Wi-Fi service which optimizes indoor Wi-Fi coverage to meet the need for household internet access.
- **Internet Services**
 - **HiNet** is the Company's ISP brand, committed to providing the best internet experience and highest quality customer service. Primarily offer broadband access (ADSL and FTTx), fixed-line and dial-up services.
- **Video Service**
 - **IPTV /MOD Service:** provides on-demand video and application content to customers of the company and other telecommunication service providers through fixed broadband. Also offer channel program content from the other third-party operators.
 - **OTT Platform Convergence:** launches Hami Video multi-screen product package, providing live channel and on-demand video content such as

movies, dramas, anime, children's programs and 5G video application services.

- Digital Application Service: Provides integrated services including Porn Gatekeeper, online time management, Cyber Threat Gatekeeper, Video Streaming and GPS, etc. The Company also launches digital content products with mobile broadband internet, such as Hami Pass, KKBOX Music, E-books and Hami VR, etc.

B. Enterprise Market

The Company focuses on emerging businesses such as IDC, cloud, cybersecurity, smart IoT, big data and other emerging services, provides enterprise clients with ICT services in order to fulfill customer demand, and helps them to achieve their respective strategic and operational targets by facilitating their digital transformation.

- Enterprise Telecommunication Services: enterprise voice, and data circuits, internet, VPN, mobile data group enterprise network (MDVPN), messaging applications (SMS, email and fax), domain name registration, etc.
- Enterprise Integrated ICT Services:
 - IDC: Data center leasing and turnkey services.
 - Cloud: hicloud cloud computing virtual private cloud (CaaS-based VPC, CVPC), hicloud Boxe data cabinet, hicloud S3 cloud storage, hiHosting enterprise network framework, international public cloud (including AWS, Azure, GCP, etc.), cloud SaaS services (ERP, POS, electronic invoice) etc.
 - Cybersecurity: online circuit security, identity recognition, professional security services, enterprise ICT equipment leasing, integrated cybersecurity software and hardware, etc.
 - AIoT: iEN smart energy, IVS smart security, ITS smart transportation, IGB smart building, and HCS smart medical, etc.
 - Mobile Application: 5G private network, AR enterprise application, mobile real-time imaging, smart air inspection (UAV), WorkLink mobile business applications, mobile walkie-talkie service, Enterprise Mobility Management (EMM), etc.
 - Emerging Business: crowd analysis, public opinion analysis, network advertising, big data project construction, data governance, smart healthcare, generative AI applications,

autonomous mobile robot (AMR) applications, ESG net-zero transformation, and blockchain application services.

- Government Business: government e-procurement, land administration services, motor vehicle inspection Services, railway ticketing services, etc.
- Customized Overall Solution

C. International Market

The Company serves global international customers based on two major strategies: Strategy one, "Bring the world to Taiwan", which aims to maximize the value of services provided to international customers in Taiwan and extend cooperation to develop overseas markets; Strategy two, "Taking Taiwan to the world", which aims to replicate Taiwan's successful experiences abroad and seize overseas opportunities in telecommunications and smart services." According to the needs of the clients, the Company provides domestic and international voice and leased line, data network, international roaming services, cross-border IoT, IDC, cloud services, 5G dedicated network and applications, smart solution, and integrated information communication services.

- Fixed-line Service: international voice services (international enterprise hotlines 009/019, receiver paid phone, international conference call, etc.), international data services (IPLC international dedicated line circuit, IPVPN international enterprise network, TWGate international network, MPLS VPN network, EZ VPN network, SSL VPN service, etc.), and international value-added services.
- Mobile Service: International mobile roaming service, cross-border IoT services.
- ICT Planning, Construction and Maintenance Service: IDC, cloud, cybersecurity, overseas public cloud, smart government, smart city and smart solutions for various industries.

(3) Planned New Products / Services

A. Individual and Household Market

- Introduce higher-speed broadband access and VAS to meet customer demand generated by the continued IP network and digital convergence trends.
- Expand and integrate VAS, such as cybersecurity,

video and cloud space (Google One), etc. in order to increase the competitiveness of the Company's product offering and to enhance user loyalty.

- Based on home security, develop smart home applications, make good use of the advantages of platform integration, develop third-party cross-industry services, create service value and boost business opportunities.
- Promote three core technologies, speech recognition (STT), semantic understanding (NLP) and TTS speech synthesis (TTS) of Semantic Cloud, and develop multiple voice application services.
- Promote Hami's value-added services, such as music, Hami Pass, Hami Bookstore, Hami VR, AR Motion x Uniigym, etc., to expand the scope of service customers and provide more diversified application services.
- Leverage the integration of mobile and broadband service and the convergence of three networks, fixed-line, wireless and internet, to create the industry's first seamless network experience and provide MOD and Hami Video services with local and international video and television content and multiple value-added services, including Internet Guard and Bandwidth Diversion. Customers are encouraged to simultaneously apply for mobile, dual broadband networks and value-added services, in order to create value and boost business momentum.

B. Enterprise Market

- Provide a diverse spectrum of 5G private network solutions and launch portable 5G private network solutions to meet customers' temporary construction needs. Strategically cooperate with domestic and foreign O-RAN vendors to provide 5G O-RAN architecture-based enterprise private network solutions. In 2024, the Company plans to introduce network slicing services, offering customers dedicated bandwidth slices to ensure network speed and resource application.
- Expand the network management system application market by providing an all-in-one cloud-network convergence monitoring solution using the Company's independently developed network management system "EyeSee", which integrates

diversified networks. With a focus on the enterprise perspective, the system integrates monitoring of the health status across data centers, wide-area networks, and various resources. This assists enterprises in comprehensively understanding the operational status of IT services, receiving real-time alerts for anomalies, and consequently aiding in reducing operational costs and improving operational efficiency.

- Develop IDC integration by leveraging network resources and integrating transmission, submarine cable, internet, VPN, international broadband, and undersea cable, to establish high-standard regional infrastructure such as Banqiao IDC center, in order to provide enterprises with high-speed and high-quality networks, cloud and VAS applications matching international standards.
- Develop enterprise private cloud solution with more flexibility and greater reliability by accelerating private cloud construction with application and operating environments, and by integrating SDN and Network Function Virtualization (NFV) technology, flexible management and dynamic software configured network.
- Expand various IoT application services, use the advantages of wide network coverage and self-developed CMP (Communication Connectivity Management Platform), to provide cloud (platform), pipe (network), terminal (equipment) one-stop service. The Company is committed to realizing various creative applications, developing B2B, B2C, and B2G smart applications, building smart island and creating a new era of digital networking of everything.
- Enhance advanced AI research and development with in-depth local demand application services by providing smart security solutions such as vehicle recognition, facial recognition, traffic prediction and electronic fence, as well as by developing AI semantic cloud and smart voice control services, with collaboration from domestic terminal and content providers. Combining voice and text recognition, develop smart customer service solutions to provide smart text customer service, smart voice customer service, smart customer voice analysis, smart outbound voice robot, smart switchboard, smart voice assistant and other services. This can assist corporate customers

in the digital transformation of customer service centers and improve the operational efficiency and service quality of the customer service center.

- Expand big data and online advertising solutions; continue to develop crowd analysis, public sentiment, online advertising, big data analysis, and big data technology applications in various industries. For example, the AI intelligent analysis platform product "DeepFlow" which cooperates with different organizations to formulate governance structures, providing one-stop data access, model training deployment, platform resource management and other functions to assist enterprise customers in data governance and development of big data applications. Another example is the Artificial Intelligent for IT operations (AIOPs) solution which integrate key technologies such as AI and big data, and provide six major functions including application, technology, incident, service, construction and infrastructure management from cloud, network to edge server, comprehensively assist enterprises in intelligent security control and intelligent operation management.
- Expand smart healthcare and corporate health management services by integrating various physiological measurement devices. Providing 5G remote care services and telemedicine services, enabling patients to complete online appointment scheduling, consultations, payments, and other operations from their homes. Integrating 5G network slicing to provide emergency medical services, transmitting patient images from ambulances to hospitals in advance for preparation. Offering smart hospital solutions, including smart wards and AI-powered medical assistants. In terms of corporate health management, the Company provides four comprehensive risk solutions for Environment, Health, Safety (EHS) management systems. This assists small and medium-sized enterprises in ensuring compliance with occupational health and safety regulations.
- Promote intelligent unmanned aerial vehicle (UAV) inspection services and provide applications such as disaster rescue, field inspection and facility inspection. Through the high-speed, low-latency 5G mobile network, with the Company's unmanned aerial vehicle fleet management system and AI technology, it provides intelligent detection and identification in various application fields, saves inspection manpower and improves efficiency.
- Promote mobile real-time image services, integrate various front-end image capture devices, and upload images to the cloud image management platform through 5G mobile networks to meet customers' internal image transmission and live broadcast needs. With the low-latency and high-speed characteristics of 5G, this service can support instant shooting and transmission of ultra-high-quality images, and can be integrated with AI to meet the needs of application scenarios such as disaster relief, engineering construction, remote monitoring, and police science and technology law enforcement.
- Expand the in-house developed identity recognition business and introduce a certificate registration gateway conversion system. Transforming the PKI (Public Key Infrastructure) certificate services into APIs (Application Programming Interfaces) to meet customer needs without being restricted by specific certificate specifications. This ensures a seamless system transfer with multi-channel and fault-tolerant transfer characteristics, providing greater flexibility in applications, particularly in the financial and banking sectors.
- Launch the fully self-developed "xTrust Zero Trust Network System," integrating key core technologies such as certificates, identity verification (such as the Ministry of the Interior's mobile natural person certificate TW FIDO, FIDO2 biometrics), device identification, and artificial intelligence and machine learning for data analysis. Effectively blocking lateral movement by network attackers, enabling users to securely access internal resources even in remote or cloud-based environments. This helps companies to eliminate cybersecurity concerns under digital transformation and achieve digital resilience.
- In response to domestic and foreign laws and regulations for net zero emissions, and with the Company's public cloud environment, a cloud-based greenhouse gas inventory solution is launched, providing customer with inventory consultants, cloud-based greenhouse gas inventory systems and third-party verification services.

C. International Market

- Actively invest in the construction of new submarine cables and carry out submarine cable expansion plans to meet the large-bandwidth network needs of international customers, and strengthen the network resources required by international customers for global development.
- Responding to the business opportunities of enterprise digital transformation, actively deploy SD-WAN global service nodes to provide one-stop IPVPN+SD-WAN integration services, and deploy SASE (Secure Access Service Edge) hosting services to meet the goals of enterprise cloud-network integration, security and global operations without interruption.
- Replicate Taiwan's successful industry application cases, and launch CT/ICT solutions in overseas markets to meet customer needs, such as 5G private networks combining total solutions with smart manufacturing, smart healthcare, smart cities/smart poles, smart transportation, smart buildings and smart agriculture etc.
- Collaborate with the global IoT connection market, launch various cross-border IoT solutions, including vending machines, charging poles, automotive networking, electric scooter networking, e-bike networking, marine freezers, wearable devices, smart water, electricity and gas meters to meet the connectivity needs for importing/exporting IoT devices deployment.

1.2 Industry Overview

(1) Industry Status and Development

With the global emergence of generative AI, major companies and individuals are actively involved in deploying or utilizing real-time AI interactive applications. Coupled with the rapid growth of IoT devices such as vehicle-to-everything, smart homes, and the anticipated surge in demand for AI-powered PCs and smartphones in the future, it is expected to have a significant increase in the demand for computational power. This trend is shifting computation from the traditional cloud to edge computing, serving as a driving force for the growth of the computational cloud market in the future.

In recent years, the rapid development of emerging

technologies such as artificial intelligence, cloud computing storage services, AIoT, metaverse, cybersecurity, and others has been benefited from the widespread availability of high-speed networks and connected devices, along with the supply of advanced computing power. The emergence of these technologies has driven a continuous rise in the global technology applications market. As telecommunications providers are at the forefront for personal consumers' and corporate customers' interaction with technology, the Company has made emerging technologies as a key focus for the second growth curve beyond the core telecommunications business. In addition, fundamental core businesses such as broadband, mobile communication, and IPTV remain important indicators of the telecommunications industry:

- A. For the broadband market, according to statistics from Department of Household Registration and National Communications Commission, as of December 31, 2023, the total number of households in Taiwan is approximately 9.24 million, while the total broadband subscribers in Taiwan is approximately 7.58 million (including Public Wireless Local Area Network, or PWLAN).
- B. According to NCC statistics, as of December 31, 2023, the total number of mobile subscribers in Taiwan reached approximately 29.85 million, representing a penetration rate of 127.5 %.

(2) Industry Value Chain

- A. Technological development has blurred many lines between formerly specialized industries, as the telecommunications industry becomes increasingly more integrated to develop more diversified applications. Under the trend of digital convergence, the value chain of the telecommunications industry has further expanded, and industry players must provide innovative and diversified services to better meet user demand and enlarge market share. At the same time, service providers for content, applications and platforms, as well as network and terminal equipment vendors serve as important value partners for industry players to promote digital convergence services.
- B. In response to the technological development of AI, metaverse and blockchain along with environmental changes related to energy-saving and carbon-reduction industries, the Company reorganized into three major business groups in 2022,

including Consumer Business Group, Enterprise Business Group and International Business Group, maintaining its overall commitment to promoting one-stop services and better meeting customer expectations. The Company is actively developing emerging businesses in 5G, online banking, IDC/cloud, cybersecurity, AIoT, big data, AI, video and smart life to lock in business opportunities in digital convergence and the digital economy, as well as offering digital convergence services to the three core markets of consumers, households and enterprises. The Company continues to strengthen its core businesses and promote the ICT and overseas businesses to maximize enterprise value by expanding enterprise partnerships in related industries through alliances, cooperation and investment. In the future, the Company will continue to invest in its core and emerging businesses. By integrating its R&D capabilities and working more closely with its customers and ecosystem partners, the Company will provide better quality, more innovative and generally superior user experiences.

(3) Product Development Trends and Competitive Landscape

A. Mobile Communication

- Following the merger of Taiwan Mobile with Taiwan Star on December 1, 2022, and Far EasTone with Asia Pacific Telecom on December 15, 2022, the number of telecom operators reduced from five to three in Taiwan. Despite the increase in market share for the two merged entities, Chunghwa Telecom continues to lead in terms of mobile service subscribers and revenue among industry players. As of December 31, 2023, the Company has total mobile broadband subscribers of 11.22 million (including pre-paid subscribers), representing a market share of 37.6%. Market share of mobile revenue of 2023 was 40%.
- Mobile broadband services are in greater demand, primarily due to the evolution of mobile broadband technology and deeper penetration of tablets and smart phones such as iPhone / Android. Many service providers have launched 5G mobile broadband services in order to fulfill customer demand for higher speed internet access.
- The Company plans to continue constructing its mobile broadband network, optimizing service coverage, and constructing more Wi-Fi hotspots

in order to provide a more convenient mobile broadband internet service. At the same time, the Company continues offering integrated wireless broadband internet access and more diversified services, such as KKBOX, Hami Pass, Hami Video, Hami Books, etc., for the purpose of increasing customer contribution and revenue.

B. Domestic Fixed-line

- Fixed voice: as of December 31, 2023, Taiwan local telephone penetration has reached 108.3%. However, the number of local telephone subscribers has been declining slightly due to traffic migration to mobile communication, free communication software, and VoIP, although the Company continues to maintain a leading subscriber market share at 91.4%. The average market share by minutes in the local and domestic long distance telephone market were approximately 82.2% and 81.4%.
- Leased Line Service: the Company's leased lines business has been impacted by broadband internet access and competition in the industry. As of December 31, 2023, the Company's leased lines market share was approximately 43.5%.
- Video Service:
 - IPTV/MOD: As of December 31, 2023, Taiwan market has a total of 4.52 million household subscribers of cable television, of which 77.62% uses one of the five multiple-system operators (China Network Systems Co., Ltd., Kbro Co., Ltd., TWM Broadband, Taiwan Fixed Network Co., Ltd., and Taiwan Optical Platform Co., Ltd.). In addition, channel providers have been broadcasting HD audio/video content and interactive and customized television programs and applications, resulting in more intense competition for the Company's MOD services.
 - OTT Platform Convergence: International telecommunications service providers and some domestic radio and television content providers have been actively developing OTT convergence services, including Google, Apple, Amazon, etc., especially for services such as communication, music, games, video, and other digital convergence services for domestic and international markets.
 - Catering to the diverse viewing needs of

individuals and households, the Company leverages MOD (IPTV) and Hami Video (OTT) to provide a comprehensive entertainment experience. The Company strategically prioritizes obtaining high-grossing films, ensuring early access to popular cinema content from film distributor. Collaborating with award-winning production teams in Taiwan and outstanding international production companies with expanding investment in drama to acquire pivotal exclusive Taiwanese drama content. Additionally, the Company leverages innovative application technologies, incorporating low-latency and multi-angle features, to broadcast popular seasons and major international sports events. Introducing integrated content services for both MOD and OTT, along with Hami Video integrating with mobile and broadband services, the Company expands collaborative efforts across diverse channels. This strategic approach aims to broaden the Company's market influence and enhance its competitiveness through multifaceted partnerships.

- Internet Services:
 - Taiwan's broadband access penetration rate is relatively high with intense competition, primarily because both telecommunications service providers and cable broadband operators offer broadband access with high speeds and high quality services. As of December 31, 2023, the Company's HiNet broadband ISP subscribers totaled approximately 3.69 million, representing a market share of 54.6%.
 - The Company continuous promoting diversified

value-added services, combining with cybersecurity, video and cloud storage (Google one), providing customers with high-quality home internet experience, enhancing customer loyalty and increasing revenue.

C. International Fixed-line Services

- The demand for international voice services has been declining annually as they are being replaced by free communication software. In recent years, domestic operators have actively promoted international data network integration services to offset the decline in voice revenue. As of December 31, 2023, the Company has a market share of 44.2% by outgoing call while market share of ILD telephone revenue was 57.4%.
- Continuously expand the network infrastructure through the construction of new submarine cables and the expansion of existing ones with the principles of Environmental, Social, and Governance, the Company integrates energy-efficient equipment and environmentally friendly engineering technologies to implement energy conservation and carbon reduction measures, meanwhile, minimizing impact on the ecological environment. This initiative aims to meet the high-bandwidth network needs of international enterprise clients while aligning with sustainable practices.
- Continuously promote diverse data network integration services, offering service packages such as IPVPN+SD-WAN, SASE and cybersecurity to meet customers' needs for flexible bandwidth usage, simplified operation management and network quality optimization.

1.3 Research and Development

(1) Major R&D Expenditures for the Most Recent Year:

Unit: NT\$'000

Item/Fiscal Year	2023	2024 (as of Feb. 29, 2024) (Note)
R&D expenses	3,891,381	620,197
Consolidated revenues	223,199,260	36,603,546
R&D expenses as a % of consolidated revenues	1.74%	1.69%

Note: 2024 figures are unaudited.

(2) Major R&D Achievements for the Most Recent Year and Up To the Publication Date of This Annual Report

Chunghwa Telecom's research and development mainly focuses on supporting the Company's business and realizing future growth momentum. Key achievements in 2023 include:

A. Innovative Information and Communication Technology (ICT) services

- Integrated 5G, AI, and ICT technologies to develop solutions such as vehicle-to-everything (V2X), smart traffic control, traffic simulation and digital twins, traffic enforcement systems, smart inspection of unmanned vehicles, smart ports, telemedicine and e-health, to support the Company's essential businesses and realize new business opportunities for future growth.
- Integrated cloud computing and ultra-high-speed broadband network, and developed the metaverse platform and low-latency metaverse applications, such as virtual exhibitions, holographic concerts, etc., to create a rich immersive experience for the public.
- Developed Fast Identity Online (FIDO), mobile authentication, blockchain and smart contracts, NFT management and trading platform, zero trust architecture, cybersecurity for vehicle-to-everything (V2X), etc., to generate the Company's security business revenues.
- Developed AI core technologies, including speech recognition and generation, facial and human activity recognition, Human-AI interaction, and generative AI, to support real-time Mandarin/English/Taiwanese S2ST (Speech-to-Speech Translation), AI reservation assistance, customer service chatbots, customer sentiment analysis, and smart courts.

B. Advanced cloud-network integration technologies

- Established the 5G O-RAN laboratory, providing comprehensive O-RAN testing platform to facilitate end-to-end system integration and verification. Developed diversified 5G private network solutions for applications on the fields such as smart factory, cultural performance, smart healthcare, and other fields to accelerate the development of the domestic O-RAN ecosystem.
- Established open all-photonic network (Open

APN) technology and developed end-to-end management/control solutions to enhance energy efficiency and support low-latency applications.

- Developed solutions such as cloud-native management, multi-cloud management, hybrid cloud service and management, edge computing service and management, to meet diversified customer needs.
- Developed management solutions of 5G network slicing automation, 5G enterprise private network and smart home network, to support the Company's advanced operations management for ICT services.

C. Energy-saving technologies

- Developed technologies such as centralized energy monitoring solutions, energy saving of base stations, estimation and management of network equipment energy consumption, to facilitate carbon reduction and promote environmental sustainability.

1.4 Corporate Development Plan

(1) Long-term Corporate Development Plan

- A. For Individual and household business, Consumer Business Group will strive to widen the gap with competitors in the telecommunications business, and create a second growth curve, based on the major strategic pillars of "Steadily reinforcing core business territory," "Expanding potential emerging businesses," "Optimizing omnichannel customer journey, strengthening customer segment management, and enhancing customer value creation," and "Leveraging strategic alliances and developing the ecosystem."
- B. For enterprise business, based on the industrial demands of sustainable transformation and digital transformation, with the widespread adoption and maturity of 5G and its applications, and the rise of generative AI, Enterprise Business Group is committed to the development of seven innovative technologies known as ABCDEFG (which refers to AIoT, Big Data, Cloud / IDC, Data Security, Edge Computing, Fifth Gen. Mobile Network, and Generative AI) to achieve the vision of multiple intelligences. Meanwhile, Enterprise Business Group will build broad alliance to deepen the digital ecosystem and cooperate with strategic partners

to promote B2C, B2B, and B2G smart applications, assisting all industries to transform and upgrade, as well as cooperating with the government to build Taiwan as a smart island.

- C. In terms of international business, the goal of International Business Group is to build Taiwan as the Asia-Pacific information hub, and create the foundation for overseas new business through cross-border collaboration, based on the major strategic pillars of "Bringing the world to Taiwan" and "Introducing Taiwan to the world."

(2) Short-term Corporate Development Plan

- A. Expand FTTx broadband service and encourage customers to adopt higher speed. Focus on 500 Mbps promotion, proactively upgrade the upload speed that paired with 300 Mbps download speed and implement high-speed broadband (300 Mbps~1 Gbps) price reductions with well-known household appliances to increase customer value.
- B. Integrate network resources to improve internet quality and continue developing and expanding integrated services of fixed communication, mobile, data communication and other value-added services.
- C. The Company remains committed to developing 5G and creating value, offering mobile services that transform from "price competition" to "value creation" to encourage customers to increase tariffs and upgrade to 5G services. By providing reliable network quality, expanding signal coverage to the widest and emphasizing the adjoining and maximum bandwidth advantages, the Company strengthens its customer-centric value.
- D. Expand MOD and Hami Video services by introducing major sports events, preferred content and channels for seamless audio/video experiences anytime, anywhere.
- E. Provide diversified voice and data communication solutions and heterogeneous network backup solutions for enterprise clients.
- F. Enhance precision marketing and effectively manage online social media by leveraging big data analysis and CRM platforms in order to improve brand image, strengthen customer relations, and deliver on product sales targets.
- G. Enhance marketing of integrated services and ICT services for enterprise and international clients.

- H. Expand various cybersecurity solutions, targeting households, enterprises and government entities, and strengthen overall information security protection capacity.
- I. Expand the IDC computer room, develop multi-cloud management and cloud network integration, and actively compete for project bidding opportunities by designing advanced IDC/cloud hardware/software total solutions in accordance with client requirements.
- J. Develop internally, or cooperate with third-party partners, to provide total solutions for enterprise clients in the areas of 5G private networks, Extended Reality (XR) and cloud rendering, AI, big data, Fintech, health care, renewable energy installation, energy management and other innovative applications.
- K. Expand domestic and overseas market in conjunction with the Company's affiliates and strategic partners.
- L. Provide cross-border IoT services and assist domestic and international enterprise customers to achieve the goal of overseas deployment of IoT devices.
- M. Optimize the process of binding and activating bill payment, build a "DCB transaction analysis platform," and develop code scanning payment and customized DCB services.
- N. Develop terminal security, Wi-Fi security and other related services. Enhance consumer security product lines and provide diversified security services.

2. Markets & Sales Overview

2.1 Market Analysis

The Taiwan telecommunications market is highly competitive, with high requirements for high-quality and affordable telecommunications services from consumers. Taiwan Mobile merged with Taiwan Star on December 1, 2023 and Far Eastone merged with Asia Pacific Telecom on December 15, 2023. It is expected that after the merger, the market share gap between the Company and the merger entities will narrow. However, the Company still maintain the largest subscribers and revenue market share, and customer base will continue to grow. The Company closely follows market dynamics and consumption trends, striving to develop more appealing and innovative products with appropriate pricing plans in order to further expand its leadership position during the merger adjustment period and maintain its dominant position.

(1) Individual and Household Market

A. Mobile Broadband Services

- Key offerings and regions: nationwide throughout Taiwan, international roaming outside of Taiwan.
- Market share including enterprise market: as of December 31, 2023, market share by mobile communication subscribers was 37.6%.
- Future market demand and supply, market growth trends, competitive advantages and disadvantages:
 - As of December 31, 2023, the mobile communication penetration rate in Taiwan had reached 127.5%.
 - The Company focused on expanding mobile broadband services with cross-business integration and more competitive product design; as of December 31, 2023, mobile subscriber base had reached approximately 13.14 million, representing an increase of 4.1% year over year.
 - The Company is committed to promoting 5G upgrades which effectively driven ARPU growth, encouraging 5G migration which will improve customer value and deepen data usage behavior. Combined with multiple tariffs and value-added services such as Google one, the Company have successfully attracted more customers and further improved revenue growth.
- Countermeasures:
 - Leverage the Company's bandwidth advantage, accelerate construction of infrastructure, improve customer experiences, expand the mobile customer base, and increase ARPU.
 - The Company will continue to expand coverage of 5G communications across Taiwan, to provide customers with the ultimate 5G network experience and to create a leading 5G brand.
 - The Company provided accurate data to guide customers in groups and promote diversified promotions, accelerating 5G transition to further boost customer value.
 - The Company developed 5G smart life devices and innovative 5G applications, providing a variety of value-added services and discounts to further enhance the value of 5G , generating revenue from new services, strengthening "Reward Points Plan" redemption and expanding the Reward Points/Membership economy and

consumption cycle.

- Expand market share in the millennials segment by leveraging online stores in order to increase digital marketing efficiency and new customer acquisition.
- Provide a diverse range of solutions and leverage the combined strength of online and offline channels for contract renewal maintenance. Through addressing consumer pain points and continuously streamlining operational processes, the Company aims to optimize the consumer experience, enhance user satisfaction, and foster loyalty.

B. Domestic Fixed Voice and Broadband Services

- Key Offerings and Regions: nationwide throughout Taiwan.
- Market share including enterprise market: as of December 31, 2023, market share by local telephone subscribers was 91.4%, market share by domestic long distance call minutes was 81.4%, and market share by broadband access subscribers 57.7%.
- Future market demand and supply, market growth trends, competitive advantages and disadvantages:
 - The Company offers diverse broadband internet access services in response to the decline of local telephone and domestic long distance impacted by VoIP technology. As of December 31, 2023, the total number of broadband subscribers are approximately 4.4 million. The Company plans to continue offering higher speed and better quality FTTB and FTTH optical network access in order to fulfill customers' increasing demand for bandwidth, as well as focus on individual and household-oriented smart application services to capture the market.
- Countermeasures:
 - Construct FTTx next generation network (NGN), gradually migrate to VoIP, and provide value-added and integrated services.
 - Enhance CRM, formulate precise customer segmentation with integrated marketing plan and improved customer value.
 - Launch higher speed FTTx services in order to fulfill customer demand and develop new

applications for IoT.

C. Internet Services

- Key Offerings and Regions: nationwide throughout Taiwan.
- Market share including enterprise market: as of December 31, 2023, market share by HiNet broadband ISP subscribers was 54.6%.
- Future market demand and supply, market growth trends, competitive advantages and disadvantages:
 - The broadband access penetration rate is relatively high, and on top of that, telecommunications providers have consolidated cable operators, which will likely increase broadband market competition. The Company plans to develop multimedia and high definition audio/video content such as MOD HD and OTT, in order to increase revenue generation.
- Countermeasures:
 - Expand digital convergence services, provide differentiated products, and increase customer value.
 - Expand MOD and HiNet VAS such as integrated packages for video, cybersecurity and cloud storage (Google One) etc., in order to increase revenue streams.
 - Expand higher speed internet access and various application VAS with upgrade on upload speed that paired with 300 Mbps download speed and promotion of 300 Mbps to 1 Gbps in order to enhance clients' satisfaction and meet their high-speed internet needs.
 - Analyze customer attributes and service demand using CRM platform, and apply precision marketing to increase the number of customers and enhance traffic and revenue streams.

D. Video Services

- Key offerings and regions: nationwide throughout Taiwan.
- Market share: As of December 31, 2023, total MOD subscribers are approximately 2.05 million, representing a penetration rate of 22.2% (MOD subscribers/Total households) and a market share of 31.3% (MOD subscribers / MOD subscribers +

CATV subscribers).

- Future market demand and supply, market growth trends, competitive advantages and disadvantages:
 - Currently, MOD primarily offers TV channels, video on demand and other application services for the household market. Going forward, the Company will extend personal market services by integrating Hami Video and other OTT content and technology to expand the scale of subscription and allow everyone to enjoy more diverse and convenient and richer video content services.
 - MOD advantages: customized channel subscription package, 4K and HD quality, on-demand video, multi-screen availability; With continuous upgrades to audio-visual technology, MOD launched new services such as low-latency HLS (LL-HLS), high-efficiency compression (HEVC) for live streaming, 4D multi-view, AR and VR, etc., to provide customers a superior viewing experience.
 - Due to regulation restrictions, the Company currently cannot directly operate or act as an agent for television channels, which adversely impacts its business. In the long term, such restrictions may not be conducive for the overall development and competitiveness of the domestic film and television industry.
- Countermeasures:
 - Expand digital convergence and individual and family integrated services. Provide differentiated products and increase customer value.
 - Expand MOD/OTT and the digital advertisement such as video, gaming, and shopping, etc., in order to increase revenue streams.
 - Acquire popular content from film distributor and expand investment in Taiwanese dramas. Additionally, leverage innovative application technologies, incorporating low-latency and multi-angle features, to broadcast popular seasonal games and major international sports events. This approach aims to fulfill the viewing needs of both individual and household markets.
 - Introduce integrated content services for MOD and OTT, actively promote MOD/OTT services, and integrate marketing efforts with broadband

and mobile internet services to leverage market synergies.

(2) Enterprise Market

A. Domestic and international mobile communications, fixed-line, internet, and other VAS services.

- Key offerings and regions: nationwide Taiwan (international roaming available).
- Future market demand and supply, market growth trends, competitive advantages and disadvantages:
 - Continue to provide higher speed, better quality enterprise broadband, mobile communication network, etc., in order to fulfill enterprise demand for broadband internet access, etc.
 - Enterprise customer revenue from local and long-distance voice services has declined year-over-year due to the influence of free communication software and more favorable VoIP integration solutions. Nevertheless, mobile services continued to experience sustained growth, driven by the upgrade of 5G technology and the post-pandemic surge in international roaming. Simultaneously, revenue from data communication benefited from customer initiatives in digital transformation, which contributed to the consistent growth.
- Countermeasures:
 - Provide customers with better quality services, and increase customer loyalty and value with cross-network integration and channel partner alliances.
 - Continue to expand network bandwidth, promote broadband speed increases and 5G upgrades, and provide solutions to meet customer needs.
 - Continue to develop enterprise communication integration and VAS in order to increase VAS revenue generation.

B. Enterprise ICT services (IDC, cloud, cybersecurity, AIoT, mobile application, big data, etc.)

- Key offerings and regions: nationwide throughout Taiwan; in mobile IoT services, the Company is the early telecommunication service provider in Taiwan that is capable of providing NB-IoT and LTE-M (Cat-M1) services for both the domestic and overseas markets.
- Future market demand and supply, market

growth trends, competitive advantages and disadvantages:

- The Company has competitive advantages in technology, telecommunications, large-scale project execution and integration, a renowned brand image, nationwide service channels, providing enterprises with advanced ICT services, and enabling enterprises to achieve respective strategic and operational targets.
 - The government's digital development and ESG green energy policy, combining with ongoing efforts from enterprises to promote digital transformation, have driven the demand for various integrated ICT services for enterprise customers, including IDC, cloud, cybersecurity, AIoT, mobile application and big data.
 - Competitors continue to implement low-price strategies in various ICT services for enterprise customers which has led to a reduction in the Company's profit margins and affected the ability to seize new opportunities in the enterprise market.
- Countermeasures:
 - Deepen and continually expand integrated ICT services for enterprise customers in order to fulfill enterprise client demand for innovative applications and VAS.
 - Provide mobile IoT communication services, enable enterprises to adopt various mobile solutions, and collaborate with global telecommunication service providers to offer terminals for international roaming, enterprise terminal management and IoT solutions, etc.
 - Expand and discover qualified alliance partners to provide sector-specific ICT total solutions for enterprise clients; actively compete for project bidding opportunities from government entities.

(3) International Market

A. International fixed-line

- Key offerings and regions: global market
- Future market demand and supply, market growth trends, competitive advantages and disadvantages:

International customers' demand for IP Transit, international bandwidth, IDC and cloud services continues to grow, which is conducive to the

development of the Company's international private line, international enterprise network, Taiwan Gateway and smart network, etc.

- Countermeasures:

Actively invest in the construction of international submarine cables. With a complete submarine cable routing and backup decentralization mechanism, to improve the resilience of the submarine cable network and meet the ever-increasing demand of large multinational companies for external bandwidth.

B. International mobile and ICT services

- Key offerings and regions: global market

- Future market demand and supply, market growth trends, competitive advantages and disadvantages:

- International customers' demand for submarine cable, IDC and cloud services continues to grow, which is beneficial for the expansion of the Company's information and communication services.
- The post-pandemic recovery in travel is boosting the demand for mobile roaming, which is advantageous for the promotion of our company's international roaming services.
- The expansion of global market operations by Taiwanese multinational companies is conducive to the promotion of the Company's overseas information communication and smart solutions.
- The development of 5G in overseas markets and the rise of demand for digital transformation are benefits to the Company's 5G private network and smart application services export to overseas markets.
- The new IoT applications are mature and diverse, and domestic and foreign corporate customers have increased demand for global cross-border deployment.

- Countermeasures:

- Continue to win OTT and Carrier customers, provide Taiwan localized one-stop ICT Services, including backhaul service, IDC, Peering and landing services.
- Provide one-stop ICT services to Taiwanese companies and foreign customers in Taiwan,

allowing them to use Global ICT services when expanding into international markets.

- Accumulate smart solutions application experiences, cooperate with the Company's high-quality strategy partners, firmly support international customers for developing 5G smart applications, service innovation and transformation.
- Actively expand the coverage of 4G/VoLTE/5G mobile roaming countries and provide cross-border IoT solutions. Through a global Connectivity Management platform (CMP Platform), the Company helps domestic and foreign corporate customers check equipment connection status in one-stop real-time, speeding up the global deployment with uninterrupted service operations.

2.2 Main Features and Production Process of Major Products

The Company's leading offerings are domestic and international fixed-line, mobile communications and internet services, which provide communication service, daily life information and audio and video entertainment for individual and household, enterprise and international customers. The Company's main product features and production processes are service positioning and network planning, construction and post-maintenance.

2.3 Supply of Raw Materials

Not applicable as the Company is not a manufacturer.

2.4 Major Suppliers / Customers Accounting for More Than 10% (inclusive) of Purchases / Sales in the Most Recent 2 Years

None.

2.5 Production Volume in the Most Recent 2 Years (Equipment)

Key Offerings		2022	2023
Mobile Communications	Mobile Broadband	21,380,000 subscribers	23,780,000 subscribers
Domestic Fixed-line	Local Network	12,833,076 ports	11,634,141 ports
	Long Distance Network	1,400,516 ports	1,400,516 ports
	Broadband Access (ADSL+FTTx)	12,065,257 ports	12,315,713 ports
	HiNet BRAS	5,043,000 ports	5,430,000 ports
	MOD (Set-Top box)	2,661,707 sets	2,661,348 sets
International Fixed-line	International Network	60,000 ports	60,000 ports

2.6 Sales Volume for the Most Recent 2 Years

Key Offerings		2022	2023
		Subscribers/ Minutes in Millions	Subscribers/ Minutes in Millions
Mobile Communications	Mobile Broadband (Note1)	12.621 Subs	13.138 Subs
Domestic Fixed-line	Local Network	9.399 Subs	9.145 Subs
	Long Distance Network	1,356 Mins	1,162 Mins
	Broadband Access (ADSL+FTTx)	4.386 Subs	4.403 Subs
	HiNet Broadband ISP	3.664 Subs	3.692 Subs
	MOD	2.05 Subs	2.05 Subs
International Fixed-line	International Network (Note2)	100.9Mins	73.2Mins

Note1: Including subscribers utilizing Internet of Things (IoT).

Note2: Only including outgoing minutes.

Key Offerings	2022	2023
	Revenue (NT\$ billions)	Revenue (NT\$ billions)
Consumer Business	132	137.1
Enterprise Business	72.2	73
International Business	7.2	9.2
Others	5.3	3.9

3. Human Resources

Year		2022	2023	2024(as of Feb. 29, 2024)
Number of Employees		19,999	20,008	19,763
Average Age		47.7	46.4	46.4
Average Years of Service		20.84	19.03	18.83
Breakdown of Education Level (%)	Ph.D.	1.29	1.25	1.23
	Masters	35.96	36.94	37.37
	Bachelors	51.75	52.81	52.48
	Senior High School	10.65	8.54	8.45
	Below (and include) Middle School	0.66	0.46	0.46

4. Environmental Protection Expenditures

4.1 Losses or Penalties Due to Environmental Pollution for the Most Recent Year and Up To the Publication Date of this Annual Report

On May 23, 2023, a small diesel vehicle (No. 1331-R3) owned by the Kaohsiung branch of Chunghwa Telecom emitted black smoke with an opacity of 1.5m^{-1} , exceeding the emission standard and violating Article 36, Item 1 of the Air Pollution Control Act. According to the provisions of Article 66, Paragraph 1, Clause 1 of the Air Pollution Control Act, a fine of NT\$3,000 was imposed.

4.2 Countermeasures and Potential Costs

(1) Environmental Protection and Pollution Prevention

- Ensure full compliance with the Air Pollution Prevention Law, Noise Prevention Law and Waste Disposal Law, as well as other environmental protections and related laws and regulations, while taking appropriate preventive measures during the construction of telecommunications projects.
- Aim to avoid hours of heavy traffic flow and use low-noise equipment to reduce the environmental impact of living quality for nearby residents when conducting telecommunications engineering work near roads.

C. After the disposal of lead-acid batteries used in communication, the process follows the regulations of "Waste Disposal Act". The batteries are handed over to a qualified manufacturer registered by the Ministry of Environment for processing and recycling, and should be tracked and controlled by the environmental manifest in sextuplicate in accordance with "Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste".

(2) Enhance Environmental Protection Measures for Telecommunication Engineering Construction

- When designing telecommunication lines, incorporate environmental protection and pollution prevention into the list of considerations when planning construction sites and preparing the budget and construction plan report accordingly. Once construction begins, construction site pollution prevention measures will be strictly implemented.
- Strengthen on-site environmental protections; when conducting excavation of telecommunications pipelines, avoid waste falling onto the ground and preventing any pollution to the city's appearance or environment during transportation.
- Active implementation of air and noise pollution controls in all facility offices; for newly purchased equipment, in addition to strictly requirements for

manufacturers to provide products that comply with environmental regulations, contractors are also required to comply with regulations during construction to guarantee project quality.

(3) Enhance Energy Saving Measures in Telecommunication Office

- A. Use Power Operation Supporting System (POSS) to control the temperature (humidity) of computer rooms and the peak and off-peak load controls to maintain the temperature of computer rooms between 24 and 28°C to prevent the occurrence of power demand exceeding contract limits.
- B. In remote areas or suburbs with lower temperatures and better air quality, prioritize the use of natural air, which can significantly reduce energy use in winter months.
- C. Strengthen and improve heat dissipation capabilities of telecommunications equipment, moderately increasing ambient temperature while effectively reducing the power consumption of air conditioning systems.
- D. Adjust air volume or air duct placement for better efficiency in air conditioners by the heating value generated by communication equipment.
- E. Optimize, consolidate, eliminate and choose low energy-consuming products for switches, broadband, and transmission circuits.
- F. Replace telecommunications equipment and centralize electrical equipment at office facilities to improve overall operating efficiency.
- G. Avoid low loading usage of power supply equipment to optimize operating efficiency.
- H. Adopt highly-sensible heat-packaged air conditioning systems to improve air conditioning efficiency based on the thermal load characteristics of telecommunications facilities.
- I. Choose highly-efficient models for newly purchased equipment, installing certain equipment with inverters and accelerating the replacement of older, energy-consuming equipment to reduce energy consumption.
- J. Use air conditioning systems with highly-sensible heat energy-saving units and energy-saving, temperature-controlled frequency conversion cooling water towers and motors to effectively reducing operating power.

K. Adopt various energy-saving options when planning and designing new air conditioning systems, such as separating cold and hot aisles, frequency conversion return fans, induced ventilation systems and variable air volume systems.

L. Use natural ventilation air conditioning at suburban base stations.

M. Implement mobile networks in dormant modes and use automatic analysis technology to shut down the base stations in dynamic opening and depth mode during off-peak hours to save power usage and reduce base station power consumption.

5. Employee Relations

5.1 Workplace Environment and Employee Safety

- (1) The Company and all of its branch offices have set up an Occupational Safety and Health Department to coordinate its occupational safety and health management plans and procedures in accordance to relevant regulations. The Occupational Safety and Health Department focuses on promoting issues related to health and safety management, such as hazard recognition, health and safety controls and assessment, as well as implementing equipment for automatic checks before operation and operating environment monitoring services to continue improving health and safety facilities and create a safe, healthy, comfortable and friendly working environment.
- (2) The Company built three Employee Training Centers in Banqiao, Taichung and Kaohsiung to hold health and safety education training, raise awareness and practice drills for employees and contractors to strengthen awareness of workplace safety, improve health and safety skills and adaptability, and ensure the overall safety of all employees and contractors during everyday work.
- (3) The Company paid NT\$3,500 per employee each year for various employee health examination package options designed for different ages and health risk factors. In addition, the Company hired 25 on-site doctors and 35 dedicated nurses to provide health-related services on-site to support employees' well-being, including planning and implementing health education programs, providing guidelines to promote health and sanitation, education on work-related injury

prevention, health consultations, first aid, emergency response systems and health examinations.

- (4) The Company held 11 live streaming in 2023 with 2,627 attendees to promote healthy activities in the workplace. In addition, the Company established various sports and leisure facilities for employees, such as basketball, tennis, badminton, table tennis, exercise bikes, treadmills, and more. The Company continued to enhance employee assistance programs ("EAP") to care for and improve the physical and mental health of employees. In 2023, the Company conducted 512 EAP consultations, thirty group emotion and stress adjustment courses, two special case admission services, and three reassuring group admission service, while distributing 12 internal releases related to mental health. The Company held four online courses with a total of 20,395 participants to foster a friendly workplace in terms of mental health and to improve the ability of employees to self-monitor their physical and mental health and manage stress.
- (5) To continue promoting the efficiency of occupational safety and health management, the Company proactively adheres to the international standard for occupational safety and health (ISO 45001) and actively undergoes global certification. In 2023, all 27 sites passed the external independent third-party verification audit and underwent annual reviews. Through the systematic Plan-Do-Check-Act management cycle, the Company expects to continue improving efficiency in health and safety management and build a high-quality culture focused on health and safety.
- (6) In 2023, the Company continued to monitor changes to the COVID-19 situation, making ongoing adjustments to various preventive measures; the Company has been actively tracking and caring for employees diagnosed with moderate to severe illness, and has worked to create epidemic prevention promotional materials, procure sufficient epidemic prevention supplies, maintain the health of colleagues, and prevent workplace cluster infection incidents.

5.2 Employee Behavior and Ethical Standards

- (1) The Company has established a "Code of Ethics of Chunghwa Telecom Co., Ltd.," which includes standards on personal responsibility, community responsibility, and responsibility towards the Company, the public and other stakeholders. Applicable to directors, managers, and

employees, its purpose is to prevent unethical conduct and to promote behavior that conforms with requirements and standards, including general principles, conflicts of interest among employees, customer and supplier relationships and conflicts of interest, and related policies and standards that also include the Company's policies towards ethical business practices.

- (2) The "Code of Ethics of Chunghwa Telecom Co., Ltd." can be accessed under "Corporate Governance" within the corporate website (About Us> About CHT > Corporate Governance > Other by Laws> Code of Ethics) and Employee Information Portal. The Company conducts annual "Code of Ethics" reviews and online testing in order to strengthen employee ethics and values.
- (3) The Company has established "Employee Appraisal Guidelines" and "Employee Reward/Disciplinary Standards" to conduct employee assessments and to arrange for rewards and penalties.
- (4) The company has formulated "Directions for Chunghwa Telecom Sexual Harassment Prevention and Grievance Management" to implement gender equality and actively create a DEI diverse and inclusive workplace. In 2023, the Company conducted a sexual harassment prevention test for all employees, and conduct Gender Equality Law training for supervisors (both senior executives and regular performance review supervisors).
- (5) The Company has established "Employee Suggestions and Reward Operations Guidelines" to encourage all employees to actively make suggestions, participate in research and development, reduce costs and expenses, increase productivity, and contribute to a positive and innovative corporate culture.

5.3 Employee Welfare Policy

- (1) The Company has provided employee labor insurance in accordance to the regulations, and in case of any claims, the Company shall actively notify and assist all employees throughout the application process in order to ensure employee welfare rights.
- (2) Manage medical insurance for employees and dependents.
- (3) According to employees' physical capabilities, interests, feedback, and opinions, organize hikes, tours, excursions, sports competitions, and cultural and recreational activities, and provide participation rewards and competition awards to increase employees' motivation for participation in such activities, to promote the development of employees' physical and mental

health and increase opportunities for interaction.

- (4) The Company provides employee benefits in order to assist the Employee Welfare Committee to offer various employee subsidies (such as for marriage, birth, children's education, retirement, death of employee and related family dependents, etc.), perks for the three major holidays, employee recreational activities, birthday parties, group insurance and others.
- (5) The Company offers benefits such as family care leave, maternity leave, pregnancy Checkup leave and parental leave, in addition to other initiatives, to help young employees with childcare problem and implement gender equality in the workplace, which are superior to laws and regulations. Employees who have childcare needs can apply for no pay leave. During the no pay leave period, employees can apply for allowances from the Bureau of Labor Insurance for a maximum of six months. After expiration of the allowance from government, employees are further entitled under Company policy to receive additional monthly allowances totaling half the sum assured under the Bureau of Labor Insurance during childcare leave. In addition, the Company has begun to provide annual reimbursements of NT\$12,000 to employees with children aged under 6 to align with the national fertility policy and help retain young talent. Concurrently, the Company applied to the local authorities for corporate childcare subsidies and offered the subsidies to employees who have children in daycare. Beginning in 2022, the Company was the first in the industry to begin to offer to employees with children under the age of 3, the option to apply for a one-hour reduction per working day with no salary deduction, which has accumulated a total of 141,844 hours of parenting time within this year. In 2024, the Company will extend its policy to allow employees caring for children under 6 years old to apply for a 1-hour reduction in working hours per day. Meanwhile, to create a family-friendly workplace environment and support our employees' childcare, the Company has introduced 16 classes titled "Mutual-help Education and Health Centers in Workplace" in six major cities.
- (6) The Company has established the Employee Stock Ownership Trust in order to increase employee welfare benefits, enhance corporate unity, share the successes of business operations, and ensure better living after employee retirement or departure. The Trust consists of pro-rata share-based bonuses based on employee

monthly salaries.

- (7) In order to develop R&D and technology in the south and create employment opportunities, in 2023, Chunghwa Telecom established the Kaohsiung R&D Center of Telecommunication Laboratories and the Kaohsiung Technology Center of Information Technology Group. We focus on the technology development of AI, information security, cloud services, AIoT and other related enterprise application services. In addition to expanding the recruitment of outstanding talents in the south and increasing the number of employed people in the south, the company also encourages our employees to return to their hometowns and support employees work-life balance.

5.4 Overseas Delegation and Workshop

The Company has arranged overseas delegations and research opportunities in accordance with its annual budget.

Due to the gradual relaxation of border management and quarantine measures in various countries, a total of 601 employees went abroad in 2023. Compared with 2022, the number of personnel sent abroad has increased significantly by 306%.

5.5 Employee Training and Education Program

(1) Employee Training and Education Status

The Company strives to provide all employees with an open and diverse learning environment, primarily focusing on educational training and professional development. The employees can improve their knowledge with access to internal and external training programs, e-Learning programs, a knowledge management system, and guidance from their supervisors and colleagues. In addition, employees can experience many types of training programs, such as new recruits orientation, management and supervisory training, professional knowledge and technology development, marketing and customer relations training, safety and health training, computer training, e-Learning, etc. Furthermore, employees can cultivate their development through job rotations, special project assignments and overseas assignments, to advance their personal and professional lives.

A. Employee Training

- In order to ensure that all newly hired employees can seamlessly join the Company with a basic understanding of the Company's operating

guidelines, culture, organization, business, safety, employee rights and responsibilities, etc., the Company arranges relevant courses for training through e-Learning programs.

- Based on the foundation of AGLOW (Attraction: Talent aggregation, Growth: Skill enhancement, Leadership: Excellence in leadership, Opportunity: Career development, Winning: Smooth succession), the Company established various programs for employees of different levels. From long-time employees to new recruits, supervisors at all levels can customize training and accelerate training development for potential employees to name successors.
- The Company's HR team is in charge of planning and executing employee on-the-job training with relevant assessments in order to enable all employees to achieve successful career

development, enhance their professional knowledge, and improve their service attitudes and overall performance.

- The employee training and education program are primarily divided into two categories, professional and managerial, both of which leverage e-Learning programs, community learning, a knowledge management system, and relevant e-Learning satisfaction surveys.
- Employee training expenses totaled NT\$511 million in 2023. Based on a total number of employees of 20,008, the average training cost per person was NT\$25,579. In 2023, a total of 2,731 training sessions were conducted for employees, with 762,073 attendees (including online learning courses). The relevant education and training performance and expenses are as follows:

Training Categories		# of Classes	# of Attendances	Total # of Man-hour	Fees (NT\$' 000)
1	Management & Supervisory	403	45,312	159,061	59,122
2	Professional Knowledge & Technology	759	29,087	256,278	95,284
3	Marketing & Customer Services	145	9,817	42,894	15,948
4	Safety & Health	152	14,280	78,570	29,212
5	Computer	708	57,491	300,585	111,758
6	e-Learning	564	606,086	539,139	200,452
Total		2,731	762,073	1,376,527	511,776

B. Employee Professional Development:

- The Company has established "Studying at Universities and Colleges (Including Research Institutes) for the Staff of Chunghwa Telecom Co., Ltd." policy in order to develop talented employees

in the areas of telecommunications business, technology and management. Details regarding program participants and fees for academic year 2022-2023 are listed below:

Categories Items	Bachelor	Master	Ph.D.	Total
# of Applications	16	215	36	267
Fees (NT\$)	107,267	3,785,217	237,419	4,129,903

Note: The above table lists all subsidized applications for both the first and second semesters of the 2022-2023 academic year, which ran from September 1, 2022, to January 31, 2023 and February 1, 2023 to June 30, 2023, respectively.

(2) Financial Reporting Related Employees with Mandatory Certifications:

- A. International internal auditor certification:
5 personnel in the audit department; 2 personnel in the accounting department
- B. R.O.C. internal auditor certification:
4 personnel in the audit department; 5 personnel in the accounting department
- C. International internal control certification:
2 personnel in the audit department; 1 person in the accounting department
- D. R.O.C. certified public accountant:
46 personnel in the accounting department; 2 personnel in the investment department
- E. U.S. certified public accountant:
4 personnel in the accounting department; 2 personnel in the investment department

5.6 Retirements

- (1) The Company has established the "Employees' Pension, Consolation Pay, and Severance Pay Guidelines of Chunghwa Telecom," which is in accordance to the relevant Labor Standards Act and Labor Pension Act. For those employees who have retired prior to the privatization of Chunghwa Telecom, their respective retirement benefits are issued by the central government.
- (2) The Labor Standard Act Article 56-1 stipulates monthly provisions to be provided as retirement pensions. These allocations must be managed appropriately by the Company's Employee Retirement Fund Supervisory Committee, and deposited into Bank of Taiwan under the committee's name.
- (3) In accordance to the Labor Pension Act, the Company contributes a monthly pension rate of no less than 6% of employees' monthly salary. These contributions are deposited directly into employees' pension accounts held under the Bureau of Labor Insurance.
- (4) In 2023, the number of officially retired employees was 1,028, and voluntary retirement personnel was 192, which makes for a total of 1,220 retired personnel, and all have completed the retirement procedures.

5.7 Employee Negotiation and Employee Benefits Protection

- (1) The Company values its employees as one of its most valuable assets. In order to stabilize labor relations,

promote labor harmony, and improve labor welfare, the Company and Chunghwa Telecom Worker's Union concluded the collective agreement in 2006. The agreement covers labor conditions for members, welfare measures, occupational safety, internal evaluation, reward and punishment systems, union organization activities, and use of corporate facilities, as well as other labor matters. The provisions in the collective agreement that are more favorable to the employees than those stipulated by labor laws are: "special leave", "commendation and bonuses after a certain number of years of service", "perfect attendance rewards", "education subsidies for employees' children" and other terms.

- (2) As of the end of 2023, the collective agreement coverage rate reached 99.62%. For employees not covered by the collective agreement, we still abide by consistent labor conditions and labor contract regulations in accordance with company policies.
- (3) The Company has established regular, trustworthy, and effective communication channels to increase the frequency and depth of overall communication with labor unions.
 - A. The Company's branches convenes regular labor-management meetings in accordance with the labor union agreement. The chairman and president of Chunghwa Telecom also engage in discussions or telephone contacts with labor union representatives, including the chairman and supervisors of Worker's Union, from time to time. The interaction between labor and management is uninterrupted and there is no time difference in safeguarding labor rights.
 - B. The chairman of the labor unions may be invited to attend personnel evaluation meetings, participate in appraisal meetings, business briefings and other important meetings related to employees' rights and interests, ensuring clear communication of operational information to the labor side. In 2023, multiple nation-wide labor-management meetings were convened in accordance with the law, achieving consensuses on multiple issues.

5.8 Losses Related to Labor Disputes in 2023 and Up To the Publication Date of This Annual Report

The date and reference number of the ruling or administrative action taken by the governing authority	Contents of penalties imposed by the governing authority	The improvement measures made by the company
Marth 8, 2023 Letter No. 11231348700 from the Department of Labor, Kaohsiung City	Regarding the overtime issue, there was a discrepancy in understanding between the Company and the corporate union. This led to a violation of Article 32, Paragraph 1 of the Labor Standards Act and each was fined NT\$50,000.	Administrative remedy is still in process and the Company is actively seeking consensus with the corporate union.
March 28, 2023, Reference No. 1120077903 from the Department of Labor		
October 31, 2023, Decision No. 1124684344 from the New Taipei City Government Labor Inspection		
December 11, 2023, Document No. 1120243295 from the Department of Social Welfare		
August 10, 2023, Reference No. 1120226115 from the Department of Labor	Regarding the issue of overtime, there was a discrepancy in understanding between the Company and the corporate union. The company violated Article 24 and 32, Paragraph 1 of the Labor Standards Act, and was fined NT\$110,000.	Administrative remedy is still in process and the Company is actively seeking consensus with the corporate union.
October 5, 2023, Decision No. 1120144799B from the Labor Affairs Bureau	Regarding the issue of conference leave, there was a discrepancy in understanding between the Company and the corporate union. The company violated Article 35, Paragraph 1, Paragraph 1 and Paragraph 5 of the Labor Union Act, and was fined NT\$100,000.	Administrative remedy is still in process and will be appropriately responded to according to the result of the judicial decision.

6. Cybersecurity Management

Since a solid information and communication security critical infrastructure is the foundation for any telecom operator, the Company aims to achieve its cybersecurity vision by establishing itself as "the most valuable, safe, reliable and trustworthy telecom service provider that meets international standards." The Company has established a "Cybersecurity Policy" and implemented strict risk management and protection measures, which apply to all of the Company branches, operating sites, subsidiaries and suppliers. The Company's policy and measures allow it to act proactively before hack attacks, discover hidden

malicious behavior and eliminate any potential threat, while adhering to international cybersecurity standards. Cooperating with the government and international cybersecurity groups, the Company built joint defense mechanisms to effectively enhance its overall cybersecurity defense and adaptation capacities to ensure the safety of operational and customer information. The Company aims to meet its "Zero Tolerance" goal by implementing its "Cybersecurity Policy" and following the spirit of the ISO 27001 information security management system. Through the Plan-Do-Check-Act (PDCA) cycle, the Company continues to adjust and modify its "Cybersecurity Policy" and incorporate it into operating activities to ensure "Zero" major cybersecurity and privacy incidents.

6.1 Cybersecurity Management Strategy and Structure

(1) Cybersecurity Governance and Operational Structure

The Board of Directors of our company has established a Risk Management Committee, composed of directors with diverse expertise in information and communication technology, legal matters, risk management and auditing, cybersecurity, and other relevant areas. This committee is responsible for overseeing the execution of cybersecurity and personal data protection risk management, and providing necessary recommendations for improvements.

To ensure the effective execution of cybersecurity management, the Company established the "Cybersecurity and Privacy Protection Management Committee." The Chairman represents the Board of Directors and supervises the "Cybersecurity Policy." Simultaneously, the President has been appointed the convener and the Senior Executive Vice President has been appointed as the "Chief Information Security Officer (CISO)," responsible for supervising the Company's internal cybersecurity matters.

The Company holds regular "Cybersecurity Working Group" and "Privacy Protection Working Group" meetings. The Cybersecurity department includes an executive secretary with responsibilities that range from reporting cybersecurity

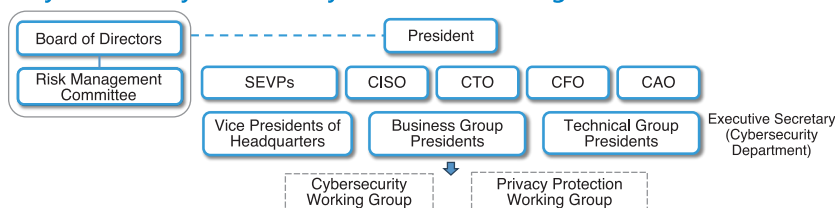
management performance, reviewing and improving risk-related issues, reviewing the suitability of cybersecurity programs, privacy protection policies and regulations, and supervising and evaluating compliance and efficacy of strategies. The President regularly reports to the Board of Directors on the overall cybersecurity and privacy protection governance status of the Company.

In 2013, the Company built the CHT Security Operation Center (SOC) and gained valuable experience in large-scale hacking and defense scenarios. In 2016, the Company established a cybersecurity department to manage cybersecurity with responsibilities such as coordination of the overall Company Cybersecurity Policy, implementation of the policy on behalf of the "Cybersecurity and Privacy Protection Management Committee," alignment of standards with regulations and emerging technological development, risk control management, security operations, joint cybersecurity defense, education and training, effective evaluation, and compliance assessments. To meet both domestic and international regulations, the Company continues to improve its cybersecurity-related management system to reduce corporate cyber risks and promote the development of the Company's emerging businesses, thereby providing clients with a safe and credible digital environment.

(2) Cybersecurity Organizational Structure

Chunghwa Telecom Cybersecurity Management Organization - Tier Structure and Duties

■ Cybersecurity and Privacy Protection Management Committee



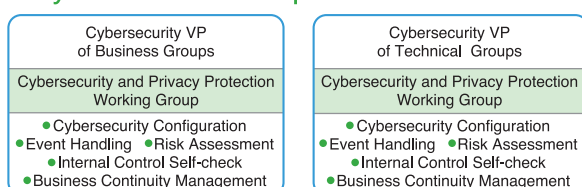
- Cybersecurity and Privacy Protection Strategy and Governance
- Cybersecurity and Privacy Protection Policy and Goal Setting
- Cybersecurity and Privacy Protection Responsibility Allocation and Resources Coordination
- Cybersecurity and Privacy Protection Indicator Measurement and Monitoring
- Cybersecurity and Privacy Protection Performance Measurement and Review
- Cybersecurity and Privacy Protection Emerging Risks and Improvement Guidelines

■ Chunghwa Telecom Security Operation Center (Cybersecurity Department)



- Implement the policy for the "Cybersecurity and Privacy Protection Steering Management Committee"
- Identify emerging risk issues and countermeasures
- Implement the Company's Cybersecurity and Privacy Protection standards and policies
- Review and report on the effectiveness of Cybersecurity and Privacy Protection
- Supervision and review of compliance and effectiveness of cybersecurity management measures

■ Cybersecurity Protection and Implementation



- Recurring cybersecurity and privacy protection operations, including network device security settings, information security management systems, audit log review, security vulnerability early warning and vulnerability patch

(3) Cybersecurity Management Strategies and Continuously Improved Framework

With the exception of building an information security management system that meets international standards, the Company is more risk management-oriented and examines the maturity levels of cybersecurity management. Based on the external environment and internal risk examination results, the Company appropriately adjusts and modifies its "Cybersecurity Policy" and relevant regulations on an annual basis.

To achieve the goal of "Everyone Pay Attention to Cybersecurity and Cybersecurity Implementation," the Company incorporated "Information Security" indicators into employee annual performance evaluations. In addition, the Company regularly conducts internal and external reviews

and audits, passing competent authority inspections. Currently, all of the Company's IT-related infrastructures have passed international cybersecurity standard verification with ISO 27001 / ISO 27011 / ISO27017 / ISO27018 / ISO27701 / BS10012 / CSA STAR Certifications validated and expected to remain on track.

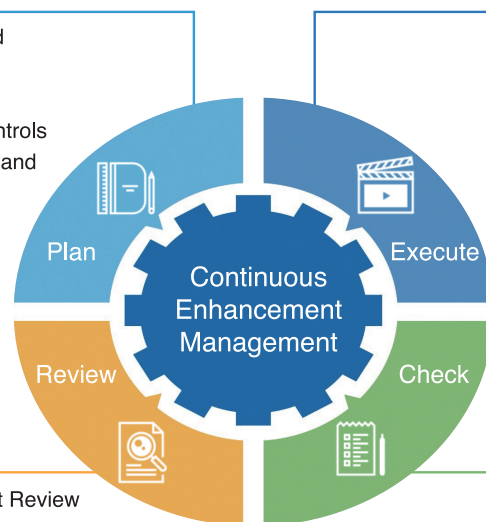
In addition, to ensure the security of the information and communication system and Critical Infrastructure, Chunghwa Telecom established the "Cybersecurity and Privacy Risk Management Framework," taking NIST Cybersecurity Framework (CSF) as its reference and adhering to domestic and international standards and regulations in implementing effective cybersecurity management and privacy protection measures in order to prevent potential cybersecurity risks.

Risk Identification and Countermeasure

- International Standards and Regulatory Compliance
- Cybersecurity and Privacy Protection Policies and Controls
- Cybersecurity organization and operation
- Risk Management and Protection Strategies

Review and Improvement

- Cybersecurity Management Review and Performance Report
- Review and Improvement of Policies and Security Control Measures
- Identification of new Threats and Risks
- Rewards and Punishments



Prevention, Detection and Rapid Response

Prevention

- Employee Security Training
- Endpoint Security
- Network Security

- System and Software Security
- Cloud Security
- IoT Security
- Physical Security
- Supply Chain Security

Detection

- Intelligent security operation center and threat detection
- Penetration testing, Cybersecurity health diagnosis and Red Team security assessments

Response

- Event handling, Incident response and digital forensics
- Cybersecurity information sharing and joint cybersecurity defense

Check and Assessment

- Cybersecurity Evaluation and Measurement
- Business Continuity Management and Drill
- Internal and External audit
- Certified by authorities and third-party certifications

To fully support and achieve the strategies and goals of each business, the Company established the "Cybersecurity Policy" to meet its operational goals. Approved by the Company's Chairman, the Cybersecurity Policy is published on the employee portal and the corporate website to communicate to all employees, customers, and suppliers, Chunghwa's commitment to meeting its "Zero Tolerance" goal for major cybersecurity and privacy incidents. The Company implements specific and effective strategies for cybersecurity and privacy protection. Through the PDCA management cycle, the Company continues to roll out and improve management performance in cybersecurity and privacy protection.

Risk Identification and Countermeasure: Beginning with risk management and based on international standards of ISO27001, ISO 27701, BS10012, CSA and NIST, the Company established a comprehensive cybersecurity management system that was certified by third-party certifications. Mastering standard development trends such as ITU, 3GPP and GSMA and cooperating with industry, government, and academic parties like the ORAN Alliance, the Company analyzes risk defense countermeasures and incorporates security requirements into development plans in advance (Security by Design), including policy, management and technology to reduce cybersecurity risks and ensure compliance.

Prevention, Detection and Rapid Response: Through intelligent Security Operation Center (CHT SOC), the Company deploys a multi-layered, in-depth security protection and detection mechanism based on "Zero Trust Architecture." The Company trains employees for cybersecurity awareness resulted in the attainment of over 890 international certifications in the field of cybersecurity. Through intelligent and automated cybersecurity governance mechanisms to detect cybersecurity threats and violation risks, while regularly implementing penetration tests, cybersecurity health diagnoses, and conducting red team security assessments, the Company has fully integrated cybersecurity management into its daily operations, including employees, facilities, network, systems, applications, data and privacy, and supply chain. The Company also implemented joint cybersecurity defenses with Taiwan's C-ISAC, participating in Taiwan's Critical Infrastructure (CI) & Critical Information Infrastructure (CII) national-level drills, as well as cybersecurity information sharing and vulnerability warnings, to ensure the suitability of information and communication systems and Critical Infrastructure, as well as the efficacy and resilience of cybersecurity protections.

Check and Assessment: To achieve the goal of "Everyone Pay Attention to Cybersecurity and Cybersecurity Implementation," the Company has incorporated cybersecurity and privacy protection indicators into employee annual performance evaluations, regularly conducting internal and external reviews and audits while certified by authorities and third-party certifications. The cybersecurity KPIs will be assessed based on the results.

Review and Improvement: The Company reviews cybersecurity KPIs and holds review meetings to ensure suitable cybersecurity and privacy protection policies and regulations, offering rewards for outstanding performance, thereby motivating employees to implement cybersecurity policies and regulations while offering additional circumstantial training sessions and other options to violators. The Company continues to identify new threats and risks for defense systems implementation while incorporating and executing case-specific plans. The Company's "Risk Management Steering Committee" charter includes monthly tracking of management performance regarding cybersecurity and privacy protection. Significant risks are reported to the Risk Management Committee or directly to the Board. Although many enterprises in Taiwan have suffered

major informational security breaches in recent years, the Company has been unaffected, thus far.

6.2 Detailed Management Measures

The Company continues to analyze cybersecurity risks and defense countermeasures. In addition to passing external certification, it has implemented various detailed measures in seven areas to ensure the strength of cybersecurity and avoid operational disruption that may impact the Company's operations in relation to cybersecurity issues on Critical Infrastructure (CI), network and information systems. These seven Aspects include: (1) Cybersecurity Protection and Management, (2) Personal Information and Privacy Protection and Management, (3) Intelligent SOC and Multi-Layered, In-Depth Security Protection, (4) Critical Infrastructure and Information System Business Continuity Management, (5) Immediate Incident Notification and Quick Response Mechanisms, (6) Third-party vulnerability analysis and Cybersecurity Health Diagnosis and (7) Cybersecurity Insurance.

(1) Cybersecurity Protection and Management

Employee Security Training	<ul style="list-style-type: none"> • Hold cybersecurity training sessions and classes; encourage employees to obtain international cybersecurity certifications; promote employee awareness and professional capacities for cybersecurity and privacy protection. • Regularly hold Social Engineering exercises to improve employee alertness to Advanced Persistent Threat (APT) attacks.
Endpoint Security	<ul style="list-style-type: none"> • Install antivirus, security control software and disable Internet Neighborhoods to ensure devices and software meet security standards.
Network Security	<ul style="list-style-type: none"> • Deploy multi-layered, in-depth security protection and detection mechanisms based on "Zero Trust Architecture." • Establish Demilitarized Zone (DMZ) to control network access.
System and Software Security	<ul style="list-style-type: none"> • Develop software based on Secure Software Development Life Cycle (SSDLC); systems pass the security assessment before launch or updates; applications receive MAS certification marks from the Ministry of Economic Affairs. • Regularly scan for vulnerabilities and patch within time limit. • Establish software lists; understand the risk of software vulnerabilities and respond immediately through critical vulnerability early warnings, notifications and patching mechanisms to reduce the Zero-Day attacks. • All developers are required to pass security coding training and tests.
Penetration Test, Cybersecurity Health Diagnosis, and Red Team Security Assessments	<ul style="list-style-type: none"> • CHT SOC has cultivated a cybersecurity assessment team with more than 10 years of cybersecurity experience and cybersecurity certifications, such as CEH, ECSA, GWAPT, etc.; to simulate hacking techniques, conduct penetrable testing and red team security assessments; patch within time limit if vulnerabilities are found to shorten the Zero-Day (0-day) Attacks.

Cloud Security	<ul style="list-style-type: none"> Hicloud services passed four cybersecurity verifications, ISO27001, ISO27017, ISO27018, and CSA STAR certifications. Obtained international verifications, including AWS MSP, Google Cloud Premier Partner; currently the first and only CSP cloud service provider in Taiwan to integrate the world's three main public clouds, AWS, Azure, and GCP, with the localized hicloud, offering services across all four major public clouds.
IoT Security	<ul style="list-style-type: none"> Established an AIoT platform to combine cloud, cybersecurity, big data, AI, AR, and other core technologies to provide clients with IoT facilities and security and protection mechanisms. CHT Telecommunication Laboratories is recognized as "IoT Cybersecurity Recognized Laboratories," providing security assessment services and ensuring that facilities comply with IoT security standards.
Physical Security	<ul style="list-style-type: none"> Implement physical isolation, individualized gates, 24-hour intrusion alarms and video monitoring systems. Implement access control systems and prohibit personnel with concerns that may damaging national security from causing machine room breach.
Supply Chain Security	<ul style="list-style-type: none"> Establish operational guidelines for vendor cybersecurity management, strengthen the assessment and supervision of suppliers' cybersecurity capabilities, introduce security rating tools to assist suppliers in understanding the cybersecurity landscape and asset exposure to enhance the security of the supply chain ecosystem. Partner with credible suppliers, cooperative manufacturers and exclude products with security concerns and manufacturers that may affect national security. Form standardized "Cybersecurity Complement Provisions" to be included in contracts for procurement or supplier cooperation. Specify cybersecurity management requirements and penalties for suppliers and further supervise and manage, as needed.

(2) Personal Information and Privacy Protection Management

Regarding the collection, processing, use and protection of personal information and privacy data, the Company follows a "Privacy Policy" with specific circumstances announced to customers and relevant laws and regulations. This information is not to be arbitrarily exchanged, leased or otherwise disguised for public exposure. In accordance with government regulations and international standards, the Company has established a personal information and privacy protection management system, analyzing emerging applications through data governance standards and technical guidelines, assessing risks before business operations, and building both a strict protection measures and a secure environment. The Company continues to improve its high-quality protection technology and increase transparency to prevent client information from data theft, tampering and illegal use. The Company holds comprehensive employee trainings on personal information and privacy protection, in line with requirements set by authorities.

(3) Intelligent Security Operation Center (SOC) and Multi-Layered, In-Depth Security Protection

The Company's SOC enhances its ability to detect and target deeply hidden, unknown threats using big data and AI. SOC allows the Company to discover hidden malicious behavior and track potential threats in the early stages of hacker attacks. As a result, the Company understand cybersecurity incidents instantly and process settlements.

The Company also implements joint cybersecurity defenses with Taiwan's C-ISAC, Cybersecurity Information Sharing and Vulnerability Warnings, analyzing high-risk, vulnerable external information and distributing security updates, as well as completing patches within a limited timeframe, to ensure the effective and resilient cybersecurity protections.

(4) Business Continuity Management for Critical Infrastructure and Information Systems

The Company established a Network Operation Center (NOC) and quality assessment mechanism for its information system, to provide information on performance degradation and abnormal network symptoms to help resolve issues and prevent complications. To provide customers with comprehensive and uninterrupted services featuring a high degree of resilience against disasters, the Company built the CI, network and information system business continuity management mechanism that allows the Company to maintain operations of key elements under natural and man-made disasters, as well as other cybersecurity incidents. The Company also formed business continuity plans and emergency response plans to regularly drill, review and provide updates on disaster prevention, network attacks and defenses, sustainable information system operations and record keeping. This will ensure that employees are familiar with operational procedures to minimize the impact of disasters and interrupted operating time, protect the rights and interests of customers and shareholders, and reduce risks while improving competitiveness.

The Company has participated in Taiwan's Critical Infrastructure (CI) & Critical Information Infrastructure (CII) national-level drills for nine consecutive years. In 2023, the Company was awarded the "National CI Protection Assessment Enterprise Designation", achieving first and second place. This marked the fourth consecutive year of winning the top prize, recognizing the Company's crisis response capabilities and earning commendation from the Executive Yuan. Mr. Chih-Cheng Chien, the Company's SEVP, was awarded the "Best Chief Promoting Officer" by the Executive Yuan.

(5) Immediate Incident Response Mechanism

The Company has implemented the notification, response, improvement mechanism and its related operation procedures for cyber security incidents. Using intelligent SOC, the Company maintains alerts to various cybersecurity attacks at any time and can detect abnormal threats or violations in a timely manner with quick responds and tracks on potential impact. The Company will establish an emergency response team to deal with any impact or losses caused by internal and external cybersecurity threats if necessary.

(6) Third-Party Vulnerability Analysis and Cybersecurity Health Diagnosis

The Company commissioned CHT Security Co., Ltd to execute in-depth cybersecurity health diagnosis from a third-party's perspective, in order to ensure the safety of the Company's information system.

CHT Security's Digital Forensic and Cybersecurity Analysis Center is ISO 17025 certified. Its Red Team Security Assessment is the only ISO 20000 certificated team in Taiwan, having discovered more than 50 Common

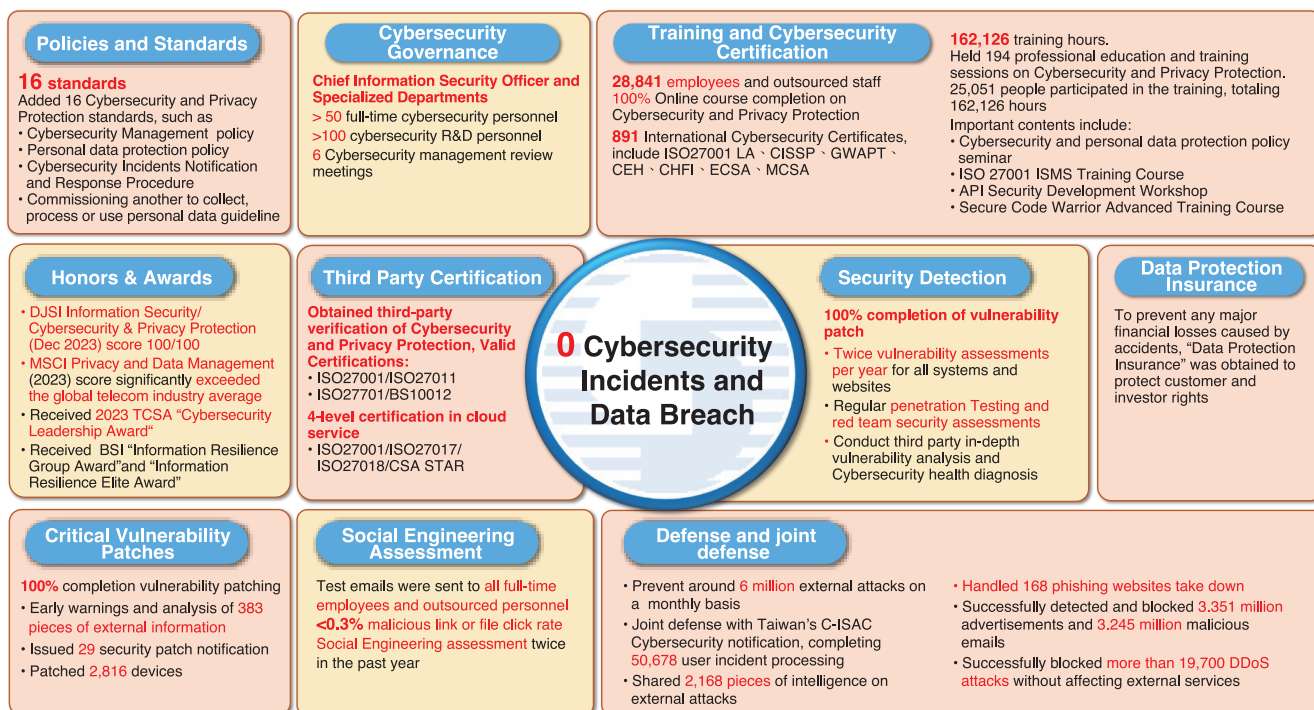
Vulnerabilities and Exposures (CVEs) on software, website and IoT equipment. In addition, the Red Team is the only cybersecurity service provider in Taiwan to be awarded the highest 5A rating for cybersecurity services by the Executive Yuan for five consecutive years.

(7) Cybersecurity Insurance

To avoid significant financial loss from incidents, the Company invested in "Data Protection Insurance" to protect the rights and interests of both customers and shareholders since 2021.

6.3 Invest in Cyber Security Management

The Company is a dedicated professional cybersecurity solutions provider with a full range of capabilities to detect cybersecurity anomalies and early warnings. Over the years, the Company invested much of its resources to develop high-quality cybersecurity talent. Thus far, the Company has appointed a Chief Information Security Officer and formed a team of about 50 full-time cybersecurity personnel and more than 100 people as part of the cybersecurity R&D team. A summary of our cybersecurity implementation measures in 2023 are as follows:



The Company regularly conducts educational training on "Cybersecurity and Privacy Protection" and requires all employees, as well as contractors such as outsourced personnel and personnel from subsidiaries assigned to serve the Company, to fully complete these trainings. In addition, advanced training courses are designed for different levels

of management, system and network administrators, software and application developers, and cybersecurity managers, to enhance cybersecurity and data privacy protection knowledge and skills, so that employees can incorporate cybersecurity and data privacy protection in the early stages of development. (Security by Design).

6.4 Recent Losses, Potential Impact and Countermeasures Due to Major Cybersecurity Incidents, as of the Publication Date of This Annual Report

The Company has established a comprehensive preventive notification, response and improvement mechanism for information security incidents, creating the "Cybersecurity Incidents Notification and Response Procedure." Through intelligent CHT SOC, the Company can understand cybersecurity risks immediately and respond in advance to prevent losses from major cybersecurity incidents. Regular assessments are conducted to ensure sustained operations, even during accidents or interruptions.

If there is a cybersecurity incident, that situation will be reported according to the existing cybersecurity incident handling procedures. Once confirmed as a cybersecurity accident, the emergency response procedure will be processed immediately and completed within the required time limit. The detailed process is as follows:

- (1) Examine incidents with its scope of impact and damage, which is further rated into different degrees,

and responded to accordingly. If rated as a major cybersecurity accident, CHT SOC will report to CISO immediately.

- (2) Establish an emergency response team, initiate emergency response plans, complete loss control or recovery operations, conduct forensic investigations to understand the cause of the incident, assess the scope of damage, preserve evidence and prevent the spread of damage.
- (3) Notify Competent authority within the time limit in accordance with the law. If support or assistance from external institutions, such as other business operators, law enforcement units and defense units, are needed, the Company will seek necessary assistance through competent authority's National Information and Communication Security Center (C-CERT).
- (4) Review the damage and impact caused by the accident. Assess and understand the accident, apply learnings to common cases, and draft specific improvement plans to prevent similar accidents in the future.

As of the publication date of this 2023 Annual Report, the Company has not been subject to any punishment due to cybersecurity or data breaches.

7. Major Contracts

Contract Types	Contract Party	Contract Period	Key Content	Restrictions
Procurement	APPLE ASIA LLC	August 15, 2023 ~Current	Supply and goods for sale	Confidentiality
Procurement	Ericsson Taiwan Ltd., Nokia Networks Taiwan Co., Ltd.	March 30, 2023 ~Current	Mobile communication equipment	Confidentiality
Procurement	Dong Fang Offshore Co., Ltd.	November 22, 2023 ~Current	Transmission equipment	Confidentiality
Procurement	TUNGKANG ENGINEERING & CONSTRUCTION CORP.	July 30, 2023 ~Current	Construction project	Confidentiality
Procurement	The Syscom Group	January 1, 2023 ~Current	Information system maintenance	Confidentiality
Procurement	Hwacom Systems Inc., Stark Technology Inc.	February 9, 2023 ~Current	Transmission equipment	Confidentiality
Related Entities				
Procurement	Chunghwa System Integration Co., Ltd.	January 1, 2023 ~Current	Cybersecurity and cloud service	Confidentiality
Procurement	Honghua International Co., Ltd.	January 1, 2023 ~Current	Labor services	Confidentiality
Procurement	SENAO INTERNATIONAL CO., LTD.	February 9, 2023 ~Current	Supply and goods for sale	Confidentiality
Procurement	INTERNATIONAL INTEGRATED SYSTEMS, INC.	January 1, 2023 ~Current	Cybersecurity	Confidentiality
Procurement	Taiwan International Standard Electronics Ltd.	January 1, 2023 ~Current	Exchange and Transmission Devices	Confidentiality

6 **Review and Analysis of Financial Position, Financial Performance, and Risk Management**

1. Financial Position
2. Financial Performance
3. Cash Flow
4. Major Capital Expenditures and Impact for the Most Recent Year
5. Investment Policies and Key Reasons for Profit / Loss for the Most Recent Year; Improvement Plan and Future Investment Plan in the Coming Year
6. Analysis of Risk Management for the Most Recent Year and Up To the Publication Date of this Annual Report
7. Others



Review and Analysis of Financial Position, Financial Performance and Risk Management

1. Financial Position

Analysis of Consolidated Financial Position for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	December 31, 2023	December 31, 2022	Variance (+/-) Amount	Variance (+/-) %
Current Assets	103,203,567	101,901,664	1,301,903	1
Property, Plant and Equipment	292,337,742	291,527,910	809,832	0
Intangible Assets	72,726,545	79,187,087	(6,460,542)	(8)
Other Assets	55,671,547	50,586,827	5,084,720	10
Total Assets	523,939,401	523,203,488	735,913	0
Current Liabilities	65,763,215	65,697,925	65,290	0
Noncurrent Liabilities	63,271,846	63,727,135	(455,289)	(1)
Total Liabilities	129,035,061	129,425,060	(389,999)	0
Common Stocks	77,574,465	77,574,465	0	0
Additional Paid-in Capital	171,289,086	171,300,898	(11,812)	0
Retained Earnings	133,091,645	132,526,608	565,037	0
Other Equity	352,892	(223,084)	575,976	258
Noncontrolling Interests	12,596,252	12,599,541	(3,289)	0
Total Equity	394,904,340	393,778,428	1,125,912	0

Analysis for any variation plus and minus (+/-) 20%:

- Other equity increased by 258%: primarily due to the increase of unrealized valuation gain on financial assets at fair value through other comprehensive income.

Analysis of Parent-only Financial Position for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	December 31, 2023	December 31, 2022	Variance (+/-) Amount	Variance (+/-) %
Current Assets	74,573,248	73,855,441	717,807	1
Property, Plant and Equipment	280,957,955	281,135,193	(177,238)	0
Intangible Assets	72,268,996	78,697,640	(6,428,644)	(8)
Other Assets	71,592,679	65,937,098	5,655,581	9
Total Assets	499,392,878	499,625,372	(232,494)	0
Current Liabilities	56,259,364	58,748,028	(2,488,664)	(4)
Noncurrent Liabilities	60,825,426	59,698,457	1,126,969	2
Total Liabilities	117,084,790	118,446,485	(1,361,695)	(1)
Common Stocks	77,574,465	77,574,465	0	0
Additional Paid-in Capital	171,289,086	171,300,898	(11,812)	0
Retained Earnings	133,091,645	132,526,608	565,037	0
Other Equity	352,892	(223,084)	575,976	258
Total Equity	382,308,088	381,178,887	1,129,201	0

Analysis for any variation plus and minus (+/-) 20%:

- Other equity increased by 258%: primarily due to the increase of unrealized valuation gain on financial assets at fair value through other comprehensive income.

2. Financial Performance

Analysis of Consolidated Financial Performance for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	2023	2022	Variance (+/-) Amount	Variance (+/-) %
Revenues	223,199,260	216,739,234	6,460,026	3
Gross Profit	81,432,542	80,021,859	1,410,683	2
Income from Operations	46,353,235	46,824,889	(471,654)	(1)
Non-Operating Income and Expenses	639,411	404,061	235,350	58
Income Before Income Tax	46,992,646	47,228,950	(236,304)	(1)
Net Income	37,990,536	38,000,039	(9,503)	0
Other Comprehensive Income (Loss), net of Income Tax	669,213	1,112,722	(443,509)	(40)
Total Comprehensive Income	38,659,749	39,112,761	(453,012)	(1)
Net Income Attributable to:				
Stockholders of the Parent	36,916,708	36,477,157	439,551	1
Noncontrolling interests	1,073,828	1,522,882	(449,054)	(29)
Comprehensive Income Attributable to:				
Stockholders of the Parent	37,616,527	37,569,082	47,445	0
Noncontrolling interests	1,043,222	1,543,679	(500,457)	(32)

Analysis for any variation plus and minus (+/-) 20%:

- Non-operating income and expenses increased by 58%: primarily due to the increase of interest income.
- Other comprehensive income (loss), net of income tax decreased by 40%: primarily due to the decreases of remeasurements of defined benefit pension plans and exchange differences arising from the translation of the foreign operations, offset by the increase of unrealized valuation gain on financial assets at fair value through other comprehensive income.
- Net income attributable to noncontrolling interests decreased by 29% and comprehensive income attributable to noncontrolling interests decreased by 32%: primarily due to the decrease of net income of CHPT in 2023.

Analysis of Parent-only Financial Performance for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	2023	2022	Variance (+/-) Amount	Variance (+/-) %
Revenues	188,729,545	182,254,339	6,475,206	4
Gross Profit	70,623,279	69,043,641	1,579,638	2
Income from Operations	43,436,830	43,392,345	44,485	0
Non-Operating Income and Expenses	1,820,549	1,516,620	303,929	20
Income Before Income Tax	45,257,379	44,908,965	348,414	1
Net Income	36,916,708	36,477,157	439,551	1
Other Comprehensive Income (Loss), net of Income Tax	699,819	1,091,925	(392,106)	(36)
Total Comprehensive Income	37,616,527	37,569,082	47,445	0

Analysis for any variation plus and minus (+/-) 20%:

- Non-operating income and expenses increased by 20%: primarily due to the increase of interest income.
- Other comprehensive income (loss), net of income tax decreased by 36%: primarily due to the decrease of remeasurements of defined benefit pension plans, offset by the increase of unrealized valuation gain on financial assets at fair value through other comprehensive income.

3. Cash Flow

Analysis of Consolidated Cash Flows for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	2023	2022	Variance (+/-) Amount	Variance (+/-) %
Cash & Cash Equivalents, Beginning of the Year	50,192,604	39,778,624	10,413,980	26
Net Cash Provided by Operating Activities	74,559,793	75,950,848	(1,391,055)	(2)
Net Cash Used in Investing Activities	(50,174,013)	(30,789,193)	(19,384,820)	(63)
Net Cash Used in Financing Activities	(40,730,048)	(34,800,231)	(5,929,817)	(17)
Effect of Exchange Rate on Cash and Cash Equivalents	(24,452)	52,556	(77,008)	(147)
Cash & Cash Equivalents, End of the Year	33,823,884	50,192,604	(16,368,720)	(33)

Analysis for any variation plus and minus (+/-) 20%:

- Net cash used in investing activities increased by 63%: primarily due to the increase of acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months.
- Effect of exchange rate on cash and cash equivalents decreased by 147%: primarily due to the larger USD position held by subsidiaries and the depreciation trend of USD against NTD.

Analysis of Parent-only Cash Flows for the Most Recent 2 Years

Unit: NT\$'000

Item \ Year	2023	2022	Variance (+/-) Amount	Variance (+/-) %
Cash & Cash Equivalents, Beginning of the Year	37,976,062	28,289,556	9,686,506	34
Net Cash Provided by Operating Activities	70,628,780	73,354,802	(2,726,022)	(4)
Net Cash Used in Investing Activities	(46,681,145)	(29,785,487)	(16,895,658)	(57)
Net Cash Used in Financing Activities	(39,164,475)	(33,882,809)	(5,281,666)	(16)
Cash & Cash Equivalents, End of the Year	22,759,222	37,976,062	(15,216,840)	(40)

Analysis for any variation plus and minus (+/-) 20%:

- Net cash used in investing activities increased by 57%: primarily due to the increase of acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months.

Projected Consolidated Cash Flow for 2024

Unit: NT\$'000

Cash & Cash Equivalents, Beginning of the Year	Projected Net Cash Flow from Operating Activities (Note)	Projected Total Cash Outflow (Note)	Projected Cash & Cash Equivalents, End of the Year	Expected Remedy Plans for Negative Balance of Cash and Cash Equivalents	
				Investment Plans	Financing Plans
33,823,884	74,514,939	72,499,997	35,838,826	-	-

Note:

- 1.The above table is on consolidated basis.
- 2.Operating activities: Cash flows from operating activities expected to remain stable in 2024.
- 3.Investing activities: Cash outflows from investing activities in 2024 are mainly on network infrastructure.
- 4.Financing activities: Cash flows from financing activities in 2024 are mainly for cash dividend distribution.

4. Major Capital Expenditures and Impact for the Most Recent Year

4.1 Major Capital Expenditures and Source of Funding

Unit: NT\$ billion

Actual or Planned Source of Capital	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Actual or Expected Capital Expenditure	
			2023 (Actual)	2024 (Expected)
Mobile Communications (2023)	Internal Funded	December 2023	11.15	-
Non-Mobile Communications (2023)	Internal Funded	December 2023	19.59	-
Mobile Communications (2024)	Internal Funded	December 2024	-	9.59
Non-Mobile Communications (2024)	Internal Funded	December 2024	-	24.43

Note: The above table is based on consolidated financials.

4.2 Expected Benefits

- (1) Speeding-up business development: focus on improving mobile/fixed-line broadband, international submarine cable and IDC services by well-constructed network infrastructure;
- (2) Enhancing service quality: focus on strengthening cyber resilience and establishing high-quality customer experiences;
- (3) Improving operational efficiency: focus on introducing new intelligent and automated technologies into enterprise operations and network maintenances; and take strengthened construction of energy conservation and carbon reduction as ESG policy goals;
- (4) Strengthening R&D capabilities: focus on developing differentiated products with market competitiveness.

new business initiatives and new market opportunities leveraging core strengths, thus achieving the Company's long-term vision.

The major factor behind investment income in recent years is the stable development of operation and implementation of management system. Generally speaking, the Company will continue to promote the strategic integration and development of the reinvestment business in order to achieve original investment objectives and synergies, while Investments are regularly evaluated for strategic and financial performance and investee companies that incurred losses will adopt improvement measures, and when necessary, a dissolution is implemented.

For more details, please also see page 92, Chapter 3, "Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investment" and page 157, Chapter 7, "Consolidated Operation Report of the Company and Affiliates."

5. Investment Policies and Key Reasons for Profit / Loss for the Most Recent Year; Improvement Plan and Future Investment Plan in the Coming Year

The Company's investment policies are consistent with its operational policies and development strategies, as well as complementary to its overall business and strategic goals, in order to enhance its core competencies, to accelerate

6. Analysis of Risk Management for the Most Recent Year and Up To the Publication Date of this Annual Report

6.1 Risk management structure and operation

The "Risk Management Policy" is designed to follow the COSO ERM structure and four major objectives, namely, strategy, operations, reporting, and compliance. These rules adhere to five key elements: "Governance and Culture," "Strategy and Goal Setting," "Execution," "Monitoring and Correction," "Information, Communication and Reporting", aiming to establish risk management culture and capabilities, ensuring practical implementation, and timely reporting to the Risk Management Committees/ Board of Directors.

To improve the Company's risk management capabilities, at the 7th meeting of the 10th Board of Directors held on August 9, 2023, the Company approved the establishment of the "Risk Management Committee" within the functional committees of the Board. During this meeting, the revised "Risk Management Policy" were also approved. Additionally, the key points of the Company's risk management operational guidelines were revised in 2023, covering aspects such as compliance awareness, goal setting, event identification, risk analysis, risk assessment, risk response, control activities, information and communication, and risk monitoring, to ensure effective risk tracking and risk management. The management department utilizes this information to integrate risk assessment and mitigation into various business operations within the Company.

The policy, scope and the organization chart with its responsibilities of our risk management are listed below:

(1) Policy

Integrate company strategies, actively identify risks, implement risk management, link performance indicators, continuously monitor and improve — toward sustainable development.

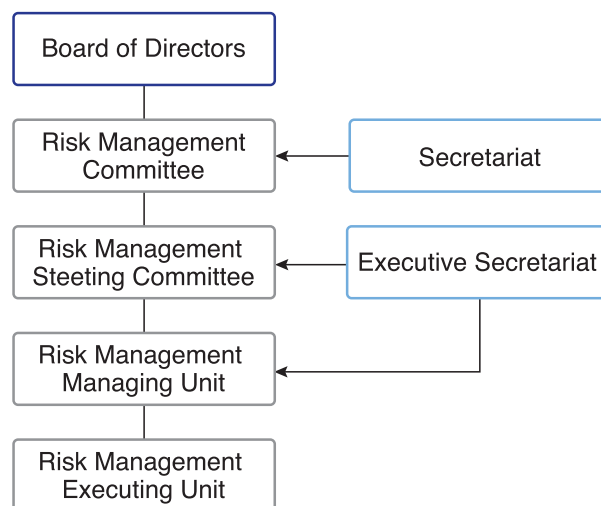
(2) Scope

To achieve the four major control goals of strategy, operations, reporting, and compliance, the Company analyzes risk sources by considering internal and external environmental variables. A risk matrix is used to identify and analyze the opportunities and risks of the operating environment. Based on these analyses, the management team establishes strategies and develops risk responses to effectively manage risks. Recent risk events include risks relate to market competition, cybersecurity and personal data protection, and climate change, etc. Enterprise-level

risks are closely tracked and managed by the Committee to mitigate concerns for shareholders.

(3) Organization chart with its responsibilities

The organization chart of our risk management is listed below:



Name of Unit	Scope of Responsibility
Board of Directors/ Risk Management Committee	<ol style="list-style-type: none"> 1. Approve risk management policies, frameworks and culture 2. Ensure the effectiveness of risk management processes and allocate resources
Secretariat	<ol style="list-style-type: none"> 1. Organizing Risk Management Committee 2. Regularly submit risk management reports to the Risk Management Committee
Risk Management Steering Committee	<ol style="list-style-type: none"> 1. Implement board risk management decisions 2. Coordinate cross-departmental risk management interactions and communications
Management Unit	<ol style="list-style-type: none"> 1. Consolidate the results of the execution of risk management activities of the subordinate units 2. Assist and supervise subordinate units to carry out risk management activities 3. Determine risk categories and suggest response to changing circumstances 4. Perform risk-adjusted performance measurement and coordination
Execution unit	<ol style="list-style-type: none"> 1. Perform day-to-day risk management activities 2. Conduct a self-assessment of risk management activities
Executive Secretariat	<ol style="list-style-type: none"> 1. Assist the Risk Management Steering Committee to promote the risk management processes and work improvement matters 2. Compile and report the overall risk management execution results.

(4) Operating situation

Before August 9, 2023, the Risk Management Committee regularly reported to the Audit Committee and the Board of Directors. After August 9, 2023, the Risk Management Steering Committee regularly reports to the Risk Management Committee and the Board of Directors. The

Company held three operational-level risk management meetings on February 8, July 4, and October 5, 2023, focusing on enterprise-level risks linked to objectives and discussing the direction of significant risk issues. Reports on risk management execution were presented at various meetings including the 5th, 6th, and 7th meetings of the 10th Audit Committee on March 29, May 8, and August 7, 2023, respectively, the 1st meeting of the 10th Risk Management Committee on October 25, 2023, and the 4th, 6th, 7th, and 8th meetings of the 10th Board of Directors on January 31, May 10, August 9, and November 8, 2023, respectively. In 2023, the Company actively tracked and implemented various risk mitigation actions, effectively controlling the ultimate residual risks within the overall risk appetite.

The Company continues to be committed to the sustainable development of ESG. In 2021, the CSR Committee was reorganized into the Sustainable Development Committee. Additionally, during the 7th meeting of the 10th Board of Directors on August 9, 2023, the Company renamed the Strategy Committee of the board's functional committees as the Sustainable Development and Strategy Committee. Through the ESG structure, the promotion of important issues such as the environment, society and corporate governance was strengthened. Among them, in terms of mitigation and adaptation strategies to address the impact of climate change, the Company is the first and only telecommunications company in Taiwan that has passed the TCFD and BS8001 audits.

According to the Company's risk management rules, regularly scheduled risk management education and training, as well as various risk management-related courses, are offered and held on a yearly basis, covering cybersecurity, occupational safety, information, internet, etc. In 2023, the company also organized on-the-job training on risk management, including seminars on enterprise risk management, training courses on risk management and system development, courses on the concept and explanation of enterprise risk management and risk assessment, as well as courses on aspects of enterprise risk management and practices. These initiatives aim to strengthen the Company's risk control capabilities.

6.2 Impact of Interest Rates, Foreign Exchange Rates, Inflation, and Mitigating Measures

(1) Impact on company profit and loss

Items	2023 (NT\$'000, %)
Interest Income and Expenses, Net	298,446
Foreign Exchange Gains/(Loss)	(116,121)
Revenues	223,199,260
Income Before Income Tax	46,992,646
Interest Income and Expenses, Net as % of Revenues	0.13%
Interest Income and Expenses, Net as % of Income Before Tax	0.64%
Foreign Exchange Gains/(Loss) as % of Revenues	(0.05)%
Foreign Exchange Gains/(Loss) as % of Income Before Tax	(0.25)%

Note: The above table is based on consolidated financials.

- As of December 31, 2023, the subsidiaries have borrowed a total bank debt of NT\$2.19 billion with floating interest rates.
- The Company executes its financial plan based on a conservative approach. In an attempt to manage interest risk, the Company's interest-bearing liabilities are on fixed interest rates, with appropriate short-term and long-term debt arrangement. The Company's existing long-term liabilities are measured at amortized cost, and changes in interest rates will not affect cash flows and fair value, mitigating any significant impact on the Company as well. The Company will carefully adjust its financing strategy according to the interest rate fluctuation, in order to effectively control interest rate risks.
- In 2023, the Company primarily leveraged forward exchange contracts to reduce its exposure to foreign currency risk.
- Looking forward to 2024, domestic commodity prices would rise mildly as international organizations predict a slight rebound in global oil prices compared to 2023. In contrast, domestic service prices would see slower price rises. In December 2023, the Central Bank of ROC (Taiwan) forecasted the annual growth rates of the CPI and the core CPI to ease to 1.89% and 1.83% in 2024, respectively. The main uncertainty may come from geopolitical conflicts and climate changes which may have an impact on future inflation trend. However, inflation rates in major economies such as the US and Europe have displayed a significant downtrend from their peak levels in 2023. Furthermore, the Company

exercises pricing power through optimizing product portfolios and actively managing operating expenses. Therefore, inflation is not expected to have a significant impact on our profitability.

6.3 Investment Policy for High-risk/High-leverage Financial Instruments, Loans, Debt Guarantees and Derivatives; Key Reasons for Related Gains / Losses, and Mitigating Measures

In 2023, the Company did not provide any loans to others. For details of the Company and subsidiary endorsements or guarantees to others, please refer to page 181 of this annual report (Chapter 8, Consolidated Financial Statements and Independent Auditors' Report: Endorsements / Guarantees Provided," Overview Table). The Company is conservative and disciplined towards all derivative financial instruments and forbids instruments with unlimited risk. The Company has established a decision-making authority hierarchy, key operating terms, and standard operating procedures, to serve as bases for financial instrument transactions.

6.4 Future Research & Development Plan and Projected Budget

In 2024, the Company expects to invest NT\$2.58 billion in research and development. This investment will be directed toward the development of advanced cloud-network integration technologies and diversified ICT services. The key areas of focus include open all-photonic network, 5G SA network, 5G network slicing, Low-Earth Orbit (LEO) satellite network, autonomous network management, data-centric cloud infrastructure, energy saving and green energy, generative AI, Edge AI, post-quantum cryptography, zero trust architecture, metaverse platform and applications, digital twin platform and applications, smart home applications, etc.

6.5 Impact from Domestic and International Material Regulatory Changes and Development, Mitigating Measures

(1) The National Communications Commission ("NCC") has identified the Company as having significant market power in five markets and has imposed special control measures

On June 5, 2023, the NCC announced that the Company has significant market power in two fixed-line retail service markets (fixed-line voice market and fixed-line broadband

market) and three wholesale service markets (fixed-line wholesale market, fixed-line voice access market, and mobile voice access market) and has imposed special control measures, including fee control, accounting separation, information transparency and non-discrimination treatment.

With respect to the special control measures relating to fee control, on January 2, 2024, the NCC announced a draft regulation, specifying that the "monthly rental fee of broadband network circuit" shall be reduced by "3.32% minus the annual growth rate of the Consumer Price Index (CPI)," while excluding ADSL, that with download speeds at and below 12Mbps and that with download speeds at 300Mbps and above. For the fixed-line wholesale services, including the private circuits, broadband network wholesale circuits and internet interconnection bandwidth, the fees shall be reduced by "5.09% minus the annual growth rate of the CPI," excluding circuits with download speeds at and under 2Mbps.

Impact on the Company: the NCC intends to continue the recognition and regulatory measures for the dominant market player under the Telecommunications Act. With respect to the fee control, the reduction in private circuits has decreased less than in previous years, and the monthly rental fee for broadband network circuits is considered to be the same as in previous years after considering the growth rate of CPI.

The Company's countermeasures: in addition to expressing different opinions in writing on the decrease ratio, the Company will continue to launch promotional plans for the products with download speeds at and over 300Mbps and explore and expand market opportunities, to diminish the impact of implementing X value on the revenue.

(2) The Company is expected to launch the Low Earth Orbit (LEO) satellite services as the Company has obtained the allocation of radio frequency for fixed-satellite service from the Ministry of Digital Development

The Company signed an exclusive distribution partner agreement for Low Earth Orbit (LEO) satellite services with Eutelsat OneWeb on November 15, 2023, and obtained the allocation of radio frequency for fixed-satellite service from the Ministry of Digital Development in December 2023. The Company will fully cooperate with the "Program for the Digital Resilience Validation of Emerging Technologies for Contingency or Wartime Applications" promoted by the Ministry of Digital Development, meanwhile, will actively

establish satellite terminal equipment sites (hot spots) and the cellular satellite backhaul sites (backhauls) which connect the core network at the mobile base stations located in the domestic outlying islands, remote areas and important mobile communication nodes, ensuring that important domestic communication can operate normally in emergency situations and deepening the resilience of the domestic communication network.

Impact on the Company: for the areas (such as Taiwan) equipped with well-developed ground communication network, the satellite communication and the ground communication are complementary rather than substitutes, which helps to expand service coverage and improve network resilience.

The Company's countermeasures: the Company will continue to integrate multiple network backups and provide reliable digital resilience solutions for the government, enterprises and individuals.

(3) The Ministry of Digital Development announced that the 5G private network is open for application

On June 1, 2023, the Ministry of Digital Development announced the promulgation of the "Regulations Governing the Establishment and Use of Mobile Broadband Dedicated Telecommunications Networks", opening up the 4.8–4.9 GHz frequency band within the approved installation site range to establish a 5G private telecommunications network for private use. The 5G private network cannot offer public communications service, and no connections shall be made to public telecommunications network through cloud services. If a cloud service is connected, it will be subject to special review by the Ministry of Digital Development. The valid period of the frequency usage certificate is up to 10 years, and then subject to renewal application upon expiration.

Impact on the Company: the opening of the 5G private network forms competition for mobile enterprises in exploring the 5G enterprise private network market.

The Company's countermeasures: in addition to continuously expanding the 5G enterprise network market with advantages such as 5G construction, operation expertise, and multi-frequency band combination, the Company also participates in the 5G private network subsidy programs held by the Ministry of Digital Development, aiming to strengthen Chunghwa's leading

position in the 5G enterprise private network market.

(4) The standards for the usage fees of radio frequency were amended by the Ministry of Digital Development

On January 2, 2024, the Ministry of Digital Development announced the amendments to the Attachment 1 of Article 2 of the "Standards for the Usage Fees of Radio Frequency." The main purpose is to expand discounts on the usage fees of the radio frequencies of mobile telecommunications, to foster the effective utilization of radio frequency and public interests. The amendments include: expanding discounts for coverage in remote areas, increasing the categories of discount for digital multiple-application, adding discounts for the harmonious operation of 28GHz satellite and discounts for 5G user ratios.

Impact on the Company: there is a chance that the usage fees of radio frequency of mobile telecommunications of the Company will reduce in 2024.

The Company's countermeasures: the Company will leverage its advantages in 5G network construction and application services, propose relevant plans and outcomes, and strive to obtain discounts on frequency usage fees.

6.6 Impacts from the Evolution of Technology and Industry Development, and Mitigating Measures

New technology and new applications will bring both challenges and opportunities to the industry. With continued investments in R&D, the Company is able to grasp emerging technology trends, using them as a base to further develop new services, increase revenue sources and maximize shareholder value.

(1) Cybersecurity Risk

A. 5G and AI Security

With emerging technologies driving new business applications and providing people with faster and more convenient services, new cybersecurity management challenges have emerged, including the implementation of Multi-access Edge Computing, software-defined 5G architecture, and the growing prevalence of generative artificial intelligence. The potential risks include consumer privacy and personal information rights, as well as the security of business operations and government governance.

Measures:

- Develop an open environment based on 5G mobile network architecture and integrate multiple vertical applications. The Company has considered the relevant security protection and detection mechanisms in terms of improving network security capabilities, network security communication between OT and IT, mobile edge computing, and customer privacy data protection to ensure service application security forward.
- Enhance end-to-end private enterprise network cybersecurity protection mechanism and provide overall enterprise application security services through securely-designed software and hardware, equipment control, authentication mechanisms and network isolation.
- Evolve 5G software architecture into SDN/NFV, to enhance principles of SDN/NFV security management and controls, as well as technology for security detection, to avoid network controls or abuse by others for a safe and secure 5G environment.
- Establish the AI 2.0 Corporate Strategy Committee to build an AI governance system, continuously monitoring international standards and development trends related to AI information security.

B. Virtualization / Cloud Security

As a result of ongoing digitalization, cloud services have become a mainstream development trend. To avoid business interruption or data breaches, which can affect reputation and customer rights, the Company will need to manage new forms of cyber-attack modes while identifying security breaches and risks that can arise from new architecture and technologies, such as post-cloud service APIs and containers.

Measures:

- With the rise of emerging information technology, the traditional border protection security strategies may be outdated. To ensure a secure access environment, the Company has established a "zero-trust architecture" for cloud service security.
- API development security interface guidelines and security detection technology are established to ensure a "security-by-design" interface.

- In response to the Company's cloud-based policy and the trend of containment adoption technology in information systems, the containment security control protocol and technology are formulated to ensure security and reliability in the containment environment, with reference to international standards such as NIST, CIS, OWASP, etc.
- In response to the Company's adoption of a public cloud strategy, the cybersecurity architecture and management mechanisms for emerging cloud-based businesses are enhanced, ensuring the security and resilience of utilizing cloud services.

C. Software / Firmware / Application Programming Security

In response to the growing popularity of "Software-Defined" technology, the Company will use more applications and APIs to improve the flexibility and efficiency of business operations. If applications and APIs lack rigorous security design or use insecure open source software (OSS), then security vulnerabilities may arise. Hackers may take advantage of security vulnerabilities to cause service interruption and steal customer data, which could affect the Company's business and cause financial loss.

Measures:

- Develop software following the Secure Software Development Life Cycle (SSDLC), undergoing security testing before system deployment and updates.
- The Company continues to promote the open source software (OSS) management system, while strengthening the security of system and containment open source software usage.
- Through automatic vulnerability detection and early warning mechanisms, the Company can quickly identify software and firmware risks for immediate response and shorten the "0-day" attack window.
- To analyze hacker attack methods and relative evidence-seeking techniques to establish an application security exception detection and notification mechanism.

D. Cybersecurity Threat Detection and Early Warning

While hacking methods change constantly, Advanced Persistent Threats (APTs) can stay in place for months or even years, which can pose a threat to the traditional Security Information and

Event Management (SIEMs) for APT attack detection. However, there is potential for greater loss of damage when the attack is discovered later on. Enterprises must have an intelligent vulnerability analysis system to improve cybersecurity threat warning capabilities that encompass the three dimensions of depth, breadth and speed.

Measures:

- Cybersecurity threats have become increasingly severe and unpredictable. The Company built the Next Generation Security Information and Event Management platform (NG SIEM) with a MITRE ATT&CK cybersecurity support framework, which can identify cyber-attack chains, proactively discover hidden malicious behaviors and prevent possible threats in the early stage of hacker-targeted intrusion attacks.
- Continuously develop rules for anomaly behavior analysis to enhance cybersecurity analytics visibility and threat identification and hunting capabilities.
- Cooperate with the national C-ISAC cybersecurity management and joint defense mechanisms to immediately capture information and provide emergency response.

E. Supply Chain Security

Recent international trends of information security risk, signal a continued expansion of supply chain attacks as software, hardware, website applications and IT services are often accompanied by externally-supplied information technology and service components. As such, it is difficult for companies to analyze the security of providers or third-party components; therefore, the software supply chain and outsourced providers have become intrusion channels to infiltrate enterprises, increasing the challenges of enterprise information security management.

Measures:

- Establish cybersecurity management operational guidelines for suppliers, reinforce the assessment and supervision of suppliers' cybersecurity capabilities, introduce security rating tools to assist suppliers in understanding the cybersecurity landscape and asset exposure, enhancing security in the supply chain ecosystem.

- Partner with credible suppliers, cooperative manufacturers and exclude products with security concerns and manufacturers that may affect national security.
- Form standardized "Cybersecurity Complement Provisions" to be included in contracts for procurement or supplier cooperation. Specify cybersecurity management requirements and penalties for suppliers and further supervise and manage, as needed.

(2) Fiber Access and Transmission Network Technology

Due to market demand for video and smart home services, cable operator competition for 1 Gbps broadband, and in compliance with the government's "Smart Country Plan (2021-2025)" with the goal to achieve "90% 2 Gbps coverage by 2025," the Company continues to expand its business by increasing broadband speed, actively constructing fiber in more areas and expanding coverage. The Company also introduced new technology, such as XGS-PON, in 2021 to provide customers with 2 Gbps ultra-high-speed broadband internet access services, solidifying its competitive advantage in broadband and creating additional high-speed broadband service revenues and profits. In addition, the Company actively participates in the all-optical network technology of the next-generation communication platform, the Innovative Optical & Wireless Network (IOWN), striving to achieve large network capacity, low latency and low power consumption and fulfill its vision of ESG and sustainability as an industry leader.

At the same time, in order to meet increasing traffic demand from broadband customers, the Optical Transport Network (OTN) increased from 100 Gbps per wavelength to 200 Gbps per wavelength with plans for future upgrades to provide more than 400 Gbps per wavelength.

(3) SDN / NFV Network Technology

Network technology is evolving towards open architecture, programmability and virtualization, of which Software-Defined Networking (SDN) and Network Function Virtualization (NFV) technology have become the developmental focus for telecommunications service providers around the world. The Company successfully completed its research and development into ICT Infra services and established comprehensive SDN management and control, Software Defined Data Center, Management

and Organization, Orchestrator, and other cloud network compatible technologies. At the same time, the Company will continue to introduce 5G mobile networks, fixed communication and data to SDN and cloud-network compatible structure accordingly. In December 2020, the Company cooperated with VMware to expand the software-defined wide area network (SD-WAN) market and promote intelligent services for global enterprise cloud servers, creating a more secure and flexible network environment for multinational enterprises.

(4) Next Generation Wireless Technology

With the rapid advancement of wireless technology, the Company makes long-term investments in advanced technological research and development, participating in domestic and international 4G/5G organizations for standard formulation and R&D, including 3GPP and NGMN, to understand the development of next generation mobile communication technology. At the same time, the Company continues to lead in the promotion and evolution of 4G LTE and 5G NR technology, including the first global LTE-WLAN Aggregation 4G+Wi-Fi surfing service, Voiceover LTE (VoLTE) high-definition voice service, exclusive 5 Carrier Aggregation technology, and a self-developed IoT platform to promote NB-IoT and CatM1 IoT services. The Company launched its 5G services on June 30, 2020. For 5G network construction, the Company exclusively imported advanced Centralized Radio Access Network (C-RAN) architecture. In response to the development trend of B5G open network architecture and 6G hybrid terrestrial and non-terrestrial networking, the Company further established the Open Radio Access Network (O-RAN) end-to-end real network integration test environment in 2021. Furthermore, the Company begins to invest in R&D focused on 6G-related technology, such as that of LEO satellites.

(5) IPTV / OTT Media Services Technology

As a result of the rise in OTT and connected TV, the MOD/OTT service platform provides consumers with more user-friendly UX/UI and new functions. The platform uses big data analysis to accurately recommend films to users and integrate multi-screen devices for smart home video and audio applications, providing ubiquitous viewing experiences and comprehensive, synergistic services. At the same time, the MOD and Hami Video service platform will continue to provide high-quality digital content and ultra-high-definition (4K) on-demand video, live streaming and interactive video services. Together with domestic film and software companies, the Company will continue

to develop innovative services and develop new business opportunities.

MOD application services trend towards TV app expansion and will integrate smoothly with internet technology advantages, such as on-demand OTT network video and audio, live concerts, social network sharing, cloud gaming, augmented reality applications, video recommendations and advertising. Meanwhile, to further develop MOD application services, the Company will continue to integrate multi-screen equipment, such as tablet computers, smart phones, OTT box, smart glasses and others, to provide new experiences to multi-screen mobile application users. Additionally, MOD application services will be incorporated with smart speakers to launch health management and care, smart voice control, house automation and other services to fulfill future demand in smart home living and entertainment.

(6) AR / VR Technology

Fixed-line 100 Mbps and above as well as 4G/5G mobile services have become increasingly popular, while internet access services have been able to provide sufficient bandwidth to deliver not only more immersive streaming content for the home, enterprises and other places, but also to future metaverse applications. In terms of VR applications, the Hami VR audio-visual entertainment system allows fans to easily experience virtual idol performances with their own eyes. In the future, the Company expects to develop immersive content services such as online VR movies and VR games. In terms of AR application services, the Company has partnered with content providers to launch "AI Smart Coach" services. In terms of enterprise applications, the Company has introduced remote AR collaboration in factories and maintenance fieldwork to improve efficiency. In the field of educational and cultural exhibitions, the Company promotes AR learning environments and smart guide services, while providing applications such as telemedicine, care and emergency ambulance services in the medical field through AR smart glasses. For the future development of the metaverse, a virtual world will be formed. Through augmented and virtual reality devices, consumers can experience a real-life experience in this virtual world. Therefore, many traditional online and offline services can be "transplanted" into this virtual world. This means that there will be a metaverse transformation in the consumer and enterprise markets. The Company has actively invested in the development of new technologies,

platforms, applications and metaverse content, and has created new services in the market. The Company collects experienced talents and cultivates them to capture future business opportunities in the metaverse.

(7) Cloud Computing Technology

In regard to the cloud business, the Company has obtained AWS MSP, and international certification as a Google Cloud Premier Partner. In addition, the Company is the first Cloud Service Provider (CSP) in Taiwan to integrate the world's three core public clouds AWS, Azure, GCP and localized hcloud, while possess and provide four core public clouds services. At this time, the Company has more than 6,000 enterprises and individual users. The Company will continue to explore business opportunities in emerging markets by packaging products and solutions. Chunghwa Telecom continues to promote hcloud services and strategically cooperate with three major public cloud companies to help government, schools, information and communication industries and small- and medium-sized enterprises quickly access the cloud. In 2024, the Company will continue to strengthen the combining of carrier-class high-speed networks, CMCX multi-cloud migration, Software Defined Data Center (SDDC), IDC computer room and information security compliance advantages, to provide integrated solutions, such as direct network connection and stable transmission, cross-cloud deployment and multi-cloud management, off-site backup and disaster recovery, DevOps agile development and rapid deployment and migration architecture optimization. The Company will actively assist enterprises with their digital transformations and build its own private cloud through SDDC services to satisfy data requirements.

(8) Internet of Things (IoT) Technology

The Company has been focused on IoT development for over 10 years. In addition to the independent development of its smart platform with key technologies such as cloud, information security, big data, AI, AR and other key technologies, the Company has also introduced cross-sector industry & academic partnerships and applications. At the current stage, the Company is ready to provide comprehensive IoT services that can fulfill customer demand and provide NB-IoT, Cat-M1, and fixed-network broadband transmission services, to fulfill various industry demands.

(9) Artificial Intelligence (AI) Technology

In recent years, due to the outbreak of generative artificial intelligence (GAI), AI has become a fiercely contested field.

The Company has invested in AI technology research for many years, especially in key technologies such as image cognitive understanding, voice perception and synthesis, natural language processing, intelligent human-computer interaction, machine learning platform, personalized product recommendation, and intelligent customer labeling, etc., accumulating rich experience and achievements, and actively seizing new business opportunities in GAI. In response to the development of AI, the Company established an AI Development Office (AI 2.0 PMO) at the enterprise level in 2023, which not only formulates the AI development strategy at the enterprise level, but also integrates the resources of technology and business departments within the enterprise to jointly invest, actively deploy and grasp new AI business opportunities including: constructing efficient allocation of AI resources, creating Chunghwa Telecom's AI computing cloud open platform, enhancing international public cloud talents, promoting technology and business exchanges between the Group's parent and subsidiary companies, and continuing to develop the "internal service and external use" GAI innovative application productization project. The Company also launched AI-empowered application services in the fields of home, security, transportation, information security and customer service to enhance the intelligent transformation of enterprise and government customers.

(10) Big Data

The Company has integrated internal data on telecoms, external data on public opinion and public government information to build a complete data lake; meanwhile, the Company provides accurate construction information for mobile base stations through the analysis of big data in network construction. In this regard, the quality and speed of Chunghwa Telecom's services is ahead of those of other competitors. With the power of big data analysis, the Company assists customers to deal with different customer groups, engage in precision marketing of new products, direct services for customers on the fence to improve retention rates and increase the value of loyal customers to drive business growth. In addition, through big data analysis, the Company establishes omni-channel recommendation systems for retail, networking and customer service, personalizing auto recommendation services to improve channel sales performance.

(11) UAV Application Technology

With the 5G era and AI booming, the Company is actively

investing in the development of smart drone inspection application technology, including UAV fleet management systems, video streaming playback modules, deep learning AI image recognition and detection technology, to provide various applications such as security control inspection, key infrastructure inspection, power equipment and base station inspection, environmental change monitoring and air logistics. This can effectively assist in solving on-site inspection operations including large inspection areas, places that are difficult for personnel to reach, long manual inspection operation times and dangerous environments.

6.7 Impact of Corporate Image Changes on Crisis Management, Mitigating Measures

- (1) The Company's maintained its well-respected corporate image in the most recent year.
- (2) The Company maintains its dedication to providing foundational infrastructure and industry services, complying with government regulations, strengthening corporate governance, and has established in stakeholders' minds a reputation of high quality, reliability, and trust, and in 2023 received multiple domestic and international awards and recognition in areas including trust, service, innovation, and sustainable development.

<https://www.cht.com.tw/en/home/cht/about-cht/award-and-recognition/award>

6.8 Expected Benefits and Risks from Mergers, Mitigating Measures

(1) Expected Benefits

The Company plans to focus on strategic investments that are complementary to its business and strategic goals, in order to expand its business scope, increase sustainable growth and profitability.

(2) Potential Risks

The Company may not realize the benefits from its investments, due to lack of information or risk analysis, thus adversely affect its business and financial performance.

(3) Mitigating Measures

A. Prevent lack of information or risk analysis for investment evaluation

- Follow the development strategy of the company, formulate a clear investment strategy, and review it regularly.

- Establish detailed evaluation SOP, with necessary reviews and revisions depending on the actual outcome.
- For investment due diligence and valuation, the Company may engage professional legal counsel, certified public accountant, and investment bankers in order to enhance the overall evaluation process.

B. Minimize investment related material under-performance

- Assist investment subsidiaries in establishing risk management system, conduct periodic analysis of the subsidiaries' operational performance and risk factors, in order to better manage the subsidiaries' achievements.
- Conduct periodic review of the investment subsidiaries' actual performances against the original projection in order to better supervise and formulate possible contingency plans.
- Establish acceptable business coordination practices between the Company and its affiliates, in order to maximize group synergies and improve the performances of investment subsidiaries.

6.9 Expected Benefits and Risks from Plant Facility Expansion, Mitigating Measures

None.

6.10 Concentration Risks from Supplying and Sourcing, Mitigating Measures

For consumers who purchase terminal devices such as mobile handsets, tablets, etc., and if the pricing or other factors of these devices do not fulfill consumer expectations, then the Company may incur inventory risks.

The mitigating measures are as follows:

- (1) The Company procures terminal devices according to the contracts and actual orders that are placed in batches depending on pricing, sales status and inventory level. Any unpaid balance is considered a cancellation with automatic contract termination, thus effectively controlling Customer Premise Equipment (CPE) inventory.
- (2) Inventory management: consistently track product sales and inventory turnover, with periodic reporting of sourcing/sales/inventory status.
- (3) Pricing adjustment: effective pricing controls are

established based on sales management policy, current market demand, supply status, as well as the competitive situation.

- (4) Form business alliances to increase effective sales channels and promotions: collaborate with vendors in other industries in order to increase revenue streams.
- (5) Measures for inventory management of products in the market:
 - Purchasing and inventory management: Marketable goods are purchased in batches based on estimated sales and inventory levels. Regular reports are generated for sourcing/sales/inventory and promotional activities are scheduled to accelerate product clearance or arrange batch returns as appropriate, based on the turnover rate and sales life cycle of the product, to effectively manage inventory of marketable goods.
 - Price adjustments: External sales prices and product sales are periodically reviewed. Negotiations are held with suppliers to obtain promotional schemes and reduce product costs, maintaining the Company's profits.

6.11 Impacts and Risks from Significant Changes in Shareholdings of Directors and Major Shareholders Holding More Than 10% of Shares Outstanding, and Mitigating Measures

None.

6.12 Impacts and Risks from Changes in Management Control, Mitigating Measures

None.

6.13 Significant Lawsuits and Material Non-Litigious Matters

None.

6.14 Other Major Risks and Mitigating Measures

In 2023, Taiwan experienced Typhoon DOKSURI, Typhoon KHANUN, Typhoon SAOLA, Typhoon HAIKUI, Typhoon KOINU. During these disasters, the Company set up emergency response teams to direct manpower and resources towards proactively enacting disaster emergency repair and support, and to ensure the speedy recovery of normal telecommunications services for customers.

As the largest integrated telecommunications operator in Taiwan, the Company attaches great importance to the security protection, adaptability and resilience of Taiwan's critical infrastructure, the core network are designed with mechanisms such as remote/heterogeneous backup, multiple routing, decentralization and physical security for the basic requirements for disaster resilience; and when a large-scale disaster occurs, the basic service level will be restored in the shortest time with no failure causing the network paralyzed.

The impacts of natural disasters on network operations, and its countermeasures, include:

(1) Potential Risks

Taiwan is located in a region susceptible to natural disasters, and various telecommunications infrastructure could easily suffer damage. Once a larger scale disaster happens, customers could be disconnected from communications and disaster alerts, and even isolated from disaster relief to bring to the losses of lives, property, and the revenue of the Company.

(2) Mitigating Measures

A. Establish "Natural Disaster Emergency Response and Repair Plan"

The Company has completed a "Natural Disaster Emergency Response and Repair Plan" in order to enable measures such as a disaster prevention organization, disaster relief resource preparation and dispatching, and emergency management and repair processes, with roles and responsibilities established accordingly, to serve as the basis of emergency management and repair activity for all units within the Company and to quickly restore basic communications services in disaster areas, provide connections to emergency support, and minimize communications services disruption time.

B. Fixed Communication

A number of optical cables around Taiwan are deployed to form multiple ring-shaped backbone transmission routes. In order to prevent disaster losses from spreading, the Company has enacted measures such as strengthening multi-routing repeater transmission for remote regions, wireless routing backups, increasing power backup capacity, and international submarine cable system

backups, in order to promote the level of overall disaster prevention and defense capabilities. In addition, annual drills are conducted on network and equipment dispatch and repairs in order to increase familiarity with disaster preparedness and relief, and lower losses caused by disasters.

C. Mobile Communication

The Company's mobile core network employs a geo-redundant approach, with building multiple mobile core network centers throughout the region to provide back up for each other. The base station construction uses overlapping coverage design, therefore, if a single or multiple base station fails, other nearby base stations can still provide radio wave coverage. If a natural disaster causes mobile communication disruptions, the Company has prepared microwave and satellite systems to provide transmissions or be used with heavy-duty off-road vehicles as base stations, and are able to, depending on the severity of the disasters, serve as mobile base stations to establish communications with the outside world within a short period of time. Additionally, in 2023, the Company has purchased cellular network technology, which provides emergency service contacts and transmits real-time images to and from the military, police, firefighters, and the public in disaster areas, to accomplish disaster relief efforts successfully. Also, the Company has prepared satellite-based cell on wheels or portable satellites available for rapid deployment to key facilities. These units can swiftly access critical data centers, switch and connect satellite transmission links, and quickly restart key base stations at multiple essential locations (such as county and city governments, military, police and firefighting units, and high positions) to provide basic communication services. In addition, the Company will strengthen the construction of base stations, duplicate radio wave coverage, and conduct periodic disaster prevention drills along single-access traffic arteries, such as Suhua, Nanhui and Alishan highways, to ensure mobile communication network operation and increase natural disaster defense resilience. To enhance the network resilience, the Company will actively deploy Non-Terrestrial Network (NTN) services. This strategic move aims to address interruptions in ground-based communication infrastructure or emergency

coverage extension needs by establishing mobile connections through satellites.

The Company's "Emergency Response SMS System" service can distribute emergency alerts to designated areas, proactively notifying residents to avoid or to prepare for evacuation from disaster areas. This ensures the safety of lives and property, and has earned unanimous approval from the public. The system has been adopted by the Directorate General of Highways (MOTC) for the Suhua Highway. Furthermore, it has been used by various government entities (such as city governments, the Water Department, Taiwan Power, and the Fire Department) for disaster relief drills, demonstrating its high quality, and has received recognition from the government and the public.

D. Data Communication

The Company's HiNet network employs multiple routing and highly reliable backup networks, with real-time surveillance to manage routing traffic flow. In international routing, multiple distributed submarine routings are employed in order to avoid obstructions and bottle necks arising from single-point failures. At the same time, the Company collaborates closely with international providers in order to improve direct international connection bandwidth and increase international internet communications quality.

E. Communication of International and Domestic Submarine Cable / Satellite Communication

To strengthen international submarine cable stations and the dispersion of routes, the Company plans to construct new submarine cable stations to constitute north-south remote backups, reducing the impact of regional disasters. In addition, the Company continues to cooperate with international IT companies to construct new submarine cables. Cable landings are dispersed through the cable stations in the southwest, southeast, northwest, and northeast of Taiwan. Additionally, the Company plans to deploy submarine cables through different sea areas in the Asia region and the Pacific region, improving the resilience of the submarine cable networks. To enhance the communication resilience of outlying islands, the Company constructs domestic submarine cables with multiple routes,

uses microwaves and satellites as the second and third backups, and expands equipment as needed.

Satellites are the critical infrastructure for Taiwan's connection to the world. Therefore, CHT has devised a multi-orbit satellite development strategy, encompassing GEO (Geostationary Orbit), MEO (Medium Earth Orbit) and LEO (Low Earth Orbit). CHT owns the autonomous GEO, ST-2, and is developing its next generation satellites. Additionally, the Company collaborates with international GEO companies to further enhance service capabilities. For MEO and LEO, the Company is introducing major international services, leveraging their advantages of high speed, low latency, large capacity, and extensive coverage. By integrating multi-orbit satellites and complementing terrestrial networks, the Company can provide diverse and resilient network solutions in times of contingency or conflict.

F. Power Back-up

Electricity is the foundation of all information and communication services, which makes up power grids, and the grids build the telecommunications network. The Company has been committed to strengthening the resilience of the power supply system and has equipped with diesel generators and batteries in all of its telecommunication equipment offices, to ensure uninterrupted power supply. In addition, the Company is equipped with large-scale mobile trailer generators and related power distribution facilities in various areas that can be towed by trucks. When the power system in telecommunication equipment offices is damaged, emergency power can be supplied in a short time to restore network services. Also, each office has a fuel resupply mechanism to transport and replenish diesel fuel in real time, to maintain long-term emergency power supply. In addition, there are standby maintenance personnel and equipment ready to dispatch and support in each area, providing the most stable and reliable power services to ensure the quality of telecommunications network services.

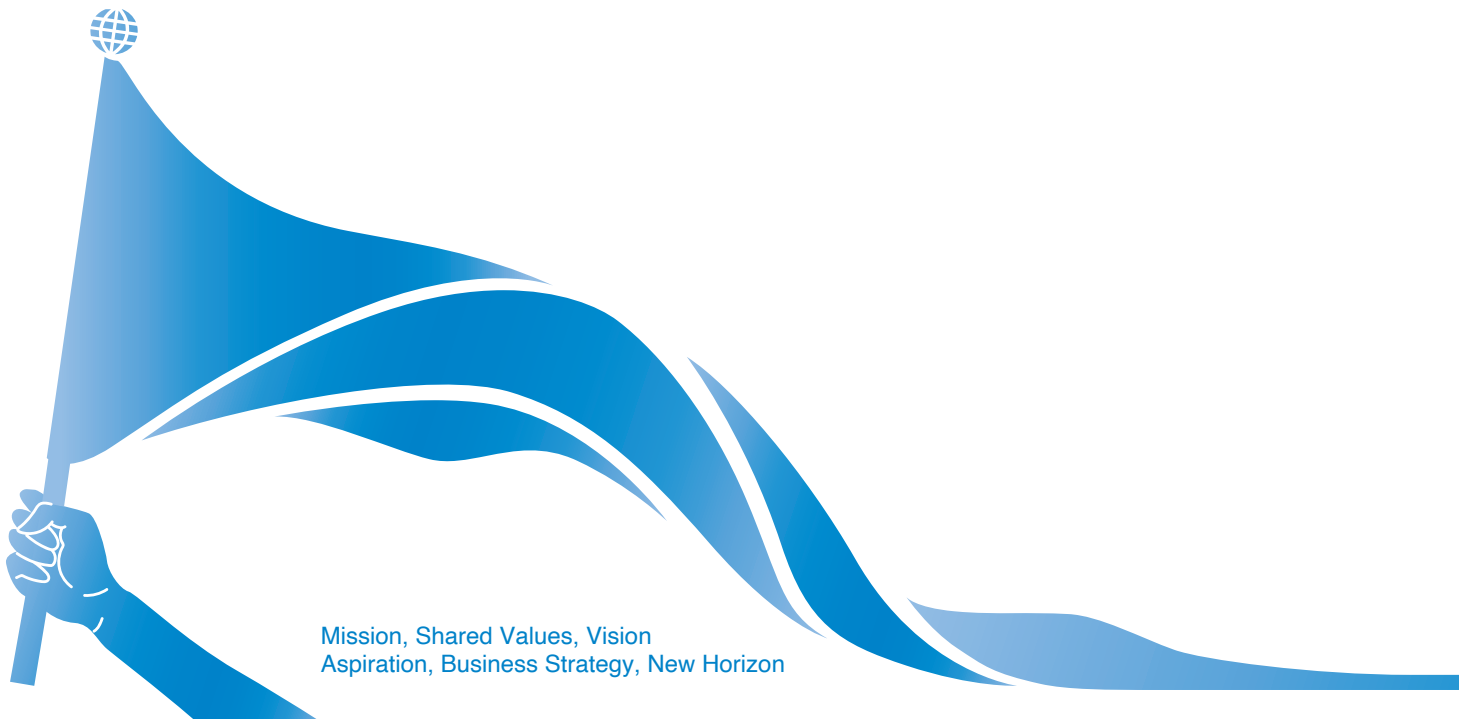
7. Others

None.

7

Special Disclosures

1. Affiliated Companies in 2023
2. Private Placement Securities in the Most Recent Year and Up To the Publication Date of this Annual Report
3. The Company's Shares Held or Disposed by Subsidiaries in the Most Recent Year and Up To the Publication Date of this Annual Report
4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and Up To the Publication Date of this Annual Report
5. Other Supplementary Information



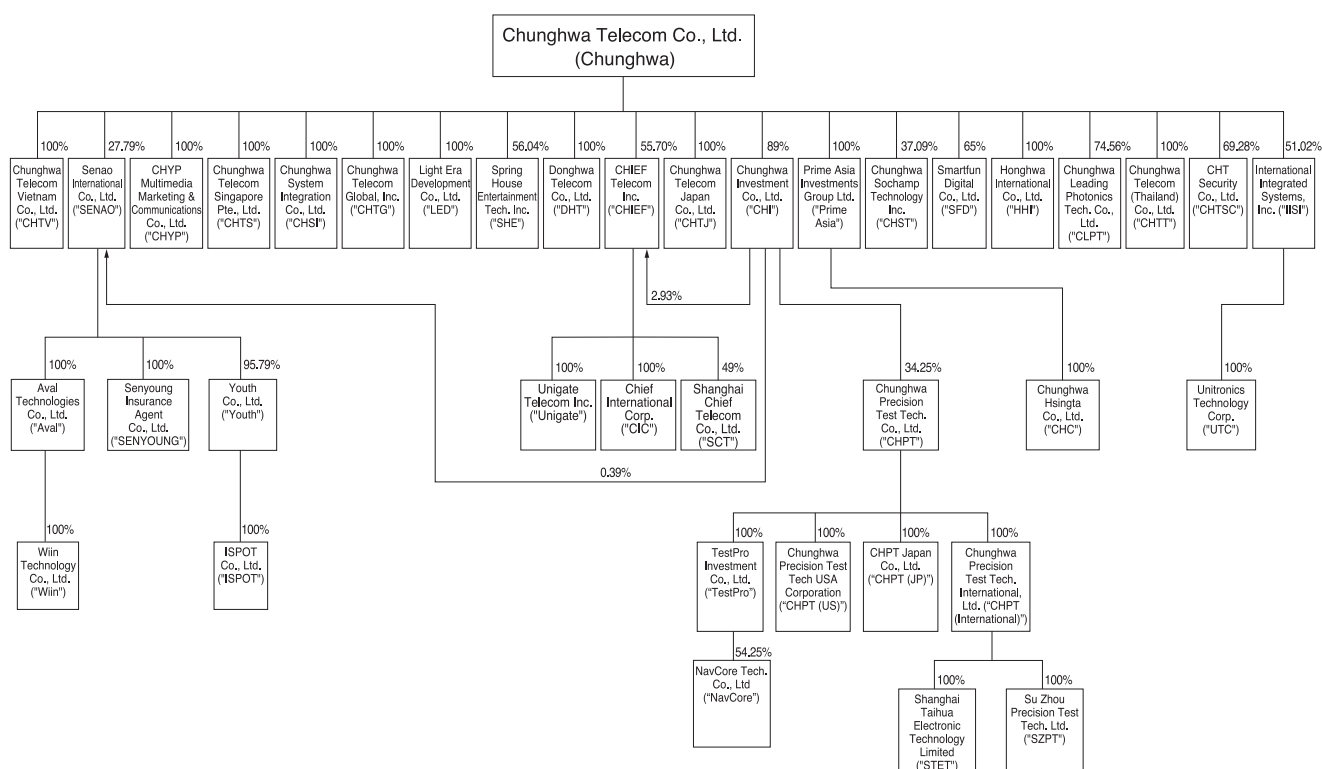
Special Disclosures

1. Affiliated Companies in 2023

1.1 Consolidated Operation Report of the Company and Affiliates

(1) Organization Structure

December 31, 2023



(2) Affiliates Profiles

As of December 31, 2023

Affiliate Name	Date of Incorporation	Address	Paid-in Capital	Primary Business Operation
Prime Asia Investments Group Ltd. ("Prime Asia") (Note 2)	2006.1.13	Tortola, British Virgin Islands	USD12,996,000	Investment
Chunghwa Hsingta Co., Ltd. ("CHC") (Note 2)	2010.12.8	Room 2702-03, CC WuBuilding, 302-8 Hennessy Road, Wanchai, Hong Kong	USD12,663,000	Investment
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	2007.1.18	9F, No. 89-1, Sec. 4, Xinyi Rd., Da'an Dist., Taipei 106, Taiwan (R.O.C.)	NT\$150,000,000	Digital information supply services and advertisement services
Donghua Telecom Co., Ltd. ("DHT")	2004.8.18	Unit A, 7F, Tower A, Billion Centre, No. 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD178,589,592	International private leased circuit, IP VPN service, and IP transit services
Chunghwa Telecom Global, Inc. ("CHTG")	2002.3.14	2107 North First Street, Ste. 580, San Jose, CA 95131, USA	USD6,000,000	International private leased circuit, internet services, transit services and ICT services
Chunghwa System Integration Co., Ltd. ("CHSI")	2002.5.15	No. 2-1, Aly. 8, Ln. 85, Sec.3, Muzha Rd., Wenshan Dist., Taipei City 116, Taiwan (R.O.C.)	NT\$600,000,000	Providing system integration services and telecommunications equipment

Affiliate Name	Date of Incorporation	Address	Paid-in Capital	Primary Business Operation
Light Era Development Co., Ltd. ("LED")	2008.2.12	1F, No. 89-1, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	NT\$3,000,000,000	Planning and development of real estate and intelligent buildings, and property management
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	2008.7.9	331 North Bridge Road, #03-05 Odeon Towers, Singapore 188720	SGD26,383,000	International voice, private leased circuit, IP VPN service, IP transit and ICT services
Chunghwa Telecom Japan Co., Ltd. ("CHTJ")	2008.9.22	5F, VORT Gotanda 1-27-5, Nishigotanda, Shinagawa-Ku, Tokyo, 141-0031, Japan	JPY50,000,000	International private leased circuit, IP VPN service, IP transit services, and ICT integration services
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	2011.5.31	Room 703, 7th Floor, 3D Viet Nam, Duy Tan St., Dich Vong Hau Ward, Cau Giay Dist., Ha noi, Vietnam 123000	VND 104,137,000,000	Intelligent energy network saving solutions, international circuit, and ICT services
Honghwa International Co., Ltd. ("HHI")	2013.1.28	8F, No.88, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	NT\$180,000,000	Telecommunications engineering, sales agent of mobile phone plan, application and other business services
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	2017.3.3	33/4, The 9th Towers, Grand Rama 9, Tower B, 25th Fl., Unit No. TNBO 2503 Rama 9 Road, Huaykwang District, Bangkok 10310, Thailand	THB130,000,000	International private leased circuit, IP VPN service, ICT and cloud VAS services
Chunghwa Investment Co., Ltd. ("CHI")	2002.5.3	6F., No. 88, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	NT\$765,000,000	Investment
Chunghwa Precision Test Tech. Co., Ltd. ("CHPT")	2005.8.26	No. 15, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan (R.O.C.)	NT\$327,890,220	Production and sale of semiconductor testing components and printed circuit board
Chunghwa Precision Test Tech. USA Corporation ("CHPT (US)")	2010.7.27	2047 Zanker Road, Suite 10, San Jose, 95131, USA	USD26,000	Design and after-sale services of semiconductor testing components and printed circuit board
CHPT Japan Co., Ltd. ("CHPT (JP)")	2013.1.15	#602 1-5-13 Azabujuban, Minato-Ku, Tokyo-to 106-0045 Japan	JPY6,000,000	Related services of electronic parts, machinery processed products and printed circuit board
Chunghwa Precision Test Tech. International, Ltd. ("CHPT (International)")	2013.7.31	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia Samoa	USD5,700,000	Wholesale and retail of electronic materials, and Investment
Shanghai Taihua Electronic Technology Ltd. ("STET")	2013.11.25	16th Building, Unit 802B No. 1000, JinHai Road., Pudong New District, Shanghai, China	USD1,600,000	Design of printed circuit board and related consultation service
Su Zhou Precision Test Tech. Ltd. ("SZPT")	2019.7.3	Building A12, No. 200, Xingpu Road, Shengpu Town, Yuanqu, Wuzhong District, Suzhou City, Jiangsu, China	USD4,000,000	Assembly, process and sale circuit board, design of printed circuit board and related consultation service
TestPro Investment Co., Ltd. ("TestPro")	2022.3.21	10F., No. 12, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan (R.O.C.)	NT\$135,000,000	Investment
NavCore Tech Co., Ltd. ("NavCore")	2022.5.20	5F., No. 15, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan (R.O.C.)	NT\$200,000,000	Intellectual equipment manufacture and retail, software and hardware system combination of intellectual factory and technology consult
Chunghwa Leading Photonics Tech Co., Ltd. ("CLPT")	2016.7.28	No. 6, Ziqiang 7th Rd., Zhongyi Vil., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)	NT\$94,550,000	Production and sale of electronic components and finished products

Affiliate Name	Date of Incorporation	Address	Paid-in Capital	Primary Business Operation
CHT Security Co., Ltd. ("CHTSC")	2017.12.14	8F, No. 88, Sec. 4, Xinyi Rd., Da'an Dist., Taipei 106, Taiwan (R.O.C.)	NT\$346,410,000	Computing equipment installation, wholesale of computing and business machinery equipment and software, management consulting services, data processing services, digital information supply services and internet identify services
Smartfun Digital Co., Ltd. ("SFD")	2011.8.31	8F, No. 88, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	NT\$100,000,000	Providing diversified family education digital services
CHIEF Telecom Inc. ("CHIEF")	1991.1.19	No. 250, Yangguang St., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	NT\$778,663,700	IDC, Data, Voice and Cloud
Chief International Corp. ("CIC")	2008.5.27	Ground Floor NPF Building, Beach Road, Apia, Samoa	USD200,000	Telecommunications and Internet service
Unigate Telecom Inc. ("Unigate")	1999.7.3	No. 250, Yangguang St., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	NT\$2,000,000	Telecommunications and Internet service
Shanghai Chief Telecom Co., Ltd. ("SCT")	2015.1.30	Room B09, 6F, No. 55, Jilong Road, Free Trade Pilot Area, Shanghai, China	RMB2,000,000	Telecommunications and Internet service
Spring House Entertainment Tech. Inc. ("SHE")	2000.2.2	10F, No. 106, Zhouzi St., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	NT\$147,236,210	Software design services, internet contents production and play, and motion picture production and distribution
International Integrated Systems, Inc. ("IISI")	2008.4.10	6F, No.7, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City 220, Taiwan(R.O.C.)	NT\$729,355,210	IT solution provider, IT application consultation, system integration and package solution
Unitronics Technology Corporation ("UTC")	1990.12.6	3F, No. 133, Sec. 4, Minsheng E. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	NT\$50,670,440	Development and maintenance of information system
Chunghwa Sochamp Technology Inc. ("CHST")	2011.7.1	Room 3B-38, 3F., No. 5, Sec.5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)	NT\$55,000,000	Design, development and production of Automatic License Plate Recognition software and hardware; parking management system; Provider of ITS and intelligent railway related products and services
Senao International Co., Ltd. ("SENAO")	1979.5.18	2F, No. 531, Zhongzheng Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	NT\$2,582,526,570	Handset and peripherals retailer; sales of CHT mobile phone plans as an agent
Youth Co., Ltd. ("Youth")	1996.10.4	No.13, Sec. 1, Bade Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	NT\$154,000,000	Sale of information and communication technologies products
ISPOT Co., Ltd. ("ISPOT")	2012.9.5	No. 13, Sec. 1, Bade Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	NT\$10,727,000	Sale of information and communication technologies products
Aval Technologies Co., Ltd. ("Aval")	2015.10.5	6F., No. 533, Zhongzheng Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	NT\$125,550,000	Sale of information and communication technologies products
Wiin Technologies Co., Ltd. ("Wiin")	2019.9.12	6F, No. 533, Zhongzheng Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	NT\$44,180,000	Sale of information and communication technologies products
Senyoung Insurance Agent Co., Ltd. ("SENYOUNG")	2017.11.22	2F, No. 531, Zhongzheng Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	NT\$89,090,000	Property and liability insurance agency

Note 1: The information of affiliates' profiles is ranked by the shareholding percentage.

Note 2: In August 2020, CTC, CHC and Prime Asia were given the approval to terminate and dissolve their businesses in sequence. In October 2022, the liquidation and dissolution processes of CTC were completed.

(3) Companies presumed to have a Relationship of Control and Subordination with Chunghwa Telecom

None.

(4) Industries covered by Affiliates' Business Operation

Industries covered by the Company's affiliates are primarily telecommunication related services, including advanced technology, production, marketing and enhanced services, in order to enable Chunghwa Telecom to continue creating synergies, to innovate and to provide the best offerings for its clients and consumers, as well as to ensure its leading market position.

(5) Affiliates' Directors, Supervisors and Executives Names and Shareholdings

As of December 31, 2023

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Prime Asia Investments Group Ltd. ("Prime Asia") (Note 2)	Director	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kai Chen	1,301	100%
Chunghwa Hsingta Co., Ltd. ("CHC") (Note 2)	Director	Representative of Prime Asia Investments Group Ltd.: Yuan-Kai Chen	1,266	100%
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Ming-Tsung Chen	15,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Quen-Zong Wu	15,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Yih-Chyau Kuo	15,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chien-Chih Chen	15,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Tsu-I Hsu	15,000,000	100%
	Supervisor	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kai Chen	15,000,000	100%
	General Manager	Cheng-Hsien Han	-	-
Donghua Telecom Co., Ltd. ("DHT")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Chin-Chou Chen	178,589,592	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Wen-Ming Su	178,589,592	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Chung-Tair Chow	178,589,592	100%
Chunghwa Telecom Global, Inc. ("CHTG")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Hsueh-Lan Wu	6,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Jung-Kuei Chen	6,000,000	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Wen-Jang Yang	6,000,000	100%
Chunghwa System Integration Co., Ltd. ("CHSI")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Ming-Te Wu	60,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Jeu-Yih Jeng	60,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chih-Cheng Lo	60,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kai Chen	60,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Pen-Yuang Chang	60,000,000	100%
	Supervisor	Representative of Chunghwa Telecom Co., Ltd.: Sheng-Hui Pan	60,000,000	100%
	General Manager	Chung-Lin Yu	-	-

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Light Era Development Co., Ltd. ("LED")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Shih-Chung Chang	300,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Ru-Kuen Lee	300,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsu-Hui Ho	300,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Edward Chou	300,000,000	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Chun-Yen Chan	300,000,000	100%
	Supervisor	Representative of Chunghwa Telecom Co., Ltd.: Hui-Chen Wei	300,000,000	100%
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Chien-Chih Chen	26,382,976	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chung-Tair Chow	26,382,976	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Shun-Te Liu	26,382,976	100%
Chunghwa Telecom Japan Co., Ltd. ("CHTJ")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Chin-Chou Chen	1,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: IEAKI TOMITA	1,000	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Wei-Lien Chang	1,000	100%
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Chin-Chou Chen	-	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chung-Shuo Lin	-	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsuan-Lung Liu	-	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Yi-Hsien Lin	-	100%
	Supervisor	Representative of Chunghwa Telecom Co., Ltd.: Hui-Chen Wei	-	100%
Honghwa International Co., Ltd. ("HHI")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Yi-Fong Chang	18,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsueh-Hai Hu	18,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: His-Huang Chang	18,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Min-Hua Chang	18,000,000	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Ching-Min Chen	18,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Wen-Chiyh Lin	18,000,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hong-Bin Chiou	18,000,000	100%
	Supervisor	Representative of Chunghwa Telecom Co., Ltd.: Chi-Hsien Huang	18,000,000	100%

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Chin-Chou Chen	1,300,000	100%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chung-Tair Chow	1,300,000	100%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Wen-Ying Hou	1,300,000	100%
Chunghwa Investment Co., Ltd. ("CHI")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Ruey-Tsang Lee	68,085,000	89%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsu-Hui Ho	68,085,000	89%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsueh-Hai Hu	68,085,000	89%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kai Chen	68,085,000	89%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Yen-Chih Ting	68,085,000	89%
	Supervisor	Ming-Sih Siao	-	-
Chunghwa Precision Test Tech. Co., Ltd. ("CHPT")	Chairman	Representative of Chunghwa Investment Co., Ltd.: Hong-Chan Ma	11,229,884	34%
	Director	Representative of Chunghwa Investment Co., Ltd.: Jung-Kuei Chen	11,229,884	34%
	Director	Representative of MediaTek Capital Corp.: Wei-Ning Shen	351,000	1%
	Director / General Manager	Scott Huang	431,594	1%
	Independent Director	Chung-Fern Wu	-	-
	Independent Director	Wen-Nan Tsan	-	-
	Independent Director	Kenneth H. C. Chiu	-	-
Chunghwa Precision Test Tech. USA Corporation ("CHPT (US)")	Chairman	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Eric Chien	2,600,000	100%
	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Daphne Hsu	2,600,000	100%
	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Scott Huang	2,600,000	100%
	General Manager	Brian Chang	-	-
CHPT Japan Co., Ltd. ("CHPT (JP)")	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Haku Cheng	600	100%
	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Scott Huang	600	100%
Chunghwa Precision Test Tech. International, Ltd. ("CHPT (International)")	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Scott Huang	5,700,000	100%

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Shanghai Taihua Electronic Technology Ltd. ("STET")	Director	Representative of Chunghwa Precision Test Tech. International, Ltd.: Scott Huang	-	100%
	Supervisor	Representative of Chunghwa Precision Test Tech. International, Ltd.: Daphne Hsu	-	100%
Su Zhou Precision Test Tech. Ltd. ("SZPT")	Chairman / General Manager	Representative of Chunghwa Precision Test Tech. International, Ltd.: Scott Huang	-	100%
	Director	Representative of Chunghwa Precision Test Tech. International, Ltd.: Eric Chien	-	100%
	Director	Representative of Chunghwa Precision Test Tech. International, Ltd.: Strong Hsueh	-	100%
	Supervisor	Representative of Chunghwa Precision Test Tech. International, Ltd.: Daphne Hsu	-	100%
TestPro Investment Co., Ltd. ("TestPro")	Chairman	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Scott Huang	13,500,000	100%
	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Hsin-Yao Li	13,500,000	100%
	Director	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Eric Chien	13,500,000	100%
	Supervisor	Representative of Chunghwa Precision Test Tech. Co., Ltd.: Daphne Hsu	13,500,000	100%
NavCore Tech Co., Ltd. ("NavCore")	Chairman	Representative of TestPro Investment Co., Ltd.: Scott Huang	10,850,000	54%
	Director	Representative of TestPro Investment Co., Ltd.: Wen-Cong Li	10,850,000	54%
	Director/ General Manager	Terence Su	1,929,000	10%
	Supervisor	Daphne Hsu	-	-
Chunghwa Leading Photonics Tech Co., Ltd. ("CLPT")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kuang Tu	7,050,000	75%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chih-Hsiung Huang	7,050,000	75%
	Director / General Manager	Chia-Chien Lin	600,000	6%
	Supervisor	Wei-Ting Chen	-	-
CHT Security Co., Ltd. ("CHTSC")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Ming-Shih Chen	24,000,000	69%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Rong-Shy Lin	24,000,000	69%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hey-Chyi Young	24,000,000	69%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Pen-Yuang Chang	24,000,000	69%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Chin-Fu Hung	24,000,000	69%
	Supervisor	Shu-Ling Chen	-	-
	Supervisor	Wei-Ting Chen	-	-

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Smartfun Digital Co., Ltd. ("SFD")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Wen-Chiyh Lin	6,500,000	65%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Ying-Hsueh Wang	6,500,000	65%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Ming-Tsung Chen	6,500,000	65%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Tsu-I Hsu	6,500,000	65%
	Director	Representative of United Daily News: Ming-Jey Ho	2,500,000	25%
	Supervisor	Wei-Ting Chen	-	-
	Supervisor	Representative of UDN Digital Co., Ltd.: Yu-Chih Lin	1,000,000	10%
	General Manager	Shu-Chuan Shan	-	-
CHIEF Telecom Inc. ("CHIEF")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Yen-Hung Wu	43,368,383	56%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Li-Show Wu	43,368,383	56%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chung-Shuo Lin	43,368,383	56%
	Director	Representative of InveStar Co., Ltd.: Chung-Hou Tai	119,900	0.15%
	Independent Director	Dao-Hong Lyu	-	-
	Independent Director	Ai-Chun Pang	-	-
	Independent Director	Chan-Jyuan Lin	-	-
	General Manager	Yao-Yuan Liu	277,200	0.36%
Chief International Corp. ("CIC")	Chairman	Representative of CHIEF Telecom Inc.: Yao-Yuan Liu	200,000	100%
	Director	Representative of CHIEF Telecom Inc.: Wei-Dong Pan	200,000	100%
Unigate Telecom Inc. ("Unigate")	Chairman	Representative of CHIEF Telecom Inc.: Yen-Hung Wu	200,000	100%
	Director	Representative of CHIEF Telecom Inc.: Yao-Yuan Liu	200,000	100%
	Director	Representative of CHIEF Telecom Inc.: Wei-Dong Pan	200,000	100%
	Supervisor	Representative of CHIEF Telecom Inc.: Lin-Tung Chang	200,000	100%
Shanghai Chief Telecom Co., Ltd. ("SCT")	Chairman	Representative of CHIEF Telecom Inc.: Wen-Han Chiang	-	49%
	Director	Representative of CHIEF Telecom Inc.: Yao-Yuan Liu	-	49%
	Director / General Manager	Representative of Shenzhen Century Communication Co., Ltd.: Yuan-Wen Han	-	51%
	Supervisor	Representative of CHIEF Telecom Inc.: Wei-Dong Pan	-	49%

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Spring House Entertainment Tech. Inc. ("SHE")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Tian-Tsair Su	8,250,731	56%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Wen-Chiyh Lin	8,250,731	56%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Ming-Tsung Chen	8,250,731	56%
	Director / General Manager	Representative of Chunghwa Telecom Co., Ltd.: Min-Horng Tsai	8,250,731	56%
	Director	Representative of Ku Shen Investment Inc.: Jung-Kuei Chang	1,526,086	10%
	Director	Representative of Ku Shen Investment Inc.: Chia-Ming Chuang	1,526,086	10%
	Director	Yao-Tung Kao	1,110,802	8%
	Supervisor	Wen-Chuan Chang	473,357	3%
	Supervisor	Wei-Ting Chen	-	-
International Integrated Systems, Inc. ("IISI")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Li-Show Wu	37,210,575	51%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Pen-Yuang Chang	37,210,575	51%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hey-Chyi Young	37,210,575	51%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Yuan-Kai Chen	37,210,575	51%
	Director/ General Manager	Representative of Chunghwa Telecom Co., Ltd.: Chih-Ho Wang	37,210,575	51%
	Director	Advantech Corporate Investment	14,299,205	20%
	Independent Director	Ming-luan Lee	-	-
	Independent Director	Chih-Chung Tsai	-	-
	Independent Director	Jui-Hsiang Yang	-	-
Unitronics Technology Corporation ("UTC")	Chairman	Representative of International Integrated Systems, Inc.: Sheng-Hsiung Kuo	5,067,044	100%
	Director / General Manager	Representative of International Integrated Systems, Inc.: Pei-Yu Pai	5,067,044	100%
	Director	Representative of International Integrated Systems, Inc.: Wei-Cheng Hsiao	5,067,044	100%
	Director	Representative of International Integrated Systems, Inc.: Wen-Pin Chang	5,067,044	100%
	Director	Representative of International Integrated Systems, Inc.: Wen-Pin Wu	5,067,044	100%
	Supervisor	Hui-Chen Wei	-	-

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Chunghwa Sochamp Technology Inc. ("CHST")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Yi-Chao Meng	2,040,000	37%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Quen-Zong Wu	2,040,000	37%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Chih-Hsiung Huang	2,040,000	37%
	Director	Representative of Z-COM, Inc.: Chia-Fang Wu	1,500,000	27%
	Director / General Manager	Representative of Sochamp Technology Inc.: Shang-Chih Chen	1,960,000	36%
	Supervisor	Li-Na Lin	-	-
	Supervisor	Ta-Chieh Lin	-	-
Senao International Co., Ltd. ("SENAO")	Chairman	Representative of Chunghwa Telecom Co., Ltd.: Rong-Shy Lin	71,773,155	28%
	Vice chairman and General Manager	Representative of Cheng Kang Investment Co., Ltd.: Pao-Yung Lin	14,820,975	6%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Wen-Chiyh Lin	71,773,155	28%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Hsueh-Hai Hu	71,773,155	28%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Li-Show Wu	71,773,155	28%
	Director	Representative of Chunghwa Telecom Co., Ltd.: Min-Horng Tsai	71,773,155	28%
	Director	Representative of Cheng Kang Investment Co., Ltd.: Cheng-Kang Lin	14,820,975	6%
	Director	Representative of Cheng Kang Investment Co., Ltd.: Cheng-Feng Lin	14,820,975	6%
	Independent Director	Kung-Liang Yeh	-	-
	Independent Director	Fu-Hai Yeh	-	-
	Independent Director	Wen-Tsan Wu	-	-
	Independent Director	Min-Ching Cheng	-	-
	Independent Director	Ai-Chun Pang	-	-
Youth Co., Ltd. ("Youth")	Chairman / General Manager	Representative of Senao International Co., Ltd.: Yu-Chiang Wu	14,752,000	96%
	Director	Representative of Senao International Co., Ltd.: Chi-Hung Liao	14,752,000	96%
	Director	Representative of Senao International Co., Ltd.: Kuan-Heng Lai	14,752,000	96%
	Supervisor	Tsai-Hung Yu	-	-
ISPOT Co., Ltd. ("ISPOT")	Director	Representative of Youth Co., Ltd.: Yu-Chiang Wu	-	100%

Affiliate Name	Title	Name of Representative	Shareholding #	Shareholding%
Aval Technologies Co., Ltd. ("Aval")	Chairman	Representative of Senao International Co., Ltd.: Wen-He Tsai	12,555,000	100%
	General Manager	Yu-Chiang Wu	-	-
Wiin Technologies Co., Ltd. ("Wiin")	Chairman	Representative of Aval Technologies Co., Ltd.: Wen-He Tsai	4,418,000	100%
	General Manager	Yu-Chiang Wu	-	-
Senyoung Insurance Agent Co., Ltd. ("SENYOUNG")	Chairman/ General Manager	Representative of Senao International Co., Ltd.: Yan-Yan Jheng	8,909,000	100%
	Director	Representative of Senao International Co., Ltd.: Kuan-Heng Lai	8,909,000	100%
	Director	Representative of Senao International Co., Ltd.: Chi-Hung Liao	8,909,000	100%

Note 1: The information of affiliates is ranked by the shareholding percentage.

Note 2: In August 2020, CTC, CHC and Prime Asia were given the approval to terminate and dissolve their businesses in sequence. In October 2022, the liquidation and dissolution processes of CTC were completed.

(6) Affiliates' Operating Highlights

As of December 31, 2023
Unit: NT\$'000

Affiliate Names	Paid-in Capital	Total Asset	Total Liability	Total Equity	Total Revenues	Operating Income	Net Income	Earnings per Share, NT\$
Prime Asia Investments Group Ltd. (B.V.I.) ("Prime Asia") (Note2)	385,274	167,441	0	167,441	0	(105)	7,632	N.A.
Chunghwa Hsingta Co., Ltd. ("CHC") (Note2)	375,274	167,441	0	167,441	0	(105)	7,632	N.A.
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	150,000	525,820	319,594	206,226	416,065	19,545	23,305	2
Donghwa Telecom Co., Ltd. ("DHT")	698,800	2,282,590	1,516,604	765,986	1,247,133	64,510	60,659	0
Chunghwa Telecom Global, Inc. ("CHTG")	194,994	1,082,109	379,486	702,623	951,905	133,242	113,316	19
Chunghwa System Integration Co., Ltd. ("CHSI")	600,000	1,823,403	1,133,437	689,966	1,969,230	44,152	37,870	1
Light Era Development Co., Ltd. ("LED")	3,000,000	6,194,694	2,325,448	3,869,246	117,313	33,511	9,978	0
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	574,111	2,551,388	1,361,724	1,189,664	1,605,436	31,807	219,513	8
Chunghwa Telecom Japan Co., Ltd. ("CHTJ")	17,291	383,118	223,380	159,738	584,790	60,671	40,503	40,503
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	148,275	256,751	182,710	74,041	85,251	(28,297)	(27,098)	N.A.
Honghwa International Co., Ltd. ("HHI")	180,000	3,194,092	2,350,639	843,453	7,645,044	593,357	473,167	26

Affiliate Names	Paid-in Capital	Total Asset	Total Liability	Total Equity	Total Revenues	Operating Income	Net Income	Earnings per Share, NT\$
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	119,624	153,195	30,639	122,556	138,599	7,937	6,961	5
Chunghwa Investment Co., Ltd. ("CHI")	765,000	3,530,807	12,855	3,517,952	32,576	6,441	390	0
Chunghwa Precision Test Tech. Co., Ltd. ("CHPT")	327,890	8,172,120	644,224	7,527,896	2,806,176	7,311	32,601	1
Chunghwa Precision Test Tech. USA Corporation ("CHPT (US)")	742	118,969	17,747	101,222	103,704	1,655	1,561	1
CHPT Japan Co., Ltd. ("CHPT (JP)")	2,008	2,574	356	2,218	3,261	170	113	189
Chunghwa Precision Test Tech. International, Ltd. ("CHPT (International)")	173,649	173,334	0	173,334	0	(36)	727	0
Shanghai Taihua Electronic Technology Ltd. ("STET")	51,233	10,000	1,929	8,071	8,701	(1,038)	(1,026)	N.A.
Su Zhou Precision Test Tech. Ltd. ("SZPT")	119,199	269,005	107,212	161,793	344,187	2,129	1,649	N.A.
TestPro Investment Co., Ltd. ("TestPro ")	135,000	84,241	189	84,052	221	(35,024)	(35,024)	(3)
NavCore Tech Co., Ltd. ("NavCore ")	200,000	148,604	42,415	106,189	31,161	(65,760)	(64,672)	(3)
Chunghwa Leading Photonics Tech. Co., Ltd. ("CLPT")	94,550	300,450	70,542	229,908	149,511	48,365	42,509	4
CHT Security Co., Ltd. ("CHTSC")	346,410	1,368,876	606,282	762,594	1,696,459	343,374	269,509	8
Smartfun Digital Co., Ltd. ("SFD")	100,000	147,279	20,204	127,075	100,568	20,656	17,938	2
CHIEF Telecom Inc. ("CHIEF")	778,664	7,120,785	3,515,215	3,605,570	3,179,416	1,143,848	921,112	12
Chief International Corp. ("CIC")	6,068	114,745	3,162	111,583	15,190	6,522	10,085	50
Unigate Telecom Inc. ("Unigate")	2,000	4,339	3,005	1,334	229	95	120	1
Shanghai Chief Telecom Co., Ltd. ("SCT")	10,150	20,119	1,040	19,079	48,092	(427)	946	N.A.
Spring House Entertainment Tech. Inc. ("SHE")	147,236	346,589	80,606	265,983	224,481	44,400	37,740	3

Affiliate Names	Paid-in Capital	Total Asset	Total Liability	Total Equity	Total Revenues	Operating Income	Net Income	Earnings per Share, NT\$
International Integrated Systems, Inc. ("IISI")	729,355	3,473,260	2,259,800	1,213,460	4,326,914	191,857	168,655	2
Infoexplorer International Co., Ltd. ("IESA") (Note 3)	0	0	0	0	0	0	1,178	0
Unitronics Technology Corporation ("UTC")	50,670	111,958	35,705	76,253	126,533	(4,277)	(4,340)	(1)
International Integrated Systems (Hong Kong) Limited ("IEHK") (Note 4)	0	0	0	0	0	(32)	24	0
Chunghwa Sochamp Technology Inc. ("CHST")	55,000	150,284	145,940	4,344	129,061	(16,995)	(13,324)	(2)
Senao International Co., Ltd. ("SENAO")	2,582,527	9,642,686	3,228,054	6,414,632	29,597,806	395,391	705,677	3
Senao International (Samoa) Holding Ltd. ("SIS") (Note 5)	0	0	0	0	0	(82)	506	N.A.
Senao International HK Ltd. ("SIHK") (Note 6)	0	0	0	0	0	0	0	N.A.
Youth Co., Ltd. ("Youth")	154,000	137,926	5,411	132,515	143,232	(1,778)	(2,969)	(0)
ISPOT Co., Ltd. ("ISPOT")	10,727	24,476	12,579	11,897	97,844	978	1,117	N.A.
Youyi Co., Ltd. ("Youyi") (Note 7)	0	0	0	0	5,161	(2,144)	(4,081)	N.A.
Aval Technologies Co., Ltd. ("Aval")	125,550	227,859	90,404	137,455	1,595,418	6,100	7,898	1
Wiinl Technologies Co., Ltd. ("Wiin")	44,180	71,738	22,488	49,250	365,018	4,861	3,440	1
Senyoung Insurance Agent Co., Ltd. ("SENYOUNG") (Note 8)	89,090	225,290	98,040	127,250	386,508	32,454	26,433	4
Senaolife Insurance Agent Co., Ltd. ("Senaolife") (Note 8)	0	0	0	0	1,107	(124)	(2,013)	0

Note 1: The information of affiliates is ranked by the shareholding percentage.

Note 2: In August 2020, CTC, CHC and Prime Asia were given the approval to terminate and dissolve their businesses in sequence. In October 2022, the liquidation processes of CTC were completed.

Note 3: IESA completed its liquidation in September 2023.

Note 4: IEHK completed its liquidation in June 2023.

Note 5: SIS completed its liquidation in September 2023.

Note 6: SIHK completed its liquidation in July 2023.

Note 7: Youyi completed its liquidation in November 2023.

Note 8: The merger between SENYOUNG and Senaolife was completed on May 1, 2023, the merger completion date, with SENYOUNG being the surviving company.

Note 9: Exchange rates for the Consolidated Balance Sheet are as follows:

RMB1 = NT\$4.327, HKD1 = NT\$3.929, USD1 = NT\$30.705, JPY1 = NT\$0.2172, VND1 = NT\$0.00125, SGD1 = NT\$23.29, THB1 = NT\$0.9017

Exchange rates for the Consolidated Income Statement are as follows:

RMB1 = NT\$4.396, HKD1 = NT\$3.98, USD1 = NT\$31.155, JPY1 = NT\$0.2221, VND1 = NT\$0.00129, SGD1 = NT\$23.2, THB1 = NT\$0.9005

1.2 Consolidated Financial Report of the Company and Affiliates

For more details, please refer to page 181, Chapter 8, "Consolidated Financial Statements and Independent Auditors' Report".

2. Private Placement Securities in the Most Recent Year and Up To the Publication Date of this Annual Report

None.

3. The Company's Shares Held or Disposed by Subsidiaries in the Most Recent Year and Up To the Publication Date of this Annual Report

None.

4. Material Impact, pursuant to Article 36-3-2 of the Securities and Exchange Act, on Shareholders' Equity or Share Price in the Most Recent Year and Up To the Publication Date of this Annual Report

1. 2023.5.5 Change of the Company's Chairman and CEO; the 2nd extraordinary meeting of the 10th Board of Directors approved by-election the appointment of Mr. Shui-Yi Kuo as chairman and CEO concurrently.
2. 2023.7.7 Change of the Company's President; the 4th extraordinary meeting of the 10th Board of Directors approved the appointment of Mr. Chau-Young Lin as the president.
3. 2023.12.22 Announcement of the change of accounting firm and CPA effective from the first quarter of 2024.

5. Other Supplementary Information

None.

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Financial Information

1. Five-Year Financial Summary
2. Occurrence of Financial Distress on the Company and Affiliates for the Most Recent Year and Up To the Publication Date of this Annual Report
3. Asset Impairment Assessment and Provision
4. Financial Instruments Assessment
5. The Differences between 2023 Financial Statements under Taiwan-IFRSs and IFRSs
6. 2023 Audit Committee's Review Report
7. Consolidated Financial Statements and Independent Auditors' Report
8. Parent-only Financial Statements and Independent Auditors' Report



Financial Information

1. Five-Year Financial Summary

1.1 Condensed Balance Sheet and Statement of Comprehensive Income

(1) Condensed Balance Sheet

A. Consolidated Condensed Balance Sheet

Unit: NT\$'000

Item		Year	Financial Summary for Most Recent 5 Years				
			2023	2022	2021	2020	2019
Current Assets			103,203,567	101,901,664	91,021,059	81,803,059	94,072,062
Property, Plant and Equipment			292,337,742	291,527,910	289,100,461	281,415,943	283,694,215
Intangible Assets			72,726,545	79,187,087	83,945,083	90,284,560	47,046,525
Other Assets			55,671,547	50,586,827	49,003,757	52,874,430	52,645,436
Total Assets			523,939,401	523,203,488	513,070,360	506,377,992	477,458,238
Current Liabilities	Before Distribution		65,763,215	65,697,925	64,292,298	71,435,111	64,351,545
	After Distribution		-	102,173,439	100,038,612	104,838,676	97,134,514
Noncurrent Liabilities			63,271,846	63,727,135	57,515,612	45,684,424	26,712,928
Total Liabilities	Before Distribution		129,035,061	129,425,060	121,807,910	117,119,535	91,064,473
	After Distribution		-	165,900,574	157,554,224	150,523,100	123,847,442
Equity Attributable to Stockholders of the Parent			382,308,088	381,178,887	379,334,846	377,931,016	376,110,243
Common Stocks			77,574,465	77,574,465	77,574,465	77,574,465	77,574,465
Additional Paid-in Capital			171,289,086	171,300,898	171,279,625	171,261,379	171,255,985
Retained Earnings	Before Distribution		133,091,645	132,526,608	130,888,906	128,168,050	126,591,245
	After Distribution		-	96,051,094	95,142,592	94,764,485	93,808,276
Other Equity			352,892	(223,084)	(408,150)	927,122	688,548
Noncontrolling Interests			12,596,252	12,599,541	11,927,604	11,327,441	10,283,522
Total Equity	Before Distribution		394,904,340	393,778,428	391,262,450	389,258,457	386,393,765
	After Distribution		-	357,302,914	355,516,136	355,854,892	353,610,796

B. Parent-only Condensed Balance Sheet

Unit: NT\$'000

Year Item		Financial Summary for Most Recent 5 Years				
		2023	2022	2021	2020	2019
Current Assets		74,573,248	73,855,441	63,880,337	54,926,878	69,965,003
Property, Plant and Equipment		280,957,955	281,135,193	279,910,890	272,623,164	274,744,872
Intangible Assets		72,268,996	78,697,640	83,435,418	89,723,406	46,519,457
Other Assets		71,592,679	65,937,098	63,318,046	67,065,574	66,085,949
Total Assets		499,392,878	499,625,372	490,544,691	484,339,022	457,315,281
Current Liabilities	Before Distribution	56,259,364	58,748,028	57,596,030	63,358,005	59,382,190
	After Distribution	-	95,223,542	93,342,344	96,761,570	92,165,159
Noncurrent Liabilities		60,825,426	59,698,457	53,613,815	43,050,001	21,822,848
Total Liabilities	Before Distribution	117,084,790	118,446,485	111,209,845	106,408,006	81,205,038
	After Distribution	-	154,921,999	146,956,159	139,811,571	113,988,007
Common Stocks		77,574,465	77,574,465	77,574,465	77,574,465	77,574,465
Additional Paid-in Capital		171,289,086	171,300,898	171,279,625	171,261,379	171,255,985
Retained Earnings	Before Distribution	133,091,645	132,526,608	130,888,906	128,168,050	126,591,245
	After Distribution	-	96,051,094	95,142,592	94,764,485	93,808,276
Other Equity		352,892	(223,084)	(408,150)	927,122	688,548
Total Equity	Before Distribution	382,308,088	381,178,887	379,334,846	377,931,016	376,110,243
	After Distribution	-	344,703,373	343,588,532	344,527,451	343,327,274

(2) Condensed Statement of Comprehensive Income

A. Consolidated Condensed Statement of Comprehensive Income

Unit: NT\$'000

Year Item		Financial Summary for Most Recent 5 Years				
		2023	2022	2021	2020	2019
Revenues		223,199,260	216,739,234	210,477,948	207,608,998	207,520,061
Gross Profit		81,432,542	80,021,859	75,367,197	70,580,146	71,567,521
Income from Operations		46,353,235	46,824,889	44,929,821	42,361,726	40,645,854
Non-operating Income and Expenses		639,411	404,061	1,136,803	469,245	1,103,938
Income Before Income Tax		46,992,646	47,228,950	46,066,624	42,830,971	41,749,792
Net Income (Loss)		37,990,536	38,000,039	37,194,879	34,705,543	33,763,943

Item \ Year	Financial Summary for Most Recent 5 Years				
	2023	2022	2021	2020	2019
Other Comprehensive Income (Loss), Net of Income Tax	669,213	1,112,722	(965,831)	1,174,916	1,442,506
Total Comprehensive Income	38,659,749	39,112,761	36,229,048	35,880,459	35,206,449
Net Income Attributable to Stockholders of the Parent	36,916,708	36,477,157	35,753,579	33,406,130	32,788,546
Net Income Attributable to Noncontrolling Interests	1,073,828	1,522,882	1,441,300	1,299,413	975,397
Comprehensive Income Attributable to Stockholders of the Parent	37,616,527	37,569,082	34,789,149	34,598,348	34,225,076
Comprehensive Income Attributable to Noncontrolling Interests	1,043,222	1,543,679	1,439,899	1,282,111	981,373
Earnings per Share	4.76	4.70	4.61	4.31	4.23

B. Parent-only Condensed Statement of Comprehensive Income

Unit: NT\$'000

Item \ Year	Financial Summary for Most Recent 5 Years				
	2023	2022	2021	2020	2019
Revenues	188,729,545	182,254,339	178,843,350	178,622,827	179,321,838
Gross Profit	70,623,279	69,043,641	64,914,561	61,416,583	63,265,562
Income from Operations	43,436,830	43,392,345	41,683,186	39,539,657	38,345,865
Non-operating Income and Expenses	1,820,549	1,516,620	2,204,270	1,343,772	1,916,727
Income before Income Tax	45,257,379	44,908,965	43,887,456	40,883,429	40,262,592
Net Income (Loss)	36,916,708	36,477,157	35,753,579	33,406,130	32,788,546
Other Comprehensive Income (Loss), Net of Income Tax	699,819	1,091,925	(964,430)	1,192,218	1,436,530
Total Comprehensive Income	37,616,527	37,569,082	34,789,149	34,598,348	34,225,076
Earnings per Share	4.76	4.70	4.61	4.31	4.23

1.2 Independent Auditors' Names and Opinions for Recent Five Years

Year	Name of CPA	Audit Opinion
2019	Deloitte & Touche Dien-Sheng Chang and Ching-Pin Shih	Unmodified Opinion
2020	Deloitte & Touche Dien-Sheng Chang and Cheng-Hung Kuo	Unmodified Opinion
2021	Deloitte & Touche Dien-Sheng Chang and Cheng-Hung Kuo	Unmodified Opinion
2022	Deloitte & Touche Yih-Shin Kao and Mei Yen Chiang	Unmodified Opinion
2023	Deloitte & Touche Yih-Shin Kao and Mei Yen Chiang	Unmodified Opinion

1.3 Five Years Financial Analysis & Discussion

(1) Consolidated Financial Analysis for Recent 5 Years

Item \ Year		Financial Summary for Most Recent 5 Years				
		2023	2022	2021	2020	2019
Financial Structure	Debt to Asset Ratio (%)	24.63	24.74	23.47	23.13	19.07
	Ratio of Long-term Capital to Property, Plants and Equipment (%)	156.73	156.93	155.23	154.56	145.62
Liquidity Analysis	Current Ratio (%)	156.93	155.11	141.57	114.51	146.18
	Quick Ratio (%)	135.10	134.23	120.33	93.91	116.31
	Interest Earned Ratio	148.24	180.76	212.15	208.85	401.89
Operating Performance	Accounts Receivable Turnover (Times)	8.56	8.38	8.32	7.72	6.75
	Average Collection Days	42.64	43.55	43.87	47.27	54.07
	Inventory Turnover (Times)	4.71	4.38	4.31	3.62	3.03
	Accounts Payable Turnover (Times)	N/A	N/A	N/A	N/A	N/A
	Average Days in Sales	77.49	83.33	84.68	100.82	120.46
	Property, Plants and Equipment Turnover (Times)	0.76	0.75	0.74	0.73	0.72
	Total Assets Turnover (Times)	0.43	0.42	0.41	0.42	0.44
Profitability	Return on Assets (%)	7.30	7.37	7.33	7.09	7.17
	Return on Equity (%)	9.63	9.68	9.53	8.95	8.74
	Pre-tax Income to Paid-in Capital (%)	60.58	60.88	59.38	55.21	53.82
	Net Income Ratio (%)	17.02	17.53	17.67	16.72	16.27
	Earnings per Share (NT\$)	4.76	4.70	4.61	4.31	4.23
Cash Flow	Cash Flow Ratio (%)	113.38	115.61	116.43	104.23	112.55
	Cash Flow Adequacy Ratio (%)	115.84	111.51	110.18	108.03	105.88
	Cash Reinvestment Ratio (%)	3.30	3.52	3.70	3.78	3.52
Leverage	Operating Leverage	2.82	2.78	2.82	2.87	2.99
	Financial Leverage	1.01	1.01	1.00	1.00	1.00

Notes:

1. The formulas for the above table:

A. Financial Structure

Debts to Assets Ratio = Total Liabilities / Total Assets

Ratio of Long-term Capital to Property, Plants and Equipment = (Total Equity + Noncurrent Liabilities) / Net of Properties, Plants and Equipment

B. Liquidity Analysis

Current Ratio = Current Assets / Current Liabilities

Quick Ratio = (Current Assets - Inventory - Prepaid Expense) / Current Liabilities

Interest Earned Ratio = (Net Income before Income Tax and Interest Expenses) / Interest Expense

C. Operating Performance

Account Receivable Turnover = Net Sales / Average Accounts Receivable (including Accounts Receivable and Notes Receivable originated from operation)

Average Collection Days = 365 / Accounts Receivable Turnover

Inventory Turnover = Costs of Good Sold / Average Inventory

Accounts Payable Turnover = Costs of Good Sold / Average Accounts Payable (including Accounts Payable and Notes Payable originated from operation)

Average Days in Sales = 365 / Inventory Turnover

Property, Plants and Equipment Turnover = Net Sales / Average of Net Properties, Plants and Equipment

Total Assets Turnover = Net Sales / Average of Total Assets

D. Profitability

Return on Assets = (Net Income + Interest Expense x (1-Tax Rate)) / Average Total Assets

Return on Equity = Net Income / Average Equity

Net Income Ratio = Net Income / Net Sales

Earnings per Share = (Net Income Attributable to Stockholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Outstanding Shares

E. Cash Flow

Cash Flow Ratio = Cash Flows from Operating Activities / Current Liabilities

Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the most recent 5 years / (Capital Expenditure + Increase in Inventory + Cash Dividends) for the most recent 5 years

Cash Reinvestment Ratio = (Net Cash Flow from Operating Activities - Cash Dividends) / (Gross Properties, Plants, Equipment and Concessions + Long-term Investment + Other Noncurrent Assets + Working Capital)

F. Leverage

Operating Leverage = (Net Sales - Variable Operating Costs and Expenses) / Operating Income Financial Leverage = Operating Income / (Operating Income - Interest Expenses)

2. Analysis and discussion for any financial ratio variation plus and minus (+/-) 20% in recent 2 years:

None.

(2) Parent-only Financial Analysis for Recent 5 Years

Item \ Year		Financial Summary for Most Recent 5 Years				
		2023	2022	2021	2020	2019
Financial Structure	Debt to Asset Ratio (%)	23.45	23.71	22.67	21.97	17.76
	Ratio of Long-term Capital to Property, Plants and Equipment (%)	157.72	156.82	154.67	154.42	144.84
Liquidity Analysis	Current Ratio (%)	132.55	125.72	110.91	86.69	117.82
	Quick Ratio (%)	119.50	114.94	98.89	72.90	94.37
	Interest Earned Ratio	178.17	204.67	231.87	239.17	651.73
Operating Performance	Accounts Receivable Turnover (Times)	7.95	7.59	7.60	7.21	6.21
	Average Collection Days	45.91	48.08	48.02	50.62	58.77
	Inventory Turnover (Times)	5.40	4.72	4.48	3.27	2.22
	Accounts Payable Turnover (Times)	N/A	N/A	N/A	N/A	N/A
	Average Days in Sales	67.59	77.33	81.47	111.62	164.41
	Property, Plant and Equipment Turnover (Times)	0.67	0.65	0.65	0.65	0.65
	Total Assets Turnover (Times)	0.38	0.37	0.37	0.38	0.40
Profitability	Return on Assets (%)	7.43	7.40	7.37	7.13	7.25
	Return on Equity (%)	9.67	9.59	9.44	8.86	8.71
	Pre-tax Income to Paid-in Capital (%)	58.34	57.89	56.57	52.70	51.90
	Net Income Ratio (%)	19.56	20.01	19.99	18.70	18.28
	Earnings per Share (NT\$)	4.76	4.70	4.61	4.31	4.23
Cash Flow	Cash Flow Ratio (%)	125.54	124.86	123.29	110.74	118.12
	Cash Flow Adequacy Ratio (%)	112.92	108.79	106.98	105.15	102.93
	Cash Reinvestment Ratio (%)	3.02	3.36	3.43	3.45	3.37
Leverage	Operating Leverage	2.76	2.74	2.80	2.85	2.98
	Financial Leverage	0.99	0.99	1.00	1.00	1.00

Notes:

1. Analysis and discussion for any financial ratio variation plus and minus (+/-) 20% in recent 2 years:

None.

2. Occurrence of Financial Distress on the Company and Affiliates for the Most Recent Year and Up To the Publication Date of this Annual Report

None.

3. Asset Impairment Assessment and Provision

The Company recognizes asset impairment in accordance to the relevant IFRSs, for details, please refer to page 181, Section 7, "Consolidated Financial Statements and Independent Auditors' Report".

4. Financial Instruments Assessment

The Company measures all financial instruments in accordance to IFRS 9 "Financial Instrument", see below financial categories:

(1) Financial assets at fair value through profit or loss (FVTPL)

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at fair value through other comprehensive income(FVOCI).

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend earned on the financial asset.

(2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments

of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss, except for short-term receivables as the effect of discounting is immaterial. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial assets.

(3) Investments in equity instruments at FVOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments. Instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

5. The Differences between 2023 Financial Statements under Taiwan-IFRSs and IFRSs

The Company has adopted Taiwan IFRSs endorsed and issued into effect by FSC for ROC reporting purposes. The differences between Taiwan IFRSs and IFRSs issued by International Accounting Standards Board, or IASB, are set forth below:

- (1) Under Taiwan IFRSs endorsed and issued into effect by FSC (or "T-IFRSs"), the Company reported consolidated

net income of NT\$37,990,536 thousand, consolidated net income attributable to stockholders of the parent of NT\$36,916,708 thousand, and basic earnings per share of NT\$4.76 for the year ended December 31, 2023, respectively. The Company also reported total assets of NT\$523,939,401 thousand, total liabilities of NT\$129,035,061 thousand, and total equity of NT\$394,904,340 thousand as of December 31, 2023.

- (2) Under IFRSs issued by IASB (or "IFRSs"), the Company reported consolidated net income of NT\$38,061 million, consolidated net income attributable to stockholders of the parent of NT\$36,958 million, and basic earnings per share of NT\$4.76 for the year ended December 31, 2023, respectively. The Company also reported total assets of NT\$523,741 million, total liabilities of NT\$131,022 million, and total equity of NT\$392,719 million as of December 31, 2023.
- (3) The differences between consolidated net income under Taiwan-IFRSs and that under IFRSs followed by the Company mainly come from the timing of the recognition of income tax on unappropriated earnings. In addition, prior to incorporation, the Company was subject to the laws and regulations applicable to state-owned enterprises in Taiwan which differed from the generally accepted accounting principles as applicable to commercial companies. As such, revenue from providing fixed line connection service and selling prepaid phone cards was recognized at the time the service was performed or the card was sold by the Company. Upon incorporation, net assets greater than the capital stock was credited as additional paid-in-capital and part of the additional paid-in-capital was from the unearned revenues generated from connection fees and prepaid cards as of the date of incorporation. Under IFRSs, revenue from connection fees and prepaid phone cards was deferred at the time of the service performed or sale and recognized as revenue over time as the service is continuously performed or as consumed. This reclassification from additional paid-in capital to retained earnings did not affect total equity.

6. 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

A handwritten signature in black ink, consisting of a stylized, cursive script that begins with a large, looped initial and extends into a long, horizontal stroke.

February 23, 2024

7. Consolidated Financial Statements and Independent Auditors' Report

**Chunghwa Telecom Co., Ltd. and
Subsidiaries**
**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as those included in the consolidated financial statements of Chunghwa Telecom Co., Ltd. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of Chunghwa Telecom Co., Ltd. and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CHUNGHWA TELECOM CO., LTD.

By

Shui-Yi Kuo
Chairman
February 23, 2024

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.

Yih-shin Kao

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.

ASSETS	2023	%	2022	%
	Amount		Amount	
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 6 and 37)	\$ 33,823,884	6	\$ 50,192,604	10
Financial assets at fair value through profit or loss (Notes 3, 4 and 7)	904	-	3,953	-
Financial assets at fair value through other comprehensive income (Notes 3, 4 and 7)	-	-	1,000,203	-
Contract assets (Notes 3 and 29)	6,713,227	1	6,085,343	1
Trade receivables and accounts receivable, net (Notes 3, 4, 9 and 29)	24,841,995	5	24,672,473	5
Receivables from related parties (Note 37)	78,089	-	75,061	-
Inventories (Notes 3, 4 and 10)	11,520,765	2	11,316,406	2
Prepayments (Note 11)	2,839,471	1	2,398,608	-
Other current monetary assets (Notes 12, 27 and 37)	20,352,050	4	3,618,902	1
Incremental costs of obtaining contracts (Notes 3 and 29)	17,019,523	-	-	-
Other current assets (Notes 18, 19, 31 and 38)	2,852,229	1	3,555,423	-
Total current assets	103,203,557	20	101,901,664	20
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 3, 4 and 7)	1,035,701	-	1,020,203	-
Financial assets at fair value through other comprehensive income (Notes 3, 4 and 8)	4,412,343	1	3,491,381	1
Contract assets (Notes 3 and 29)	8,766,111	2	8,686,111	1
Contract liabilities (Notes 3 and 29)	3,766,645	1	3,136,801	1
Property, plant and equipment (Notes 3, 4, 15, 34, 37 and 38)	292,337,742	56	291,527,910	56
Right-of-use assets (Notes 3, 4, 16 and 37)	11,237,814	2	11,102,549	2
Investment properties (Notes 3, 4 and 17)	9,865,463	2	9,803,861	2
Intangible assets (Notes 3, 4, 18 and 37)	72,726,545	13	79,187,087	15
Deferred income tax assets (Notes 3 and 31)	2,099,439	-	2,196,645	-
Goodwill (Notes 3, 4 and 38)	5,535,444	1	5,535,444	1
Net defined benefit liabilities (Notes 3, 4 and 27)	5,963,259	1	5,265,721	-
Prepayments (Notes 11 and 39)	3,330,583	1	1,728,277	-
Other noncurrent assets (Notes 19, 38 and 39)	4,628,692	-	4,705,624	-
Total noncurrent assets	420,733,834	80	421,301,824	80
TOTAL	\$ 523,939,401	100	\$ 523,203,488	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Note 21)	\$ 555,000	-	\$ 722,000	-
Financial liabilities at fair value through profit or loss (Notes 3 and 20)	-	-	-	-
Contract liabilities (Notes 3 and 29)	14,088,416	3	13,390,439	3
Trade notes and accounts payable (Note 24)	14,395,740	3	16,428,856	3
Payables to related parties (Note 37)	385,089	-	539,194	-
Current tax liabilities (Notes 3 and 31)	4,626,265	1	4,956,465	1
Lease liabilities (Notes 3, 4, 16, 34 and 37)	3,504,990	1	3,338,813	1
Other payables (Notes 25 and 34)	25,258,926	5	25,079,960	5
Provisions (Notes 3 and 26)	13,844,000	-	226,019	-
Contract liabilities (Notes 3 and 29)	1,603,000	-	-	-
Current noncurrent liabilities (Notes 22 and 38)	-	-	1,016,179	-
Other current liabilities	983,339	-	-	-
Total current liabilities	65,763,215	13	65,697,925	13
NONCURRENT LIABILITIES				
Long-term loans (Notes 22 and 38)	-	-	1,600,000	-
Financial liabilities at fair value through profit or loss (Notes 3 and 20)	-	-	30,477,357	-
Contract liabilities (Notes 3 and 29)	7,560,352	2	7,674,095	2
Contract liabilities (Notes 3 and 29)	2,460,509	-	2,300,845	-
Deferred income tax liabilities (Notes 3 and 31)	-	-	-	-
Provisions (Notes 3 and 26)	485,267	-	173,033	-
Lease liabilities (Notes 3, 4, 16, 34 and 37)	7,470,191	2	7,333,694	2
Customers' deposits (Note 37)	5,309,097	1	5,156,700	1
Net defined benefit liabilities (Notes 3, 4 and 27)	2,098,166	-	2,285,224	-
Other noncurrent liabilities	7,463,538	-	6,726,187	-
Total noncurrent liabilities	63,271,846	12	63,722,135	12
Total liabilities	129,035,061	25	129,420,060	25
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT (Notes 13 and 28)				
Additional paid-in capital	77,574,465	15	77,574,465	15
Retained earnings	171,269,086	32	171,300,698	32
Legal reserve	-	-	-	-
Special reserve	77,574,465	15	77,574,465	15
Unappropriated earnings	2,898,503	1	3,083,569	1
Total retained earnings	52,047,433	10	51,868,574	10
Other	133,091,625	26	132,526,608	26
	332,892	-	(223,084)	-
Total equity attributable to stockholders of the parent	382,308,088	73	381,178,887	73
NONCONTROLLING INTERESTS (Notes 13 and 28)	12,596,252	2	12,599,541	2
Total equity	394,904,340	75	393,778,428	75
TOTAL	\$ 523,939,401	100	\$ 523,203,488	100

The accompanying notes are an integral part of the consolidated financial statements.

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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 (Notes 3, 29, 37 and 42)	\$ 223,199,260	100	\$ 216,739,234	100
OPERATING COSTS (Notes 3, 10, 27, 30 and 37)	141,766,718	64	136,717,375	63
GROSS PROFIT	81,432,542	36	80,021,859	37
OPERATING EXPENSES (Notes 3, 9, 27, 30 and 37)				
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	15	33,289,983	15
OTHER INCOME AND EXPENSES (Notes 15, 17, 18, 30 and 42)	(635,367)	-	93,013	-
INCOME FROM OPERATIONS	46,353,235	21	46,824,889	22
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 37 and 42)	617,609	-	249,129	-
Other income (Notes 8, 30 and 37)	381,835	-	368,523	-
Other gains and losses (Notes 30, 36 and 37)	(284,244)	-	(403,784)	-
Interest expense (Notes 16, 30, 37 and 42)	(319,163)	-	(262,738)	-
Share of profits of associates and joint ventures accounted for using equity method (Notes 14 and 42)	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 (Notes 3 and 31)	9,002,110	4	9,228,911	4
NET INCOME	37,990,536	17	38,000,039	18

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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 (Note 27)	\$ 156,860	-	\$ 1,153,576	-
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income (Notes 3, 28 and 36)	619,468	-	(136,563)	-
Gain or loss on hedging instruments subject to basis adjustment (Notes 3 and 20)	(12,935)	-	21,177	-
Share of other comprehensive income of associates and joint ventures (Note 14)	6,334	-	2,802	-
Income tax relating to items that will not be reclassified to profit or loss (Note 31)	(31,372)	-	(230,715)	-
	<u>738,355</u>	-	<u>810,277</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(45,743)	-	296,484	-
Share of other comprehensive income (loss) of associates and joint ventures (Note 14)	(23,399)	-	5,961	-
	<u>(69,142)</u>	-	<u>302,445</u>	-
Total other comprehensive income, net of income tax	<u>669,213</u>	-	<u>1,112,722</u>	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 38,659,749</u>	<u>17</u>	<u>\$ 39,112,761</u>	<u>18</u>
NET INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 36,916,708	17	\$ 36,477,157	17
Noncontrolling interests	<u>1,073,828</u>	-	<u>1,522,882</u>	1
	<u>\$ 37,990,536</u>	<u>17</u>	<u>\$ 38,000,039</u>	<u>18</u>
				(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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	<u>1,043,222</u>	-	<u>1,543,679</u>	1
	<u>\$ 38,659,749</u>	<u>17</u>	<u>\$ 39,112,761</u>	<u>18</u>
EARNINGS PER SHARE (Note 32)				
Basic	<u>\$ 4.76</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 4.75</u>		<u>\$ 4.70</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Stockholders of the Parent (Notes 13, 20 and 28)									
				Others						
	Common Stocks	Additional Paid-in Capital	Retained Earnings	Unappropriated Earnings	Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain or Loss on Hedging Instruments	Total	Noncontrolling Interests (Notes 13 and 28)	Total Equity
BALANCE, JANUARY 1, 2022	\$ 77,574,465	\$ 171,279,625	\$ 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	-	-	408,150	(408,150)	-	-	-	(35,746,314)	-	(35,746,314)
Cash dividends distributed by Chungghwa	-	-	-	(35,746,314)	-	-	-	-	-	(1,053,240)
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	-	-	-	-	-	-	-	-	110,757	110,757
BALANCE, DECEMBER 31, 2022	77,574,465	171,300,898	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	-	-	(185,066)	185,066	-	-	-	(36,475,514)	-	(36,475,514)
Cash dividends distributed by Chungghwa	-	-	-	(36,475,514)	-	-	-	-	-	(1,091,670)
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	-	-	-	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	-	-	-	-	-	-	-	-	18,799	18,799
BALANCE, DECEMBER 31, 2023	\$ 77,574,465	\$ 171,289,086	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)	\$ 382,308,088	\$ 12,596,252	\$ 394,904,340

The accompanying notes are an integral part of the consolidated financial statements.

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	\$ 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
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 assets	733,164	(576,643)
Incremental cost of obtaining contracts	(1,026,172)	(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	(154,105)	147,836
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)

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CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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 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 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 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 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	(1,729,118)	-
Interests received	567,842	219,092
Dividends received	467,082	550,310
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)

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CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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	\$ 679,371	\$ 1,644,277
Cash dividends paid	(36,475,514)	(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	<u>\$ 33,823,884</u>	<u>\$ 50,192,604</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL

Chungghwa Telecom Co., Ltd. ("Chungghwa"; Chungghwa together with its subsidiaries are hereinafter referred to collectively as the "Company") was incorporated on July 1, 1996 in the Republic of China ("ROC"). Chungghwa is a company limited by shares and, prior to August 2000, was wholly owned by the Ministry of Transportation and Communications ("MOTC"). Prior to July 1, 1996, the current operations of Chungghwa were carried out under the Directorate General of Telecommunications ("DGT"). The DGT was established by the MOTC in June 1943 to take primary responsibility in the development of telecommunications infrastructure and to formulate policies related to telecommunications. On July 1, 1996, the telecom operations of the DGT were spun-off as Chungghwa which continues to carry out the business and the DGT continues to be the industry regulator.

Effective August 12, 2005, the MOTC completed the process of privatizing Chungghwa by reducing the government ownership to below 50% in various stages. In July 2000, Chungghwa received approval from the Securities and Futures Commission (the "SFC") for a domestic initial public offering and its common stocks were listed and traded on the Taiwan Stock Exchange (the "TWSE") on October 27, 2000. Certain of Chungghwa's common stocks were sold, in connection with the foregoing privatization plan, in domestic public offerings at various dates from August 2000 to July 2003. Certain of Chungghwa's common stocks were also sold in an international offering of securities in the form of American Depositary Shares ("ADS") on July 17, 2003 and were listed and traded on the New York Stock Exchange (the "NYSE"). The MOTC sold common stocks of Chungghwa by auction in the ROC on August 9, 2005 and completed the second international offering on August 10, 2005. Upon completion of the share transfers associated with these offerings on August 12, 2005, the MOTC owned less than 50% of the outstanding shares of Chungghwa and completed the privatization plan.

Chungghwa launched its organizational transformation based on customer-centric structure effective from January 2022. Please refer to Note 42 Segment Information for details.

The consolidated financial statements are presented in Chungghwa's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on February 23, 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC") (collectively, the "Taiwan-IFRS").

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligations less the fair value of plan assets.

Current and Noncurrent Assets and Liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within twelve months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within twelve months after the reporting period; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

Light Era Development Co., Ltd. ("LED") engages mainly in development of property for rent and sale. The assets and liabilities of LED related to property development within its operating cycle, which is over one year, are classified as current items.

Basis of Consolidation

- Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of Chunghwa and entities controlled by Chunghwa (its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to noncontrolling interests

Total comprehensive income of subsidiaries is attributed to the stockholders of the parent and to the noncontrolling interests even if it results in the noncontrolling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the

noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to stockholders of the parent.

- The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership Interests		Note
			2023	2022	
Chunghwa Telecom Co., Ltd.	Senao International Co., Ltd. ("SENAO")	Handset and peripherals retailer, sales agent of CHT mobile phone plans as an agent	28	28	a)
	Light Era Development Co., Ltd. ("LED")	Planning and development of real estate and intelligent buildings, and property management	100	100	
	Donghua Telecom Co., Ltd. ("DHT")	International private leased circuit, IP VPN service, and IP transit services	100	100	
	Chunghwa Telecom Singapore Pte. Ltd. ("CHTS")	International private leased circuit, IP VPN service, and IP transit services	100	100	
	Chunghwa System Integration Co., Ltd. ("CHIS")	Providing system integration services and telecommunications equipment	100	100	
	Chunghwa Investment Co., Ltd. ("CHI")	Investment	89	89	
	CHIEF Telecom Inc. ("CHIEF")	Network integration, internet data center ("IDC"), communications integration and cloud application services	56	56	b)
	CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	Digital information supply services and advertisement services	100	100	
	Prime Asia Investments Group Ltd. ("Prime Asia")	Investment	100	100	
	Spring House Entertainment Tech. Inc. ("SHE")	Software design services, internet contents production and play, and motion picture production and distribution	56	56	
	Chunghwa Telecom Global, Inc. ("CHTG")	International private leased circuit, internet services, and transit services	100	100	
	Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	Intelligent energy saving solutions, international circuit, and information and communication technology ("ICT") services	100	100	
	Smartfun Digital Co., Ltd. ("SFD")	Providing diversified family education digital services	65	65	
	Chunghwa Telecom Japan Co., Ltd. ("CHTJ")	International private leased circuit, IP VPN service, and IP transit services	100	100	
	Chunghwa Soelamp Technology Inc. ("CHST")	Design, development and production of Automatic License Plate Recognition software and hardware	37	37	c)
	Honghua International Co., Ltd. ("HHI")	Telecommunications engineering, sales agent of mobile phone plan application and other business services, etc.	100	100	
	Chunghwa Leading Photonics Tech Co., Ltd. ("CLPT")	Production and sale of electronic components and finished products	75	75	d)
	Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	International private leased circuit, IP VPN service, ICT and cloud VAS services	100	100	
	CHT Security Co., Ltd. ("CHTSC")	Computing equipment installation, wholesale of computing and business machinery equipment and software, management consulting services, data processing services, digital information supply services and internet identity services	69	73	e)
	International Integrated Systems, Inc. ("IIS")	IT solution provider, IT application consultation, system integration and package solution	51	51	

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership Interests		Note
			2023	2022	
Sensao International Co., Ltd.	Sensao International (Samoa) Holding Ltd. ("SIS") Youth Co., Ltd. ("Youth")	International investment	-	100	f)
	Aval Technologies Co., Ltd. ("Aval")	Sale of information and communication technologies products	96	96	
	Senyoung Insurance Agent Co., Ltd. ("SENYOUNG")	Sale of information and communication technologies products	100	100	
		Property and liability insurance agency	100	100	
Youth Co., Ltd.	ISFOT Co., Ltd. ("ISFOT")	Sale of information and communication technologies products	100	100	
	Youyi Co., Ltd. ("Youyi")	Maintenance of information and communication technologies products	-	100	g)
Aval Technologies Co., Ltd.	Win Technology Co., Ltd. ("Win")	Sale of information and communication technologies products	100	100	
Senyoung Insurance Agent Co., Ltd.	Senaolife Insurance Agent Co., Ltd. ("Senaolife")	Life insurance services	-	100	h)
CHIEF Telecom Inc.	Unigate Telecom Inc. ("Unigate")	Telecommunications and internet service	100	100	
	Chief International Corp. ("CC")	Telecommunications and internet service	100	100	
	Shanghai Chief Telecom Co., Ltd. ("SCT")	Telecommunications and internet service	49	49	i)
Chunghwa Investment Co., Ltd.	Chunghwa Precision Test Tech. Co., Ltd. ("CHPT")	Production and sale of semiconductor testing components and printed circuit board	34	34	j)
Chunghwa Precision Test Tech. Co., Ltd.	Chunghwa Precision Test Tech. USA Corporation ("CHPT (US)")	Design and after-sale services of semiconductor testing components and printed circuit board	100	100	
	CHPT Japan Co., Ltd. ("CHPT (JP)")	Related services of electronic parts, machinery processed products and printed circuit board	100	100	
	Chunghwa Precision Test Tech. International Ltd. ("CHPT (International)")	Wholesale and retail of electronic materials, and investment	100	100	
	TestPro Investment Co., Ltd. ("TestPro")	Investment	100	100	k)
TestPro Investment Co., Ltd.	NavCore Tech. Co., Ltd. ("NavCore")	Sale and manufacturing of smart equipment, smart factory software and hardware integration and technical consulting service	54	54	l)
Sensao International (Samoa) Holding Ltd.	Sensao International HK Limited ("SHIK")	International investment	-	100	m)
Prime Asia Investments Group Ltd.	Chunghwa Hsingia Co., Ltd. ("CHC")	Investment	100	100	
Chunghwa Hsingia Co., Ltd.	Chunghwa Telecom (China) Co., Ltd. ("CTC")	Integrated information and communication solution services for enterprise clients, and intelligent energy network service	-	-	n)

(Continued)

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership Interests		Note
			2023	2022	
Chunghwa Precision Test Tech. International Ltd.	Shanghai Taihua Electronic Technology Limited ("STET")	Design of printed circuit board and related consultation service	100	100	
	Su Zhou Precision Test Tech. Ltd. ("SZPT")	Assembly processed of circuit board, design of printed circuit board and related consultation service	100	100	
International Integrated Systems, Inc.	Infoexplorer International Co., Ltd. ("IESA")	Investment	-	100	o)
	IISI Investment Co., Ltd. ("IICL")	Investment	-	-	p)
	Untronics Technology Corp. ("UTC")	Development and maintenance of information system	100	99.96	q)
Infoexplorer International Co., Ltd.	International Integrated Systems (Hong Kong) Limited ("IEHK")	Investment and technical consulting service	-	100	r)
IISI Investment Co., Ltd.	Leading Tech Co., Ltd. ("LTCL")	Investment	-	-	p)
Leading Tech Co., Ltd.	Leading Systems Co., Ltd. ("LSCL")	Investment	-	-	p)

(Concluded)

a) Chunghwa continues to control seven out of thirteen seats of the Board of Directors of SENAO through the support of large beneficial stockholders. As a result, the Company treated SENAO as a subsidiary.

b) CHIEF issued new shares in March 2022, December 2022 and December 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHIEF decreased to 58.67% and 58.63% as of December 31, 2022 and 2023, respectively.

c) Chunghwa did not participate in the capital increase of CHST in November 2022. Therefore, the Company's ownership interest in CHST decreased to 37.09% as of December 31, 2023. However, Chunghwa continues to control three out of five seats of the Board of Directors of CHST. As a result, the Company treated CHST as a subsidiary.

d) CLPT issued new shares in May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CLPT decreased to 74.56% as of December 31, 2023.

e) CHTSC issued new shares in February 2022, May 2022, February 2023 and May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHTSC decreased to 73.09% and 69.28% as of December 31, 2022 and 2023, respectively.

f) SIS reduced 96.26% of its capital to offset accumulated deficits in November 2022. The Company's ownership interest in SIS remained the same. SIS completed its liquidation in September 2023.

g) Youyi completed its liquidation in November 2023.

h) In order to coordinate with financial planning and adjustment of organizational resources, the Board of Directors of SENYOUNG approved the merger with Senaolife. SENYOUNG was the surviving company. The merger was completed on May 1, 2023.

i) CHIEF has two out of three seats of the Board of Directors of SCT according to the mutual agreements among stockholders and gained control over SCT; hence, SCT is deemed as a subsidiary of the Company.

i) Though the Company's ownership interest in CHPT is less than 50%, the management considered the absolute and relative size of ownership interest, and the dispersion of shares owned by the other stockholders and concluded that the Company has a sufficiently dominant voting interest to direct the relevant activities; hence, CHPT is deemed as a subsidiary of the Company.

Company.

k) CHPT invested and established TestPro in March 2022. CHPT obtained 100% ownership interest of TestPro.

recognized in profit or loss. Conversely, when the fair value changes in other comprehensive income, related exchange difference shall be recognized in other comprehensive income.

mm) SIHK completed its liquidation in July 2023.

m) CTC completed its liquidation in October 2022.

exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and attributed to stockholders of the parent and noncontrolling interests as appropriate.

Exchange differences arising, if any, are recognized in income at the average exchange rates for the period. Other comprehensive income and attributed to stockholders of the parent and noncontrolling interests as appropriate.

Cash equivalents include those maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in fair value such as commercial paper, negotiable certificates of deposit, time deposits and stimulus vouchers. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Chunghwa Telecom Co., Ltd.
(Chunghwa Telecom)

[illegible]

Category	Percentage
Unifrones Technology	34.25%
Other	2.93%
Unifrones Technology	98.79%
Unifrones Technology	100.7%

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graph TD
    RG[Research Group  
Chief International Corp.  
(\"CIC\")] --> LT[Language Telecom Inc.  
(\"Language\")]
    RG --> SCT[Shanghai Telecom Co., Ltd.  
(\"SCT\")]
    RG --> PCT[Precision Test Tech. Co., Ltd.  
(\"PCT\")]
    LT --> YL[Co., Ltd.  
(\"Yantai\")]
    SCT --> CHT[Changsha Telecom Co., Ltd.  
(\"CHT\")]
    PCT --> CHPT[Changsha Precision Test Tech. Co., Ltd.  
(\"CHPT\")]
    YL --- YL_P[100%]
    CHT --- CHT_P[100%]
    CHPT --- CHPT_P[100%]
  
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graph TD
    Root[100%] --> Node1[54.25%]
    Root --> Node2[45.75%]
    Node1 --> Node1a[Nan Core Text (Sci. & Tech. (20%)]
    Node1 --> Node1b[Test Tech. (34.25%)]
    Node1b --> Node1b1[Tech. USA Corporation ("CPIPT" (US))]
    Node1b --> Node1b2[Test Tech. International Ltd ("CPIPT" International)]
  
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Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments accounted for using the equity method include investments in associates and interests in joint ventures. Under the equity method, an investment in an associate and a joint venture is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate and joint venture as well as the distribution received. The Company also recognizes its share in changes in the associates and joint ventures.

When the Company subscribes for new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate and joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to additional paid-in capital. When the adjustment should be debited to additional paid-in capital but the additional paid-in capital recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

Any excess of the cost of acquisition over the Company's share of the fair value of the identifiable net assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and shall not be amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate and joint venture directly disposed of the related assets or liabilities.

When the Company transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Company's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Company.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period in which the property is derecognized.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer from the investment properties to property, plant and equipment, the deemed cost of the property, plant and equipment for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer from the property, plant and equipment to investment properties, the deemed cost of the investment properties for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of the investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period in which the property is derecognized.

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating unit") that are expected to benefit from the synergies of the business combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Intangible Assets Other Than Goodwill

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The residual value of an intangible asset with a

finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss in the period in which the asset is derecognized.

Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties, Intangible Assets Other Than Goodwill and Incremental Costs of Obtaining Contracts

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Impairment loss from the assets related to incremental cost of obtaining contracts is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

a) Financial assets at fair value through profit or loss (FVTPL)

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at fair value through other comprehensive income (FVOCI).

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend earned on the financial asset. Fair value is determined in the manner described in Note 36.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss, except for short-term receivables as the effect of discounting is immaterial. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial assets.

c) Investments in equity instruments at FVOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments. Instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and contract assets.

The Company recognizes lifetime Expected Credit Loss (ECL) for accounts receivable and contract assets. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of investments in equity instruments at FVOCI in its entirety, the cumulative gain or loss is directly transferred to retained earnings, and it is not reclassified to profit or loss.

b. Financial liabilities

1) Subsequent measurement

Except for financial liabilities at FVTPL, all the financial liabilities are subsequently measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

c. Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including forward exchange contracts.

Derivatives are initially measured at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss

depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Hedge Accounting

The Company designates some derivatives instruments as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Provisions

Provisions are measured at the best estimate of the expenditure required to settle the Company's obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The provisions for warranties claims are made by management according to the sales agreements which represent the management's best estimate of the future outflow of economic benefits. The provisions of warranties claims are recognized as operating cost in the period in which the goods are sold. The provision for onerous contracts represents the present obligation resulting from the measurement for the unavoidable costs of meeting the Company's contractual obligations exceed the economic benefits expected to be received from the contracts. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

Revenue Recognition

The Company identifies the performance obligations in the contract with the customers, allocates transaction price to each performance obligation and recognizes revenue when performance obligations are satisfied.

Sales of products are recognized as revenue when the Company delivers products and the customer accepts and controls the product. Except for the consumer electronic products such as mobile devices sold in channel stores which are usually in cash sale, the Company recognizes revenues for sale of other electronic devices and corresponding trade notes and accounts receivable.

Usage revenues from fixed-line services (including local, domestic long distance and international long distance telephone services), mobile services, internet and data services, and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon seconds or minutes of traffic processed when the services are provided in

accordance with contract terms. The usage revenues and corresponding trade notes and accounts receivable are recognized monthly.

Other revenues are recognized as follows: (a) one-time subscriber connection fees (on fixed-line services) are first recognized as contract liabilities and revenues are recognized subsequently over the average expected customer service periods, (b) monthly fees (on fixed-line services, mobile, internet and data services) and related receivables are accrued monthly, and (c) prepaid services (fixed-line, mobile, internet and data services) are recognized as contract liabilities upon collection considerations from customers and are recognized as revenues subsequently based upon actual usage by customers.

Where the Company enters into transactions which involve both the provision of telecommunications service bundled with products such as handsets, total consideration received from products and telecommunications service in these arrangements are allocated based on their relative stand-alone selling price. The amount of sales revenue recognized for products is not limited to the amount paid by the customer for the products. When the amount of sales revenue recognized for products exceeded the amount paid by the customer for the products, the difference is recognized as contract assets. Contract assets are reclassified to accounts receivable when the amounts become collectible from customers subsequently. When the amount of sales revenue recognized for products was less than the amount paid by the customer for the products, the difference is recognized as contract liabilities and revenues are recognized subsequently when the telecommunications service are provided.

For project business contracts, if a substantial part of the Company's promise to customers is to manage and coordinate the various tasks and assume the risks of those tasks to ensure the individual goods or services are incorporated into the combined output, they are treated as a single performance obligation since the Company provides a significant integration service. The Company recognizes revenues and corresponding accounts receivable when the project business contract is completed and accepted by customers. For some project contracts, the Company does not create an asset with an alternative use to the Company and has an enforceable right to payment for performance completed to date; therefore, performance obligations are satisfied and revenues are recognized over time.

For service contracts such as maintenance and warranties, customers simultaneously receive and consume the benefits provided by the Company; thus, revenues and corresponding accounts receivable of service contracts are recognized over the related service period.

When another party is involved in providing goods or services to a customer, the Company is acting as a principal if it controls the specified good or service before that good or service is transferred to a customer; otherwise, the Company is acting as an agent. When the Company is acting as a principal, gross inflow of economic benefits arising from transactions is recognized as revenue. When the Company is acting as an agent, revenue is recognized as its share of transaction.

Incremental Costs of Obtaining Contracts

Commissions and equipment subsidy related to telecommunications service as a result of obtaining contracts are recognized as an asset under the incremental costs of obtaining contracts to the extent the costs are expected to be recovered and are amortized over the contract period. However, the Company elects not to capitalize the incremental costs of obtaining contracts if the amortization period of the assets that the Company otherwise would have recognized is expected to be one year or less. LED's commissions for real estate sales as a result of obtaining contracts are recognized as an asset under the incremental costs of obtaining contracts to the extent the costs are expected to be recovered and are amortized when the real estate is sold and its ownership is transferred to the customers.

Leasing

At inception of a contract, the Company assesses whether the contract is, or contains, a lease.

- a. The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

- b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for lease payments for low-value assets are recognized as expenses on a straight-line basis over the lease terms accounted for applying recognition exemption.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities and for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented separately on the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line basis from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities were initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If such rate cannot be readily determined, the lessee's incremental borrowing rate is used.

Lease liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. The Company accounts for the remeasurement of the lease liability as a result of the decrease of lease scope by decreasing the carrying amount of the right-of-use assets and recognizes in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented separately on the consolidated balance sheets.

Variable lease payments not depending on an index or a rate are recognized as expenses in the periods in which they are incurred.

Borrowing Costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to government grants and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses of the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should

construct noncurrent assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that become receivable as compensation for expenses or losses already incurred are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and gains or losses on settlements) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising (a) actuarial gains and losses; and (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

Share-based Payment Arrangements - Employee Stock Options

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of employee stock options that are expected to ultimately vest, with a corresponding increase in additional paid-in capital - employee stock options. If the equity instruments granted vest immediately at the grant date, expenses are recognized in full in profit or loss.

At the end of each reporting period, the Company revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to additional paid-in capital - employee stock options.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable or recoverable is based on taxable profit or loss for the period determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the stockholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. A deferred tax liability is not recognized on taxable temporary difference arising from initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits from purchases of machinery, equipment and technology and research, and development expenditures, etc. to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Therefore, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

c. Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY AND ASSUMPTION

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions which are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed by the management on an ongoing basis.

a. Material accounting judgments

1) Principal versus agent

The Company's project agreements are mainly to provide one or more customized equipment or services to customers. In order to fulfill the agreements, another party may be involved in some agreements. The Company considers the following factors to determine whether the Company is a principal of the transaction: whether the Company is the primary obligation provider of the agreements, its exposures to inventory risks and the discretion in establishing prices, etc. The determination of whether the Company is a principal or an agent will affect the amount of revenue recognized by the Company. Only when the Company is acting as a principal, gross inflows of economic benefits arising from transactions is recognized as revenue.

2) Control over subsidiaries

As discussed in Note 3, "Summary of Material Accounting Policy Information - Basis of Consolidation", some entities are subsidiaries of the Company although the Company only owns less than 50% ownership interests in these entities. After considering the Company's absolute size of holding in the entity and the relative size of and the dispersion of shares owned by the other stockholders, and the contractual arrangements between the Company and other investors, potential voting interests and the written agreement between stockholders, the management concluded that the Company has a sufficiently dominant voting interest to direct the relevant activities of the entity and therefore the Company has control over these entities.

b. Key sources of estimation uncertainty and assumption

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period. Actual results may differ from these estimates.

1) Impairment of trade notes and accounts receivable

The provision for impairment of trade notes and accounts receivable is based on assumptions on probability of default and expected credit loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past experience, current market conditions as well as forward looking information at the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2) Fair value measurements and valuation processes

For the assets and liabilities measured at fair value without quoted prices in active markets, the Company's management determines the appropriate valuation techniques for the fair value measurements and whether to engage third party qualified appraisers based on the related regulations and professional judgments.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities was disclosed in Note 36. If the actual changes of inputs in the future differ from expectation, the fair value may vary accordingly. The Company updates inputs periodically to monitor the appropriateness of the fair value measurement.

3) Provision for inventory valuation and obsolescence

Inventories are stated at the lower of cost or net realizable value. Net realizable value is calculated as the estimated selling price less the estimated costs necessary to make a sale. Comparison of net realizable value and cost is determined on an item by item basis, except for those similar items which could be categorized into the same groups. The Company uses the inventory holding period and turnover as the evaluation basis for inventory obsolescence losses.

4) Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

When an indication of impairment is assessed with objective evidence, the Company considers whether the recoverable amount of an asset is less than its carrying amount and recognizes the impairment loss based on difference between the recoverable amount and its carrying amount. The estimate of recoverable amount would impact on the timing and the amount of impairment loss recognition.

5) Useful lives of property, plant and equipment

As discussed in Note 3, "Summary of Material Accounting Policy Information - Property, Plant and Equipment", the Company reviews estimated useful lives of property, plant and equipment at the end of each year.

6) Recognition and measurement of defined benefit plans

Net defined benefit liabilities (assets) and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, employee turnover rate, average future salary increase and etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

7) Lessee's incremental borrowing rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for relevant duration and the same currency is selected as a reference rate. The lessee's credit spread adjustments and lease specific adjustments are also taken into account.

5. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC

The initial application of the amendments to the IFRSs issued by the International Accounting Standards Board and endorsed and issued into effect by the FSC does not have a material impact on the Company's consolidated financial statements.

- b. The IFRSs endorsed by the FSC for application starting from 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 Leases Liability in a Sale and Leaseback	January 1, 2024 (Note 2)
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1 Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 7 and Supplier Finance Arrangements IFRS 7	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

The application of the above new, revised or amended standards and interpretations will not have a material impact on the Company's consolidated financial statements.

- c. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined by IASB
Amendments to IAS 21 Lack of Exchangeability	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company's financial position and operating result and will disclose the relevant impact when the assessment is completed.

6. CASH AND CASH EQUIVALENTS

	December 31 2023	December 31 2022
Cash	\$ 403,536	\$ 471,751
Bank deposits	9,522,341	10,423,195
	<u>9,925,877</u>	<u>10,894,946</u>
Cash equivalents (with maturities of less than three months)		
Commercial paper	14,496,056	19,592,233
Negotiable certificates of deposit	5,900,000	15,500,000
Time deposits	3,501,671	4,205,425
Stimulus vouchers	280	-
	<u>23,898,007</u>	<u>39,297,658</u>
	<u>\$ 33,823,884</u>	<u>\$ 50,192,604</u>

The annual yield rates of bank deposits, commercial paper, negotiable certificates of deposit and time deposits as of balance sheet dates were as follows:

	December 31 2023	December 31 2022
Bank deposits	0.00%~3.10%	0.00%~2.62%
Commercial paper	0.72%~1.33%	0.56%~1.30%
Negotiable certificates of deposit	1.38%	1.20%~1.45%
Time deposits	0.01%~5.50%	0.01%~4.65%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	December 31 2022
Financial assets-current		
Mandatorily measured at FVTPL		
Derivatives (not designated for hedge)	\$ 483	\$ 3,514
Forward exchange contracts		
Non-derivatives		
Listed stocks - domestic	<u>421</u>	<u>439</u>
	<u>\$ 904</u>	<u>\$ 3,953</u>
Financial assets-noncurrent		
Mandatorily measured at FVTPL		
Non-derivatives		
Non-listed stocks - domestic	\$ 703,537	\$ 758,312
Non-listed stocks - foreign	88,827	102,648
Limited partnership - domestic	219,032	135,121
Film and drama investing agreements	<u>24,305</u>	<u>24,122</u>
	<u>\$ 1,035,701</u>	<u>\$ 1,020,203</u>

Chunghwa's Board of Directors approved an investment in Taiwan Capital Buffalo Fund VI, L.P. at the amount of \$600,000 thousand in January 2022. As of December 31, 2023, Chunghwa invested \$200,000 thousand.

Outstanding forward exchange contracts not designated for hedge as of balance sheet dates were as follows:

	Currency	Maturity Period	Contract Amount (In Thousands)
<u>December 31, 2023</u>			
Forward exchange contracts - buy	NT\$/EUR	March 2024	NT\$144,936/EUR4,300
<u>December 31, 2022</u>			
Forward exchange contracts - buy	NT\$/EUR	March 2023	NT\$61,746/EUR2,000

The Company entered into the above forward exchange contracts to manage its exposure to foreign currency risk due to fluctuations in exchange rates. However, the aforementioned derivatives did not meet the criteria for hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

	<u>December 31</u>	
	2023	2022
Domestic investments		
Listed stocks	\$ 243,649	\$ 272,802
Non-listed stocks	3,733,782	3,084,670
Foreign investments		
Non-listed stocks	434,912	133,909
	<u>\$ 4,412,343</u>	<u>\$ 3,491,381</u>

The Company holds the above foreign and domestic stocks for medium to long-term strategic purposes and expects to profit from long-term investment. Accordingly, the management elected to designate these investments in equity instruments at FVOCI as they believe that recognizing short-term fair value fluctuations of these investments in profit or loss is not consistent with the Company's strategy of holding these investments for long-term purposes.

The Company disposed of all its investments in UUPON Inc. (UUPON) in December 2022 and the fair value of the disposed investment was \$154 thousand.

The related unrealized gains and losses on financial assets at FVOCI were losses of \$116 thousand and were transferred from other equity to retained earnings upon the aforementioned disposal in 2022.

The Company recognized dividend income of \$167,112 thousand and \$157,465 thousand for the years ended December 31, 2023 and 2022, respectively, both of which were from the outstanding investments on December 31, 2023 and 2022, respectively.

9. TRADE NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>December 31</u>	
	2023	2022
Trade notes and accounts receivable	\$ 25,943,635	\$ 26,037,695
Less: Loss allowance	(1,101,640)	(1,365,222)
	<u>\$ 24,841,995</u>	<u>\$ 24,672,473</u>

The main credit terms range from 30 to 90 days.

The Company serves a large consumer base for telecommunications business; therefore, the concentration of credit risk is limited. When having transactions with customers, the Company considers the record of arrears in the past. In addition, the Company may also collect some telecommunication charges in advance to reduce the payment arrears in subsequent periods.

The Company adopted a policy of dealing with counterparties with certain credit ratings for project business and to obtain collateral where necessary to mitigate the risk of loss arising from defaults. Credit rating information is provided by independent rating agencies where available and, if such credit rating information is not available, the Company uses other publicly available financial information and its own historical transaction experience to rate its major customers. The Company continues to monitor the credit exposure and credit ratings of its counterparties and spread the credit risk amongst qualified counterparties.

In order to mitigate credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure the recoverability of receivables. In addition, the Company reviews the recoverable amount of receivables at balance sheet dates to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk could be reasonably reduced.

The Company applies the simplified approach to recognize expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial positions, as well as the forward-looking indicators such as macroeconomic business indicators.

When there is evidence indicating that the counterparty is in evasion, bankruptcy, deregistration or the accounts receivable are over two years past due and the recoverable amount cannot be reasonable estimated, the Company writes off the trade notes and accounts receivable. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Except for receivables arising from telecommunications business and project business, the Company's remaining accounts receivable are limited. Therefore, only Chunghwa's provision matrix arising from telecommunications business and project business is disclosed below:

December 31, 2023

Telecommunications Business	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Past Due 121 to 180 Days	Past Due over 180 Days	Total
Expected credit loss rate (Note a)	0%-1%	1%-20%	3%-65%	12%-82%	23%-91%	40%-96%	100%	
Gross carrying amount	\$ 17,005,909	\$ 346,172	\$ 135,390	\$ 69,909	\$ 47,730	\$ 48,827	\$ 577,604	\$ 18,291,541
Loss allowance (lifetime ECL)	(49,828)	(21,667)	(28,978)	(291,154)	(35,221)	(21,848)	(577,604)	(764,300)
Amortized cost	\$ 17,016,081	\$ 324,505	\$ 106,412	\$ 40,755	\$ 12,509	\$ 26,979	\$ -	\$ 17,827,241

(Continued)

10. INVENTORIES

	December 31	2022
	2023	
Merchandise	\$ 4,340,001	\$ 3,977,853
Project in process	4,771,313	4,859,226
Work in process	73,622	98,712
Raw materials	221,314	279,022
	9,406,250	9,214,813
Land held under development	1,998,733	1,998,733
Construction in progress	115,782	102,860
	<u>\$ 11,520,765</u>	<u>\$ 11,316,406</u>

The operating costs related to inventories were \$53,813,963 thousand (including the valuation loss on inventories of \$22,962 thousand) and \$49,544,267 thousand (including the valuation loss on inventories of \$34,167 thousand) for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, inventories of \$2,114,515 thousand and \$2,101,593 thousand, respectively, were expected to be realized from the sale after more than twelve months. The aforementioned amount of inventories is related to property development owned by LED.

Land held under development and construction in progress was mainly developed by LED for Qingshan Sec., Dayuan Dist., Taoyuan City project. The Board of Directors of LED resolved to sign a joint construction and separate sale contract with Farglory Land Development Co., Ltd. in June 2021. LED entrusts Land Bank of Taiwan to execute fund control and property right management for the land held under development.

11. PREPAYMENTS

	December 31	2022
	2023	
Prepaid rents	\$ 2,143,336	\$ 2,316,088
Prepayments for leases - satellite (Note 39)	1,729,118	-
Others	<u>2,297,600</u>	<u>1,810,797</u>
	<u>\$ 6,170,054</u>	<u>\$ 4,126,885</u>
Current		
Prepaid rents	\$ 580,930	\$ 589,506
Others	<u>2,258,541</u>	<u>1,809,102</u>
	<u>\$ 2,839,471</u>	<u>\$ 2,398,608</u>
Noncurrent		
Prepaid rents	\$ 1,562,406	\$ 1,726,582
Prepayments for leases - satellite (Note 39)	1,729,118	-
Others	<u>39,059</u>	<u>1,695</u>
	<u>\$ 3,330,583</u>	<u>\$ 1,728,277</u>

Prepaid rents comprised the prepayments from the lease agreements applying the recognition exemption and the prepayments for leases that do not meet the definition of leases under IFRS 16.

12. OTHER CURRENT MONETARY ASSETS

	December 31	
	2023	2022
Time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	\$ 18,572,579	\$ 1,915,755
Accrued custodial receipts	893,629	815,547
Others	<u>885,842</u>	<u>887,600</u>
	<u>\$ 20,352,050</u>	<u>\$ 3,618,902</u>
The annual yield rates of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months at the balance sheet dates were as follows:		
	December 31	
	2023	2022
Time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	0.03%~5.54%	0.03%~3.00%

13. SUBSIDIARIES

a. Information on subsidiaries with material noncontrolling interests

Subsidiaries	Principal Place of Business	Proportion of Ownership Interests and Voting Rights Held by Noncontrolling Interests	
		December 31	
		2023	2022
SENAO CHPT	Taiwan Taiwan	72%	72%
		66%	66%
	Profit Allocated to Noncontrolling Interests	Accumulated Noncontrolling Interests	
		December 31	
	Year Ended December 31	2023	2022
SENAO	\$ 505,597	\$ 4,666,876	\$ 4,592,326
CHPT	<u>\$ (8,570)</u>	<u>4,995,300</u>	<u>5,259,231</u>
Individually immaterial subsidiaries with noncontrolling interests		<u>2,934,076</u>	<u>2,747,984</u>
		<u>\$ 12,596,252</u>	<u>\$ 12,599,541</u>

Summarized financial information in respect of SENAO and its subsidiaries that has material noncontrolling interests is set out below. The summarized financial information below represented amounts before intercompany eliminations.

	December 31	
	2023	2022
Current assets	\$ 6,539,760	\$ 7,249,222
Noncurrent assets	3,293,533	3,211,081
Current liabilities	(2,949,548)	(3,680,470)
Noncurrent liabilities	<u>(458,543)</u>	<u>(459,666)</u>
Equity	<u>\$ 6,425,202</u>	<u>\$ 6,320,167</u>
Equity attributable to the parent	\$ 1,758,326	\$ 1,727,841
Equity attributable to noncontrolling interests	<u>4,666,876</u>	<u>4,592,326</u>
	<u>\$ 6,425,202</u>	<u>\$ 6,320,167</u>
	Year Ended December 31	
	2023	2022
Revenues and income	\$ 31,669,823	\$ 31,611,424
Costs and expenses	<u>30,965,225</u>	<u>30,954,539</u>
Profit for the year	<u>\$ 704,598</u>	<u>\$ 656,885</u>
Profit attributable to the parent	\$ 199,001	\$ 185,431
Profit attributable to noncontrolling interests	<u>505,597</u>	<u>471,454</u>
Profit for the year	<u>\$ 704,598</u>	<u>\$ 656,885</u>
Other comprehensive income (loss) attributable to the parent	\$ (8,891)	\$ 10,512
Other comprehensive income (loss) attributable to noncontrolling interests	<u>(22,659)</u>	<u>26,242</u>
	<u>\$ (31,550)</u>	<u>\$ 36,754</u>
Total comprehensive income attributable to the parent	\$ 190,110	\$ 195,943
Total comprehensive income attributable to noncontrolling interests	<u>482,938</u>	<u>497,696</u>
	<u>\$ 673,048</u>	<u>\$ 693,639</u>
Net cash flow from operating activities	\$ 1,145,512	\$ (329,154)
Net cash flow from investing activities	37,005	36,666
Net cash flow from financing activities	<u>(873,254)</u>	<u>(826,206)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1)</u>	<u>732</u>
Net cash inflow (outflow)	<u>\$ 309,262</u>	<u>\$ (1,117,962)</u>
Dividends paid to noncontrolling interests	<u>\$ 408,053</u>	<u>\$ 370,957</u>

Summarized financial information in respect of CHPT and its subsidiaries that has material noncontrolling interests is set out below. The summarized financial information below represented amounts before intercompany eliminations.

	December 31	
	2023	2022
Current assets	\$ 3,773,213	\$ 4,406,032
Noncurrent assets	4,499,182	4,630,788
Current liabilities	(675,326)	(1,051,544)
Noncurrent liabilities	(23,546)	(25,975)
Equity	<u>\$ 7,573,523</u>	<u>\$ 7,959,301</u>
Equity attributable to CHI	\$ 2,578,223	\$ 2,700,070
Equity attributable to noncontrolling interests	<u>4,995,300</u>	<u>5,259,231</u>
	<u>\$ 7,573,523</u>	<u>\$ 7,959,301</u>
	Year Ended December 31	
	2023	2022
Revenues and income	\$ 2,941,377	\$ 4,434,662
Costs and expenses	<u>2,938,782</u>	<u>3,678,096</u>
Profit for the year	<u>\$ 2,595</u>	<u>\$ 756,566</u>
Profit attributable to CHI	\$ 11,165	\$ 263,929
Profit (loss) attributable to noncontrolling interests	<u>(8,570)</u>	<u>492,637</u>
Profit for the year	<u>\$ 2,595</u>	<u>\$ 756,566</u>
Other comprehensive income (loss) attributable to CHI	\$ (1,062)	\$ 4,631
Other comprehensive income (loss) attributable to noncontrolling interests	<u>(2,040)</u>	<u>7,321</u>
	<u>\$ (3,102)</u>	<u>\$ 11,952</u>
Total comprehensive income attributable to CHI	\$ 10,103	\$ 268,560
Total comprehensive income (loss) attributable to noncontrolling interests	<u>(10,610)</u>	<u>499,958</u>
	<u>\$ (507)</u>	<u>\$ 768,518</u>
Net cash flow from operating activities	\$ 325,243	\$ 1,400,873
Net cash flow from investing activities	(243,936)	(1,010,681)
Net cash flow from financing activities	(408,520)	(387,845)
Effect of exchange rate changes on cash and cash equivalents	<u>(2,340)</u>	<u>7,496</u>
Net cash inflow (outflow)	<u>\$ (329,553)</u>	<u>\$ 9,843</u>
Dividends paid to noncontrolling interests	\$ 253,320	\$ 293,204

b. Equity transactions with noncontrolling interests

IISI purchased shares of UTC in August 2023. Therefore, the Company's ownership interest in UTC increased.

CHIEF issued new shares in March 2022, December 2022 and December 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHIEF decreased. See Note 33(a) for details.

CHTSC issued new shares in February 2022, May 2022, February 2023 and May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHTSC decreased. See Note 33(b) for details.

CLPT issued new shares in May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CLPT decreased. See Note 33(c) for details.

Chunghwa did not participate in the capital increase of CHST in November 2022. Therefore, the Company's ownership interest in CHST decreased.

The above transactions were accounted for as equity transactions since the Company did not cease to have control over these subsidiaries.

Information of the Company's equity transactions with noncontrolling interests for the years ended December 31, 2023 and 2022 were as follows:

	Year Ended December 31, 2023			
	CHIEF Share-Based Payment	CHTSC Share-Based Payment	CLPT Share-Based Payment	Purchasing UTC shares
Cash consideration received from (paid to) noncontrolling interests	\$ 8,070	\$ 15,173	\$ 874	\$ (41)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from (to) noncontrolling interests	<u>(1,965)</u>	<u>(13,507)</u>	<u>(950)</u>	<u>37</u>
Differences arising from equity transactions	<u>\$ 6,105</u>	<u>\$ 1,666</u>	<u>\$ (76)</u>	<u>\$ (4)</u>
Line items for equity transaction adjustments				
Additional paid-in capital - arising from the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ -	\$ -	\$ -	\$ (4)
Additional paid-in capital - arising from changes in equities of subsidiaries	<u>\$ 6,105</u>	<u>\$ 1,666</u>	<u>\$ (76)</u>	<u>\$ -</u>

Note: The proceeds from the new shares issued in February 2023 by CHTSC has been received in advance in December 2022.

	Year Ended December 31, 2022	
	CHIEF Share-Based Payment	Chunghwa Not Proportionately Participating in the Capital Increase of CHST
Cash consideration received from noncontrolling interests	\$ 38,677	\$ 35,402
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	(16,835)	(30,037)
Differences arising from equity transactions	\$ 21,842	\$ 5,365
Line items for equity transaction adjustments		\$ 5,153
Additional paid-in capital - arising from changes in equities of subsidiaries	\$ 21,842	\$ 5,365
		\$ 5,153

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	2022
Investments in associates	\$ 8,440,736	\$ 7,146,174
Investment in joint venture	9,463	9,677
	\$ 8,450,199	\$ 7,155,851

a. Investments in associates

Investments in associates were as follows:

	Carrying Amount December 31	
	2023	2022
Material associate		
Non-listed		
Next Commercial Bank Co., Ltd. ("NCB")	\$ 4,293,338	\$ 3,173,309
		(Continued)

	Carrying Amount December 31	
	2023	2022

Associates that are not individually material

Listed

Senao Networks, Inc. ("SNI")	\$ 1,564,311	\$ 1,395,858
KingwayTek Technology Co., Ltd. ("KWT")	266,407	267,125

Non-listed

Viettel-CHT Co., Ltd. ("Viettel-CHT")	542,178	558,532
Taiwan International Standard Electronics Co., Ltd. ("TISE")	312,800	296,501
ST-2 Satellite Ventures Pte., Ltd. ("STS")	285,430	246,815
Chunghwa PCHome Fund I Co., Ltd. ("CPFI")	257,657	277,776
So-net Entertainment Taiwan Limited ("So-net")	225,697	228,184
WiAdvance Technology Corporation ("WATC")	212,101	227,868
KKBOX Taiwan Co., Ltd. ("KKBOXTW")	163,999	173,634
Taiwan International Ports Logistics Corporation ("TIPL")	121,948	101,078
CHT Infinity Singapore Pte. Ltd. ("CISG")	56,764	62,948
Imediac Co., Ltd. ("IME")	46,880	40,866
Click Force Co., Ltd. ("CF")	42,637	40,932
AgriTalk Technology Inc. ("ATT")	30,798	34,738
Baohwa Trust Co., Ltd. ("BHT")	10,317	13,267
Comerstone Ventures Co., Ltd. ("CVC")	7,474	6,743
	4,147,398	3,972,865
	\$ 8,440,736	\$ 7,146,174
		(Concluded)

The percentages of ownership interests and voting rights in associates held by the Company as of balance sheet dates were as follows:

	% of Ownership Interests and Voting Rights December 31	
	2023	2022

Material associate

Non-listed

Next Commercial Bank Co., Ltd. ("NCB")	46	42
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Associates that are not individually material

Listed

Senao Networks, Inc. ("SNI")	34	34
KingwayTek Technology Co., Ltd. ("KWT")	23	23
		(Continued)

Except for NCB, no associate is considered individually material to the Company. Summarized financial information of associates that are not individually material to the Company was as follows:

	Year Ended December 31	
	2023	2022
The Company's share of profits	\$ 646,852	\$ 867,821
The Company's share of other comprehensive income (loss)	(23,118)	12,873
The Company's share of total comprehensive income	\$ 623,734	\$ 880,694

The Level 1 fair values of associates based on the closing market prices as of the balance sheet dates were as follows:

	December 31	
	2023	2022
SNI	\$ 4,061,863	\$ 3,299,228
KWT	\$ 987,520	\$ 804,187

The Company's ownership interest in NCB was originally 41.90%. NCB reduced 26.43% of its capital to offset accumulated deficits and increased its capital in December 2023. The Company increased its investment in NCB in higher proportion to the original shareholder percentage at the price of \$1,543,847 thousand. Therefore, the Company's ownership interest in NCB increased to 46.26% as of December 31, 2023. Although Chunghwa is the single largest stockholder of NCB, it only obtained six out of fifteen seats of the Board of Directors of NCB. In addition, the management considered the size of ownership interest and the dispersion of shares owned by the other stockholders, other holdings are not extremely dispersed. Chunghwa is not able to direct its relevant activities. Therefore, Chunghwa does not have control over NCB and merely has significant influence over NCB and treats it as an associate.

The Company increased its investment in IME proportionally at the price of \$11,467 thousand in December 2023, and the Company's ownership interest in IME remained the same. The Company invested and obtained 6.74% ownership interest in IME. However, as the Company continues to control one out of five seats of the Board of Directors of IME, the Company has significant influence over IME. Therefore, the Company recognized IME as an investment in associate.

The Company invested \$20,000 thousand and obtained 40.00% ownership interest in BHT in March 2022. BHT mainly engages in VR integration and AIoT security services. The Company did not participate in the capital increase of BHT in September 2023. Therefore, the Company's ownership interest in BHT decreased to 25.00% as of December 31, 2023.

WATC issued new shares in March 2022, October 2022, April 2023, September 2023 and December 2023 as its employees exercised option. Therefore, the Company's ownership interest in WATC decreased to 20.05% and 19.22% as of December 31, 2022 and December 31, 2023, respectively. However, as the Company continues to control one out of three seats of the Board of Directors of WATC, the Company has significant influence over WATC. Therefore, the Company recognized WATC as an investment in associate.

The Company subscribed for all the shares in the capital increase of ATT at the price of \$32,175 thousand in November 2022. Therefore, the Company's ownership interest in ATT increased to 29.33% as of December 31, 2022.

STS reduced its capital in April 2022 and the Company received \$340,182 thousand from capital reduction. The Company's ownership interest in STS remained the same.

% of Ownership Interests and

	Voting Rights	
	December 31	2022
Non-listed	2023	2022
Viettel-CHT Co., Ltd. ("Viettel-CHT")	30	30
Taiwan International Standard Electronics Co., Ltd. ("TISE")	40	40
ST-2 Satellite Ventures Pre, Ltd. ("STS")	38	38
Chunghwa PCHome Fund I Co., Ltd. ("CPFI")	50	50
So-net Entertainment Taiwan Limited ("So-net")	30	30
WiAdvance Technology Corporation ("WATC")	19	20
KKBOX Taiwan Co., Ltd. ("KKBOXTW")	30	30
Taiwan International Ports Logistics Corporation ("TIPL")	27	27
CHT Infinity Singapore Pre. Ltd. ("CISG")	40	40
Imediac Co., Ltd. ("IME")	7	7
Click Force Co., Ltd. ("CF")	49	49
AgriTalk Technology Inc. ("ATT")	29	29
Baohwa Trust Co., Ltd. ("BHT")	25	40
Cornerstone Ventures Co., Ltd. ("CVC")	49	49
		(Concluded)

Summarized financial information of NCB was set out below:

	December 31	
	2023	2022
Assets	\$ 37,431,036	\$ 33,540,595
Liabilities	(28,083,960)	(25,882,268)
Equity	\$ 9,347,076	\$ 7,658,327
The percentage of ownership interest held by the Company	46.26%	41.90%
Equity attributable to the Company	\$ 4,323,958	\$ 3,208,839
Unrealized gain or loss from downstream transactions	(30,620)	(35,530)
The carrying amount of investment	\$ 4,293,338	\$ 3,173,309
Year Ended December 31		2022
	2023	2022
Net revenues (losses)	\$ 10,172	\$ (47,349)
Net loss for the year	\$ (968,614)	\$ (1,004,331)
Other comprehensive income (loss)	14,363	(9,809)
Total comprehensive loss for the year	\$ (954,251)	\$ (1,014,140)

The Company invested and obtained 50% ownership interest in CPFI. However, as the Company has only two out of five seats of the Board of Directors of CPFI, the Company has no control but significant influence over CPFI. Therefore, the Company recognized CPFI as an investment in associate.

The Company invested and obtained 49% ownership interest in CVC. However, as the Company has only two out of five seats of the Board of Directors of CVC, the Company has no control but significant influence over CVC. Therefore, the Company recognized CVC as an investment in associate.

The Company's share of profits and other comprehensive income (loss) of associates was recognized based on the audited financial statements.

b. Investment in joint venture

Investment in joint venture was as follows:

Name of Joint Venture	% of Ownership Interests and		
	Carrying Amount		Voting Rights
	2023	2022	December 31
Non-listed			
Chunghua SEA Holdings			
("CHT SEA")	\$ 9,463	\$ 9,677	51 51

The Company invested and established a joint venture, CHT SEA, with Delta Electronics, Inc. and Kwang Hsing Industrial Co., Ltd. and obtained 51% ownership interest of CHT SEA. However, according to the mutual agreements among stockholders, the Company does not individually direct CHT SEA's relevant activities and has joint control with the other party; therefore, the Company treated CHT SEA as a joint venture.

The joint venture is not considered individually material to the Company. Summarized financial information of CHT SEA was set out below:

	Year Ended December 31	
	2023	2022
	\$	\$
The Company's share of loss	(214)	(255)
The Company's share of other comprehensive income	-	-
The Company's share of total comprehensive loss	(214)	(255)

The Company's share of loss and other comprehensive income of the joint venture was recognized based on the audited financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	2023	December 31	2022
Assets used by the Company	\$ 285,084,900	\$ 285,328,919	
Assets subject to operating leases	7,252,842	6,198,991	
	<u>\$ 292,337,742</u>	<u>\$ 291,527,910</u>	

a. Assets used by the Company

	Land	Land Improvements	Buildings	Computer Equipment	Telecommunications Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Equipment to be Acquired	Total
Cost									
Balance on January 1, 2022	\$ 102,644,714	\$ 1,661,628	\$ 71,388,036	\$ 11,217,048	\$ 713,534,222	\$ 3,927,337	\$ 10,808,873	\$ 10,786,149	\$ 925,938,807
Additions	460,000	-	13,486	101,549	149,182	235,312	235,312	30,146,736	31,262,492
Disposals	(3,358)	(6,042)	(6,508)	(697,793)	(18,392,316)	(104,133)	(3,500)	-	(19,695,099)
Effect of foreign exchange differences	-	-	-	-	-	183	3,500	18,187	222,169
Others	562,122	11,602	1,062,210	577,206	290,156	143	24,713,060	(26,242,275)	1,111,021
Balance on December 31, 2022	\$ 103,665,328	\$ 1,655,283	\$ 72,459,724	\$ 11,088,822	\$ 720,668,323	\$ 3,927,148	\$ 11,467,522	\$ 14,427,882	\$ 928,801,249
Accumulated depreciation and impairment									
Balance on January 1, 2022	\$ -	\$ (1,441,612)	\$ (30,577,570)	\$ (9,632,046)	\$ (906,533,289)	\$ (3,698,978)	\$ (8,205,324)	\$ -	\$ (644,088,119)
Depreciation expenses	-	(38,515)	(1,452,152)	(723,191)	(23,653,843)	(77,357)	(735,250)	-	(28,700,580)
Disposals	-	-	6,948	807,433	18,392,317	104,132	386,487	-	19,695,099
Effect of foreign exchange differences	-	6,042	-	-	-	(108)	(2,139)	-	(12,600)
Others	-	-	(230,469)	(1,077)	(4,100)	(612)	(69,482)	-	(126,311)
Balance on December 31, 2022	\$ -	\$ (1,474,085)	\$ (32,263,200)	\$ (9,553,580)	\$ (927,957,243)	\$ (3,672,228)	\$ (8,642,023)	\$ -	\$ (663,562,340)
Balance on January 1, 2022, net	\$ 102,644,714	\$ 220,016	\$ 40,780,466	\$ 1,535,002	\$ 720,000,933	\$ 2,238,380	\$ 2,603,548	\$ 10,786,149	\$ 281,480,188
Balance on December 31, 2022, net	\$ 103,665,328	\$ 201,120	\$ 40,266,524	\$ 1,535,292	\$ 722,111,633	\$ 2,989,311	\$ 2,825,504	\$ 14,427,882	\$ 285,328,919
Cost									
Balance on January 1, 2023	\$ 103,665,328	\$ 1,675,285	\$ 72,529,774	\$ 11,088,877	\$ 720,668,323	\$ 3,971,039	\$ 11,467,527	\$ 14,427,897	\$ 928,801,520
Additions	98,577	-	33,931	128,872	105,862	2,880	242,670	29,779,901	30,392,663
Disposals	(1,804)	-	(500)	(1,048,857)	(24,877,547)	(12,811)	(418,129)	-	(26,438,598)
Effect of foreign exchange differences	-	-	-	-	-	(43)	(2,116)	31	(7,641)
Others	(67,847)	33,901	(610,422)	(69)	(5,444)	187,996	801,077	(28,270,242)	(1,910,849)
Balance on December 31, 2023	\$ 102,885,454	\$ 1,709,236	\$ 71,754,233	\$ 11,044,831	\$ 721,438,979	\$ 4,046,641	\$ 12,691,629	\$ 15,937,382	\$ 940,097,160
Accumulated depreciation and impairment									
Balance on January 1, 2023	\$ -	\$ (1,474,085)	\$ (32,263,200)	\$ (9,553,580)	\$ (927,957,243)	\$ (3,672,228)	\$ (8,642,023)	\$ -	\$ (663,562,340)
Depreciation expenses	-	(33,847)	(1,459,260)	(697,723)	(23,706,139)	(93,597)	(797,307)	-	(28,706,373)
Disposals	-	-	174	1,048,410	24,866,397	112,089	411,756	-	26,438,826
Effect of foreign exchange differences	-	-	-	-	(24,899,1)	-	-	-	(28,109)
Others	-	-	(418,473)	68	(4,503)	44	1,236	-	(5,641)
Balance on December 31, 2023	\$ -	\$ (1,507,924)	\$ (33,263,812)	\$ (9,221,060)	\$ (929,131,091)	\$ (3,654,724)	\$ (9,022,741)	\$ -	\$ (665,522,260)
Balance on January 1, 2023, net	\$ 103,665,328	\$ 201,120	\$ 40,266,524	\$ 1,535,292	\$ 722,111,633	\$ 2,989,311	\$ 2,825,504	\$ 14,427,882	\$ 285,328,919
Balance on December 31, 2023, net	\$ 102,885,454	\$ 201,306	\$ 38,493,711	\$ 1,823,721	\$ 722,302,648	\$ 3,930,937	\$ 3,168,248	\$ 15,937,382	\$ 286,084,900

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 in 2024; therefore, the Company recognized an impairment loss of \$298,891 thousand for the year ended December 31, 2023. The aforementioned impairment loss was included in other income and expenses in the statements of comprehensive income.

There was no indication that property, plant and equipment was impaired; therefore, the Company did not recognize any impairment loss for the year ended December 31, 2022.

Depreciation expense for assets used by the Company is computed using the straight-line method over the following estimated service lives:

Land improvements	10~30 years
Buildings	
Main buildings	20~60 years
Other building facilities	3~15 years
Computer equipment	2~8 years
Telecommunications equipment	2~30 years
Telecommunication circuits	2~30 years
Telecommunication machinery and antennas equipment	2~10 years
Transportation equipment	
Miscellaneous equipment	1~18 years
Leasehold improvements	3~16 years
Mechanical and air conditioner equipment	1~15 years
Others	

b. Assets subject to operating leases

Cost	Land	Buildings	Total
Balance on January 1, 2022	\$ 4,808,926	\$ 4,133,989	\$ 8,942,915
Additions	-	196	196
Others	(432,730)	(949,088)	(1,381,818)
Balance on December 31, 2022	<u>\$ 4,376,196</u>	<u>\$ 3,185,097</u>	<u>\$ 7,561,293</u>
Accumulated depreciation and impairment			
Balance on January 1, 2022	\$ -	\$ (1,691,642)	\$ (1,691,642)
Depreciation expenses	-	(59,475)	(59,475)
Others	-	388,815	388,815
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ (1,362,302)</u>	<u>\$ (1,362,302)</u>
Balance on January 1, 2022, net	<u>\$ 4,808,926</u>	<u>\$ 2,442,347</u>	<u>\$ 7,251,273</u>
Balance on December 31, 2022, net	<u>\$ 4,376,196</u>	<u>\$ 1,822,795</u>	<u>\$ 6,198,991</u>
Cost			
Balance on January 1, 2023	\$ 4,376,196	\$ 3,185,097	\$ 7,561,293
Additions	-	3,979	3,979
Others	548,191	941,955	1,490,146
Balance on December 31, 2023	<u>\$ 4,924,387</u>	<u>\$ 4,131,031</u>	<u>\$ 9,055,418</u>
Accumulated depreciation and impairment			
Balance on January 1, 2023	\$ -	\$ (1,362,302)	\$ (1,362,302)
Depreciation expenses	-	(73,417)	(73,417)
Others	-	(366,857)	(366,857)
Balance on December 31, 2023	<u>\$ -</u>	<u>\$ (1,802,576)</u>	<u>\$ (1,802,576)</u>

(Continued)

	Land	Buildings	Total
Balance on January 1, 2023, net	\$ 4,376,196	\$ 1,822,795	\$ 6,198,991
Balance on December 31, 2023, net	<u>\$ 4,924,387</u>	<u>\$ 2,328,455</u>	<u>\$ 7,252,842</u>

(Concluded)

The Company leases out land and buildings with lease terms between 1 to 20 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The future aggregate lease collection under operating lease for the freehold plant, property and equipment was as follows:

	December 31	
	2023	2022
Year 1	\$ 381,357	\$ 389,376
Year 2	278,903	280,705
Year 3	221,059	211,059
Year 4	175,747	176,548
Year 5	146,035	149,434
Onwards	<u>1,025,127</u>	<u>1,122,237</u>
	<u>\$ 2,228,228</u>	<u>\$ 2,329,359</u>

The above items of property, plant and equipment subject to operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	35~60 years
Other building facilities	3~15 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Land and buildings		
Handsets base stations	\$ 7,576,685	\$ 7,175,277
Others	1,754,335	1,726,510
Equipment	<u>1,906,794</u>	<u>2,200,762</u>
	<u>\$ 11,237,814</u>	<u>\$ 11,102,549</u>
Year Ended December 31		2022
	<u>\$ 4,415,217</u>	<u>\$ 4,369,219</u>

Additions to right-of-use assets

(Continued)

d. Other lease information

	Year Ended December 31	
	2023	2022
Expenses relating to low-value asset leases	\$ 9,064	\$ 8,952
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 7,789	\$ 8,078
Total cash outflow for leases	\$ 4,005,850	\$ 3,869,421

The Company leases certain equipment which qualifies as low-value asset leases. The Company has elected to apply the recognition exemption and, thus, not to recognize right-of-use assets and lease liabilities for these leases.

Lease-out arrangements under operating leases for freehold property, plant, and equipment and investment properties were set out in Notes 15 and 17.

17. INVESTMENT PROPERTIES

<u>Cost</u>	
Balance on January 1, 2022	\$ 10,662,596
Additions	18,333
Reclassification	99,100
Balance on December 31, 2022	<u>\$ 10,780,029</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2022	\$ (999,958)
Depreciation expense	(43,754)
Reversal of impairment loss	107,467
Reclassification	(39,923)
Balance on December 31, 2022	<u>\$ (976,168)</u>
Balance on January 1, 2022, net	<u>\$ 9,662,638</u>
Balance on December 31, 2022, net	<u>\$ 9,803,861</u>
<u>Cost</u>	
Balance on January 1, 2023	\$ 10,780,029
Additions	54,081
Reclassification	327,724
Balance on December 31, 2023	<u>\$ 11,161,834</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2023	\$ (976,168)
Depreciation expense	(44,300)
Impairment loss	(335,903)
Balance on December 31, 2023	<u>\$ (1,356,371)</u>

(Continued)

	Year Ended December 31	
	2023	2022
Depreciation charge for right-of-use assets		
Land and buildings	\$ 2,938,843	\$ 2,862,478
Handsets base stations	787,112	770,276
Others	346,298	348,963
Equipment		
	<u>\$ 4,072,253</u>	<u>\$ 3,981,717</u>
		(Concluded)

The Company did not have significant sublease or impairment of right-of-use assets for the year ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Lease liabilities		
Current	\$ 3,504,990	\$ 3,338,813
Noncurrent	7,470,191	7,333,694
	<u>\$ 10,975,181</u>	<u>\$ 10,672,507</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Land and buildings		
Handsets base stations	0.37%~1.84%	0.37%~1.71%
Others	0.37%~9.00%	0.37%~9.00%
Equipment	0.37%~3.50%	0.37%~2.99%

c. Important lease-in activities and terms

The Company mainly enters into lease-in agreements of land and buildings for handsets base stations located throughout Taiwan with lease terms ranging from 1 to 20 years. The lease agreements do not contain bargain purchase options to acquire the assets at the expiration of the respective leases. For majority of the lease-in agreements on handsets base station, the Company has the right to terminate the agreement prior to the expiration date if the Company is unable to build the required telecommunication equipment, either due to legal restrictions, controversial events, or other events.

The Company also leases land and buildings for the use of offices, server rooms, and stores with lease terms from 1 to 30 years. Most of the lease agreements for national land adjust the lease payment according to the changes of the announced land values by the authority. At the expiry of the lease term, the Company does not have bargain purchase options to acquire the assets.

The lease agreements for equipment include a contract between Chunghwa and ST-2 Satellite Ventures Pte., Ltd. to lease capacity on the ST-2 satellite. For the information of lease agreements with related parties, please refer to Note 37 to the consolidated financial statements for details.

Balance on January 1, 2023, net
Balance on December 31, 2023, net

\$ 9,803,861
\$ 9,805,463
(Concluded)

After the evaluation of land and buildings by comparing the recoverable amount which represented the fair value less costs of disposal with the carrying amount, the Company recognized an impairment loss of \$335,903 thousand and a reversal of impairment loss of \$107,467 thousand for the years ended December 31, 2023 and 2022, respectively. The impairment loss and the reversal of impairment loss were included in other income and expenses in the consolidated statements of comprehensive income.

Depreciation expense is computed using the straight-line method over the following estimated service lives:

Land improvements	10~30 years
Buildings	
Main buildings	35~60 years
Other building facilities	4~10 years

The fair values of the Company's investment properties as of December 31, 2023 and 2022 were determined by Level 3 fair value measurements inputs based on the appraisal reports conducted by independent appraisers. Those appraisal reports are based on the comparison approach, income approach or cost approach. Key assumptions and the fair values were as follows:

	December 31	
	2023	2022
Fair value	<u>\$ 24,236,751</u>	<u>\$ 25,328,374</u>
Overall capital interest rate	1.43%~5.51%	1.31%~4.91%
Profit margin ratio	10%~20%	8%~20%
Discount rate	-	-
Capitalization rate	0.23%~2.28%	0.23%~2.16%

All of the Company's investment properties are held under freehold interest.

The future aggregate lease collection under operating lease for investment properties is as follows:

	December 31	
	2023	2022
Year 1	\$ 168,384	\$ 118,370
Year 2	156,821	99,077
Year 3	134,231	89,821
Year 4	104,567	69,934
Year 5	82,732	43,608
Onwards	<u>435,202</u>	<u>149,168</u>
	<u>\$ 1,081,937</u>	<u>\$ 569,978</u>

18. INTANGIBLE ASSETS

Cost	Mobile Broadband Concession	Computer Software	Goodwill	Others	Total
Balance on January 1, 2022	\$ 108,338,000	\$ 3,202,901	\$ 291,206	\$ 412,477	\$ 112,244,584
Additions-acquired separately	1,625,431	256,932	-	10,312	1,892,675
Disposal	-	(663,617)	-	(1,008)	(664,625)
Effect of foreign exchange differences	-	167	-	32	199
Others	-	1,452	-	-	1,452
Balance on December 31, 2022	<u>\$ 109,963,431</u>	<u>\$ 2,797,835</u>	<u>\$ 291,206</u>	<u>\$ 421,813</u>	<u>\$ 113,474,285</u>
Accumulated amortization and impairment					
Balance on January 1, 2022	\$ (25,517,753)	\$ (2,529,941)	\$ (73,624)	\$ (178,183)	\$ (28,299,501)
Amortization expenses	(6,294,525)	(309,800)	-	(38,332)	(6,642,657)
Disposal	-	663,617	-	1,008	664,625
Impairment losses recognized	-	-	-	(9,547)	(9,547)
Effect of foreign exchange differences	-	(110)	-	(8)	(118)
Balance on December 31, 2022	<u>\$ (31,812,278)</u>	<u>\$ (2,176,234)</u>	<u>\$ (73,624)</u>	<u>\$ (225,062)</u>	<u>\$ (34,287,198)</u>
Balance on January 1, 2022, net	<u>\$ 82,820,247</u>	<u>\$ 672,960</u>	<u>\$ 217,582</u>	<u>\$ 234,294</u>	<u>\$ 83,945,083</u>
Balance on December 31, 2022, net	<u>\$ 78,151,153</u>	<u>\$ 621,601</u>	<u>\$ 217,582</u>	<u>\$ 196,751</u>	<u>\$ 79,187,087</u>
Cost					
Balance on January 1, 2023	\$ 109,963,431	\$ 2,797,835	\$ 291,206	\$ 421,813	\$ 113,474,285
Additions-acquired separately	-	230,810	-	6,395	237,205
Disposal	-	(499,063)	-	(6,377)	(505,440)
Effect of foreign exchange differences	-	(26)	-	4	(22)
Others	-	2,693	-	-	2,693
Balance on December 31, 2023	<u>\$ 109,963,431</u>	<u>\$ 2,532,249</u>	<u>\$ 291,206</u>	<u>\$ 421,835</u>	<u>\$ 113,208,721</u>
Accumulated amortization and impairment					
Balance on January 1, 2023	\$ (31,812,278)	\$ (2,176,234)	\$ (73,624)	\$ (225,062)	\$ (34,287,198)
Amortization expenses	(6,390,138)	(276,059)	-	(33,354)	(6,699,551)
Disposal	-	499,063	-	6,377	505,440
Effect of foreign exchange differences	-	17	-	(1)	16
Others	-	(883)	-	-	(883)
Balance on December 31, 2023	<u>\$ (38,202,416)</u>	<u>\$ (1,954,096)</u>	<u>\$ (73,624)</u>	<u>\$ (252,040)</u>	<u>\$ (40,482,176)</u>
Balance on January 1, 2023, net	<u>\$ 78,151,153</u>	<u>\$ 621,601</u>	<u>\$ 217,582</u>	<u>\$ 196,751</u>	<u>\$ 79,187,087</u>
Balance on December 31, 2023, net	<u>\$ 71,761,015</u>	<u>\$ 578,153</u>	<u>\$ 217,582</u>	<u>\$ 169,795</u>	<u>\$ 72,726,545</u>

Chungghwa's Board of Directors approved the acquisition of the 900MHz frequency band and equipment from Asia Pacific Telecom Co., Ltd. in November 2021. The aforementioned tax-excluded transaction amount was \$1,800,113 thousand included in intangible assets- mobile broadband concession and other assets- spare parts. The transaction was approved by the related authority in May 2022 and completed in July 2022.

The concessions are granted and issued by the National Communications Commission ("NCC"). The concession fees are amortized using the straight-line method over the period from the date operations commence through the date the license expires or the useful life, whichever is shorter. The 4G

concession fees will be fully amortized by December 2030 and December 2033 and 5G concession fees will be fully amortized by December 2040.

The computer software is amortized using the straight-line method over the estimated useful lives of 1 to 10 years. Other intangible assets, except for those assessed as having indefinite useful lives, are amortized using the straight-line method over the estimated useful lives of 3 to 20 years. Goodwill is not amortized.

The Company did not recognize any impairment loss on intangible assets for the year ended December 31, 2023. SENAO evaluated the license agreement and the right of trademark that arose in the acquisition of Youth and its subsidiaries at the end of each year. Due to the competition in the industrial environment, the gross profit margin decreased. SENAO concluded the recoverable amounts of the license agreement and the right of trademark were lower than the carrying amounts and recognized the impairment loss of \$9,547 thousand for the year ended December 31, 2022. The aforementioned impairment loss was included in other income and expenses in the consolidated statements of comprehensive income. The recoverable amount of license agreement and right of trademark was measured at the fair value less costs of disposal. The fair value was calculated based on asset approach by reference to the net assets value of Youth.

19. OTHER ASSETS

	December 31	
	2023	2022
Spare parts	\$ 2,232,800	\$ 3,379,837
Refundable deposits	1,994,503	1,964,648
Other financial assets	1,000,000	1,000,000
Others	2,223,648	1,916,562
	<u>\$ 7,450,951</u>	<u>\$ 8,261,047</u>
Current		
Spare parts	\$ 2,232,800	\$ 3,379,837
Others	589,459	175,586
	<u>\$ 2,822,259</u>	<u>\$ 3,555,423</u>
Noncurrent		
Refundable deposits	\$ 1,994,503	\$ 1,964,648
Other financial assets	1,000,000	1,000,000
Others	1,634,189	1,740,976
	<u>\$ 4,628,692</u>	<u>\$ 4,705,624</u>

Other financial assets - noncurrent was Piping Fund. As part of the government's effort to upgrade the existing telecommunications infrastructure, Chunghwa and other public utility companies were required by the ROC government to contribute to a Piping Fund administered by the Taipei City Government. This fund was used to finance various telecommunications infrastructure projects. Net assets of this fund will be returned proportionately after the project is completed.

20. HEDGING FINANCIAL INSTRUMENTS

Chunghwa's hedge strategy is to enter into forward exchange contracts - buy to avoid its foreign currency exposure to certain foreign currency denominated equipment payments in the following six months. In addition, Chunghwa's management considers the market condition to determine the hedge ratio and enters into forward exchange contracts with the banks to avoid the foreign currency risk.

Chunghwa signed equipment purchase contracts with suppliers and entered into forward exchange contracts to avoid foreign currency risk exposure to Euro-denominated purchase commitments. Those forward exchange contracts were designated as cash flow hedges. When forecast purchases actually take place, basis adjustments are made to the initial carrying amounts of hedged items.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the forward foreign exchange contracts and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of credit risks of the Company and the counterparty on the fair value of the forward exchange contracts. Such credit risks do not impact the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables summarized the information relating to the hedges for foreign currency risk.

December 31, 2023

Change in Fair Values of Hedging Instruments Used for Calculating Hedge Ineffectiveness					
Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate	Line Item in Balance Sheet
Cash flow hedge Forecast purchases - forward exchange contracts	NT\$/EUR	NT\$ 23,717 /EUR 700	March 2024	\$ 33.88	Hedging financial assets (liabilities)
				\$ -	\$ 44
					\$(12,935)
Change in Value of Hedged Item Used for Calculating Hedge Ineffectiveness					
Accumulated Gain or Loss on Hedging Instruments in Other Equity					
Hedge Accounting No Longer Applied					
Continuing Hedges					
Cash flow hedge Forecast equipment purchases				\$ 12,935	\$ (44)
				\$ -	\$ -
December 31, 2022					
Change in Fair Values of Hedging Instruments Used for Calculating Hedge Ineffectiveness					
Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate	Line Item in Balance Sheet
Cash flow hedge Forecast purchases - forward exchange contracts	NT\$/EUR	NT\$ 423,024 /EUR 13,350	March 2023	\$ 31.69	Hedging financial assets (liabilities)
				\$ 12,891	\$ -
					\$ 21,177

21. SHORT-TERM LOANS

	December 31	2022
	2023	
Unsecured bank loans	\$ 585,000	\$ 722,000

The annual interest rates of bank loans were as follows:

	December 31	2022
	2023	
Unsecured bank loans	2.16%~3.36%	1.30%~3.19%

22. LONG-TERM LOANS

	December 31	2022
	2023	
Secured bank loans (Note 38)	\$ 1,600,000	\$ 1,600,000
Less: Current portion	(1,600,000)	-
	\$ -	\$ 1,600,000

The annual interest rates of bank loans were as follows:

	December 31	2022
	2023	
Secured bank loans	1.87%	1.80%

LED obtained a secured loan from Chang Hwa Bank with monthly interest payments. The contract will be due in September 2024.

23. BONDS PAYABLE

	December 31	2022
	2023	
Unsecured domestic bonds	\$ 30,500,000	\$ 30,500,000
Less: Discounts on bonds payable	(17,234)	(22,643)
	\$ 30,482,766	\$ 30,477,357

The major terms of unsecured domestic bonds issued by Chunghwa were as follows:

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
2020-1	A	July 2020 to July 2025	\$ 8,800,000	0.50%	One-time repayment upon maturity; interest payable annually
	B	July 2020 to July 2027	7,500,000	0.54%	The same as above
	C	July 2020 to July 2030	3,700,000	0.59%	The same as above

(Continued)

Issuance	Tranche	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
2021-1	A	April 2021 to April 2026	1,900,000	0.42%	The same as above
	B	April 2021 to April 2028	4,100,000	0.46%	The same as above
	C	April 2021 to April 2031	1,000,000	0.50%	The same as above
2022-1 (Sustainable Bond)	-	March 2022 to March 2027	3,500,000	0.69%	The same as above
(Concluded)					

24. TRADE NOTES AND ACCOUNTS PAYABLE

	2023	December 31 2022
Trade notes and accounts payable	\$ 14,395,740	\$ 16,428,856

Trade notes and accounts payable were attributable to operating activities and the trading conditions were agreed separately.

25. OTHER PAYABLES

	2023	December 31 2022
Accrued salary and compensation	\$ 10,441,118	\$ 10,409,299
Accrued compensation to employees and remuneration to directors and supervisors	2,107,392	2,143,523
Payables to contractors	1,990,007	2,571,376
Amounts collected for others	1,543,596	1,596,341
Accrued maintenance costs	1,316,233	1,060,534
Payables to equipment suppliers	1,311,426	1,278,738
Others	6,547,154	6,020,149
	\$ 25,256,926	\$ 25,079,960

26. PROVISIONS

	2023	December 31 2022
Employee benefits	\$ 387,082	\$ 64,776
Warranties	237,873	235,308
Onerous contracts	194,651	95,201
Others	3,067	3,767
	\$ 822,673	\$ 399,052
Current	\$ 337,406	\$ 226,019
Noncurrent	485,267	173,033
	\$ 822,673	\$ 399,052

	Employee Benefits	Warranties	Onerous Contracts	Others	Total
Balance on January 1, 2022	\$ 62,833	\$ 213,537	\$ 146,541	\$ 3,767	\$ 426,678
Additional / (reversal of) provisions recognized	2,217	107,714	(51,340)	-	58,591
Used / forfeited during the year	(274)	(85,953)	-	-	(86,227)
Effect of foreign exchange differences	-	10	-	-	10
Balance on December 31, 2022	\$ 64,776	\$ 235,308	\$ 95,201	\$ 3,767	\$ 399,052
Balance on January 1, 2023	\$ 64,776	\$ 235,308	\$ 95,201	\$ 3,767	\$ 399,052
Additional / (reversal of) provisions recognized	323,272	69,495	49,450	(700)	441,517
Used / forfeited during the year	(966)	(66,906)	-	-	(67,872)
Reclassification	-	-	50,000	-	50,000
Effect of foreign exchange differences	-	(24)	-	-	(24)
Balance on December 31, 2023	\$ 387,082	\$ 237,873	\$ 194,651	\$ 3,067	\$ 822,673

a. The provision for warranty claims represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under the Company's obligation for warranties in sales agreements. The estimate has been made based on historical warranty experience.

b. The provision for employee benefits represents vested long-term service compensation accrued.

c. The provision for onerous contracts represents the present obligation resulting from the measurement for the unavoidable costs of meeting the Company's contractual obligations exceed the economic benefits expected to be received from the contracts.

27. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act of ROC (the "LPA") is considered as a defined contribution plan. Based on the LPA, Chunghwa and its domestic subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Its foreign subsidiaries would make monthly contributions based on the local pension requirements.

b. Defined benefit plans

Chunghwa completed its privatization plans on August 12, 2005. Chunghwa is required to pay all accrued pension obligations including service clearance payment, lump sum payment under civil service plan, additional separation payments, etc. upon the completion of the privatization in accordance with the Statute Governing Privatization of State-owned Enterprises. After paying all pension obligations for privatization, the plan assets of Chunghwa should be transferred to the Fund for Privatization of Government-owned Enterprises (the "Privatization Fund") under the Executive Yuan. On August 7, 2006, Chunghwa transferred the remaining balance of fund to the Privatization Fund. However, according to the instructions of MOTC, Chunghwa was requested to administer the distributions to employees for pension obligations including service clearance payment, lump sum payment under civil service plan, additional separation payments, etc. upon the completion of the privatization and recognized in other current monetary assets.

Chunghwa and its subsidiaries SENAOC, CHIEF, CHSI, SHE, IISI and UTC with the pension mechanism under the Labor Standards Law in the ROC are considered as defined benefit plans. These pension plans provide benefits based on an employee's length of service and average six-month salary prior to retirement. Chunghwa and its subsidiaries contribute an amount no more than 15% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the names of the Committees in the Bank of Taiwan. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds. According to the Article 56 of the Labor Standards Law in the ROC, entities are required to contribute the difference in one appropriation to their pension funds before the end of next March when the balance of the Funds is insufficient to pay the eligible employees who meet the retirement criteria in the following year.

The amounts included in the consolidated balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	December 31	2022
	2023	
Present value of funded defined benefit obligations	\$ 30,312,817	\$ 33,599,272
Fair value of plan assets	<u>(34,177,970)</u>	<u>(36,579,769)</u>
Funded status - surplus	<u>\$ (3,865,153)</u>	<u>\$ (2,980,497)</u>
Net defined benefit liabilities	\$ 2,098,106	\$ 2,285,224
Net defined benefit assets	<u>(5,963,259)</u>	<u>(5,265,721)</u>
	<u>\$ (3,865,153)</u>	<u>\$ (2,980,497)</u>

Movements in the defined benefit obligations and the fair value of plan assets were as follows:

	Present Value of Funded Defined Benefit Obligations	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2022	\$ 35,501,968	\$ 36,605,382	\$ (1,103,414)
Current service cost	1,085,437	-	1,085,437
Interest expense / interest income	<u>170,797</u>	<u>181,249</u>	<u>(10,452)</u>
Amounts recognized in profit or loss	<u>1,256,234</u>	<u>181,249</u>	<u>1,074,985</u>
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	2,968,012	(2,968,012)
Actuarial loss recognized from changes in financial assumptions	208,369	-	208,369
Actuarial loss recognized from experience adjustments	<u>1,606,067</u>	-	<u>1,606,067</u>
Amounts recognized in other comprehensive income	<u>1,814,436</u>	<u>2,968,012</u>	<u>(1,153,576)</u>
Contributions from employer	-	<u>1,554,804</u>	<u>(1,554,804)</u>
Benefits paid	<u>(4,729,678)</u>	<u>(4,729,678)</u>	-
Benefits paid directly by the Company	<u>(243,688)</u>	-	<u>(243,688)</u>
Balance on December 31, 2022	<u>33,599,272</u>	<u>36,579,769</u>	<u>(2,980,497)</u>

(Continued)

	Present Value of Funded Defined Benefit Obligations	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Current service cost	\$ 1,006,201	\$ -	\$ 1,006,201
Loss on settlements	461	-	461
Interest expense / interest income	<u>403,351</u>	<u>452,078</u>	<u>(48,727)</u>
Amounts recognized in profit or loss	<u>1,410,013</u>	<u>452,078</u>	<u>957,935</u>
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	308,987	(308,987)
Actuarial gain recognized from changes in demographic assumptions	(99,553)	-	(99,553)
Actuarial loss recognized from experience adjustments	<u>251,680</u>	-	<u>251,680</u>
Amounts recognized in other comprehensive income	<u>152,127</u>	<u>308,987</u>	<u>(156,860)</u>
Contributions from employer	-	<u>1,386,555</u>	<u>(1,386,555)</u>
Benefits paid	<u>(4,549,419)</u>	<u>(4,549,419)</u>	-
Benefits paid directly by the Company	<u>(299,176)</u>	-	<u>(299,176)</u>
Balance on December 31, 2023	<u>\$ 30,312,817</u>	<u>\$ 34,177,970</u>	<u>\$ (3,865,153)</u>

(Concluded)

Relevant pension costs recognized in profit and loss for defined benefit plans were as follows:

	Year Ended December 31	2022
	2023	
Operating costs	\$ 488,038	\$ 564,616
Marketing expenses	334,135	360,415
General and administrative expenses	77,735	86,182
Research and development expenses	<u>35,290</u>	<u>36,595</u>
	<u>\$ 935,198</u>	<u>\$ 1,047,808</u>

The Company is exposed to following risks for the defined benefits plans under the Labor Standards Law in the ROC:

a. Investment risk

Under the Labor Standards Law in the ROC, the rate of return on assets shall not be lower than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return. The plan assets are held in a commingled fund mainly invested in foreign and domestic equity and debt securities and bank deposits which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds.

b. Interest rate risk

The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.

c. Salary risk

The calculation of the present value of defined benefit obligations is referred to the plan participants' future salary. Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligations.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligations were carried out by the independent actuary.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Measurement Date	
	2023	2022
Discount rates	1.25%	1.25%
Expected rates of salary increase	1.00%~2.25%	1.00%~2.25%

If reasonably possible changes of the respective significant actuarial assumptions occur at the end of reporting periods, while holding all other assumptions constant, the present values of the defined benefit obligations would increase (decrease) as follows:

	December 31 2023	December 31 2022
Discount rates		
0.5% increase	\$ (879,561)	\$ (995,704)
0.5% decrease	\$ 931,581	\$ 1,055,779
Expected rates of salary increase		
0.5% increase	\$ 999,994	\$ 1,129,812
0.5% decrease	\$ (952,720)	\$ (1,075,216)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the methods and assumptions used in preparing the sensitivity analysis from the previous period.

	December 31 2023	December 31 2022
The expected contributions to the plan for the next year	\$ 1,354,959	\$ 1,542,033
The average duration of the defined benefit obligations	6.1~10 years	6.2~11 years

As of December 31, 2023, the Company's maturity analysis of the undiscounted benefit payments was as follows:

Year	Amount
2024	\$ 2,538,297
2025	5,862,971
2026	8,864,465
2027	10,050,942
2028 and thereafter	34,869,063
	<u>\$ 62,185,738</u>

28. EQUITY

a. Share capital

1) Common stocks

	December 31 2023	December 31 2022
Number of authorized shares (thousand)	12,000,000	12,000,000
Authorized shares	\$ 120,000,000	\$ 120,000,000
Number of issued and paid shares (thousand)	7,757,447	7,757,447
Issued shares	\$ 77,574,465	\$ 77,574,465

Each issued common stock with par value of \$10 is entitled the right to vote and receive dividends.

2) Global depositary receipts

The MOTC and some stockholders sold some common stocks of Chungghwa in an international offering of securities in the form of American Depositary Shares ("ADS") (one ADS represents 10 common stocks) in July 2003, August 2005, and September 2006. The ADSs were traded on the New York Stock Exchange since July 17, 2003. As of December 31, 2023, the outstanding ADSs were 187,337 thousand common stocks, which equaled 18,734 thousand units and represented 2.41% of Chungghwa's total outstanding common stocks.

The ADS holders generally have the same rights and obligations as other common stockholders, subject to the provision of relevant laws. The exercise of such rights and obligations shall comply with the related regulations and deposit agreement, which stipulate, among other things, that ADS holders are entitled to, through deposit agents:

- Exercise their voting rights,
- Sell their ADSs, and
- Receive dividends declared and subscribe to the issuance of new shares.

b. Additional paid-in capital

The adjustments of additional paid-in capital for the years ended December 31, 2023 and 2022 were as follows:

	Share Premium	Movements of Paid-in Capital for Associates and Joint Ventures Accounted for Using Equity Method	Movements of Additional Paid-in Capital Arising from Earnings of Subsidiaries	Difference Between Carrying Amount Received or Paid and Carrying Amount of the Subsidiaries' Net Assets Attributable to Acquisition or Privatization	Stockholders' Contributions due to Privatization	Total
Balance on January 1, 2022	\$ 147,329,386	\$ 186,391	\$ 2,104,672	\$ 987,611	\$ 20,648,078	\$ 171,279,625
Unclaimed dividend received from investments in capital from investments in associates and joint ventures accounted for using equity method	-	-	-	-	1,652	1,652
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	(12,719)	-	-	-	(12,719)
Shareholders' payment for subsidiaries	-	-	5,153	-	-	5,153
Balance on December 31, 2022	147,329,386	173,672	2,117,032	987,611	20,648,078	171,300,898
Unclaimed dividend	-	-	-	-	-	22,202
Change in additional paid-in capital from investments in capital from investments in associates and joint ventures accounted for using equity method	-	(21,720)	-	-	-	(21,720)
Actual acquisition of interests in subsidiaries	-	-	-	(4)	-	(4)
Shareholders' payment for subsidiaries	-	-	7,695	-	-	7,695
Balance on December 31, 2023	\$ 147,329,386	\$ 151,952	\$ 2,144,227	\$ 987,607	\$ 20,648,078	\$ 171,289,086

Additional paid-in capital from share premium, donated capital and the difference between consideration received and the carrying amount of the subsidiaries' net assets upon disposal may be utilized to offset deficits. Furthermore, when Chunghwa has no deficit, it may be distributed in cash or capitalized, which however is limited to a certain percentage of Chunghwa's paid-in capital except the additional paid-in capital arising from unclaimed dividend can only be utilized to offset deficits.

The additional paid-in capital from movements of paid-in capital arising from changes in equities of subsidiaries may only be utilized to offset deficits.

Among additional paid-in capital from movements of investments in associates and joint ventures accounted for using equity method, the portion arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets upon disposal may be utilized to offset deficits; furthermore, when the Company has no deficit, it may be distributed in cash or capitalized. However, other additional paid-in capital recognized in proportion of share ownership may only be utilized to offset deficits.

c. Retained earnings and dividends policy

In accordance with the Chunghwa's Articles of Incorporation, Chunghwa must pay all outstanding taxes, offset deficits in prior years and set aside a legal reserve equal to 10% of its net income before distributing a dividend or making any other distribution to stockholders, except when the accumulated amount of such legal reserve equals to Chunghwa's total issued capital, and depending on its business needs or requirements, may also set aside or reverse special reserves. No less than 50% of the remaining earnings comprising remaining balance of net income, if any, plus cumulative undistributed earnings shall be distributed as stockholders' dividends, of which cash dividends to be distributed shall not be less than 50% of the total amount of dividends to be distributed. If cash dividend to be distributed is less than \$0.10 per share, such cash dividend shall be distributed in the form of common stocks.

The Company should appropriate a special reserve when the net amount of other equity items is negative at the end of reporting period upon the earnings distribution. Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriation for legal reserve shall be made until the accumulated reserve equals the aggregate par value of the outstanding capital stock of Chunghwa. This reserve can only be used to offset a deficit, or when the legal reserve has exceeded 25% of Chunghwa's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of the 2022 and 2021 earnings of Chunghwa approved by the stockholders in their meetings on May 26, 2023 and May 27, 2022, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share	
	For Fiscal Year 2022	For Fiscal Year 2021	For Fiscal Year 2022	For Fiscal Year 2021
Provision for (reversal of) special reserve	\$ (185,066)	\$ 408,150		
Cash dividends	36,475,514	35,746,314	\$ 4.702	\$ 4.608

The appropriations of earnings for 2023 had been proposed by Chunghwa's Board of Directors on February 23, 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Reversal of special reserve	\$ (223,084)	
Cash dividends	36,909,931	\$ 4.758

The appropriations of earnings for 2023 are subject to the resolution of the stockholders' meeting planned to be held on May 31, 2024. Information of the appropriation of Chunghwa's earnings proposed by the Board of Directors and approved by the stockholders is available on the Market Observation Post System website.

d. Others

- 1) Exchange differences arising from the translation of the foreign operations

The exchange differences arising from the translation of the foreign operations from their functional currency to New Taiwan dollars were recognized as exchange differences arising from the translation of the foreign operations in other comprehensive income.

- 2) Unrealized gain or loss on financial assets at FVOCI

	Year Ended December 31	
	2023	2022
Beginning balance		
Unrealized gain or loss for the year	\$ (124,762)	\$ (7,588)
Equity instruments	641,123	(111,551)
Share of loss of associates and joint ventures accounted for using equity method	4,387	(5,739)

(Continued)

a. Disaggregation of revenue

Please refer to Note 42 Segment Information for details.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade notes and accounts receivable (Note 9)	<u>\$ 24,841,995</u>	<u>\$ 24,672,473</u>	<u>\$ 23,947,107</u>
Contract assets			
Products and service bundling	\$ 9,297,181	\$ 7,955,689	\$ 7,197,206
Others	1,205,973	1,255,584	982,688
Less: Loss allowance	(21,282)	(19,129)	(18,080)
	<u>\$ 10,481,872</u>	<u>\$ 9,192,144</u>	<u>\$ 8,161,814</u>
Current	\$ 6,713,227	\$ 6,055,343	\$ 5,554,070
Noncurrent	<u>3,768,645</u>	<u>3,136,801</u>	<u>2,607,744</u>
	<u>\$ 10,481,872</u>	<u>\$ 9,192,144</u>	<u>\$ 8,161,814</u>
Contract liabilities			
Telecommunications business	\$ 14,015,949	\$ 14,081,316	\$ 13,143,598
Project business	6,654,364	6,586,384	5,435,268
Advance land receipts (Note 39)	459,697	-	-
Others	<u>518,758</u>	<u>396,834</u>	<u>495,466</u>
	<u>\$ 21,648,768</u>	<u>\$ 21,064,534</u>	<u>\$ 19,074,332</u>
Current	\$ 14,088,416	\$ 13,390,439	\$ 12,234,276
Noncurrent	<u>7,560,352</u>	<u>7,674,095</u>	<u>6,840,056</u>
	<u>\$ 21,648,768</u>	<u>\$ 21,064,534</u>	<u>\$ 19,074,332</u>

The changes in the contract asset and the contract liability balances primarily result from the timing difference between the satisfaction of performance obligations and the payments collected from customers. Significant changes of contract assets and liabilities recognized resulting from product and service bundling were as follows:

	Year Ended December 31 2023	Year Ended December 31 2022
Contract assets		
Net increase of customer contracts	\$ 7,960,611	\$ 6,933,294
Reclassified to trade receivables	<u>(6,573,622)</u>	<u>(6,148,501)</u>
	<u>\$ 1,386,989</u>	<u>\$ 784,793</u>
Contract liabilities		
Net increase of customer contracts	\$ 186,693	\$ 9,161
Recognized as revenues	<u>(172,895)</u>	<u>(4,770)</u>
	<u>\$ 13,798</u>	<u>\$ 4,391</u>

Year Ended December 31 2023

Transferred accumulated gain or loss to unappropriated earnings resulting from the disposal of equity instruments (Note 8)

\$	-	\$	116
\$	<u>520,748</u>	\$	<u>(124,762)</u>
			(Concluded)

Ending balance

e. Noncontrolling interests

	Year Ended December 31 2023	Year Ended December 31 2022
Beginning balance	\$ 12,599,541	\$ 11,927,604
Shares attributed to noncontrolling interests		
Net income for the year	1,073,828	1,522,882
Exchange differences arising from the translation of the foreign operations	1,689	20,710
Unrealized gain or loss on financial assets at FVOCI	(21,655)	(25,012)
Remeasurements of defined benefit pension plans	12,370	24,040
Income tax relating to remeasurements of defined benefit pension plans	(2,474)	(4,808)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(20,536)	5,867
Cash dividends distributed by subsidiaries	(1,091,670)	(1,053,240)
Changes in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	1,623	(1,491)
Actual acquisition of interests in subsidiaries	(37)	-
Share-based payment transactions of subsidiaries	24,774	62,385
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	9,847
Net increase in noncontrolling interests	<u>18,799</u>	<u>110,757</u>
Ending balance	<u>\$ 12,596,252</u>	<u>\$ 12,599,541</u>

29. REVENUES

	Year Ended December 31 2023	Year Ended December 31 2022
Revenue from contracts with customers	\$ 220,189,688	\$ 214,497,968
Other revenues		
Government grants income	1,703,843	1,030,506
Rental income	1,120,067	1,021,709
Others	<u>185,662</u>	<u>189,051</u>
	<u>3,009,572</u>	<u>2,241,266</u>
	<u>\$ 223,199,260</u>	<u>\$ 216,739,234</u>

For the information of performance obligations related to customer contracts, please refer to Note 3 Summary of Material Accounting Policy Information for details.

The Company applies the simplified approach to recognize expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for receivables. Contract assets will be reclassified to trade receivables when the corresponding invoice is billed to the client. Contract assets have substantially the same risk characteristics as the trade receivables of the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables can be applied to the contract assets.

Revenue recognized for the year that was included in the contract liability at the beginning of the year was as follows:

	Year Ended December 31	
	2023	2022
Telecommunications business	\$ 6,659,874	\$ 6,625,564
Project business	5,290,365	4,066,613
Others	<u>539,436</u>	<u>440,093</u>
	<u>\$12,489,675</u>	<u>\$11,132,270</u>

c. Incremental costs of obtaining contracts

	December 31	
	2023	2022
Current		
Incremental costs of obtaining contracts	<u>\$ 2,10,923</u>	<u>\$ -</u>
Noncurrent		
Incremental costs of obtaining contracts	<u>\$ 939,409</u>	<u>\$ 979,914</u>

The Company considered the past experience and the default clauses in the telecommunications service contracts and believes the commissions and equipment subsidies paid for obtaining such contracts are expected to be recoverable; therefore, such costs were capitalized. LED also believes the commissions paid for obtaining real estate sale contracts are expected to be recoverable; therefore, such costs were capitalized and classified as current by the operating cycle. Amortization expenses for the years ended December 31, 2023 and 2022 were \$855,754 thousand and \$840,553 thousand, respectively.

d. Remaining Performance Obligations

As of December 31, 2023, the aggregate amount of transaction price allocated to performance obligations for non-cancellable telecommunications service contracts that are unsatisfied is \$35,178,796 thousand. The Company recognizes revenue when service is provided over contract terms. The Company expects to recognize such revenue of \$21,180,861 thousand, \$10,812,473 thousand and \$3,185,462 thousand in 2024, 2025 and 2026, respectively. The variable consideration collected from customers on nonrecurring basis resulting from exceeded usage from monthly fee and revenue recognized for contracts that the Company has a right to consideration from customers in the amount corresponding directly with the value to the customers of the Company's performance completed to date have been excluded from the disclosure of remaining performance obligations.

As of December 31, 2023, the aggregate amount of transaction price allocated to performance obligations for non-cancellable project business contracts that are unsatisfied is \$26,593,016 thousand. The Company recognizes revenues when the project business contract is completed and accepted by customers. The Company expects to recognize such revenue of \$8,599,712 thousand, \$7,330,568 thousand and \$10,662,736 thousand in 2024, 2025 and 2026, respectively. Project business contracts whose expected duration are less than a year have been excluded from the aforementioned disclosure.

30. NET INCOME

a. Other income and expenses

	Year Ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment, net	\$ (573)	\$ (4,907)
Impairment loss on property, plant and equipment	(298,891)	-
Reversal of impairment loss (impairment loss) on investment properties	(335,903)	107,467
Impairment loss on intangible assets	-	(9,547)
	<u>\$ (635,367)</u>	<u>\$ 93,013</u>

b. Other income

	Year Ended December 31	
	2023	2022
Dividend income	\$ 167,112	\$ 157,465
Rental income	75,660	78,089
Others	<u>139,063</u>	<u>132,969</u>
	<u>\$ 381,835</u>	<u>\$ 368,523</u>

c. Other gains and losses

	Year Ended December 31	
	2023	2022
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	\$ (98,460)	\$ (205,805)
Foreign currency exchange loss, net	(116,121)	(185,243)
Gain on disposal of financial instruments, net	-	726
Others	<u>(69,663)</u>	<u>(13,462)</u>
	<u>\$ (284,244)</u>	<u>\$ (403,784)</u>

d. Interest expenses

	Year Ended December 31	
	2023	2022
Interest on bonds payable	\$ 167,730	\$ 161,427
Interest on lease liabilities	104,877	75,426
Interest paid to financial institutions	43,851	25,830
Others	<u>2,705</u>	<u>55</u>
	<u>\$ 319,163</u>	<u>\$ 262,738</u>

e. Impairment loss (reversal of impairment loss)

	Year Ended December 31	
	2023	2022
Contract assets	\$ 2,153	\$ 1,049
Trade notes and accounts receivable	<u>\$ 128,176</u>	<u>\$ 108,746</u>
Other receivables	\$ 21,738	\$ 7,275
Inventories	<u>\$ 22,962</u>	<u>\$ 34,167</u>
Property, plant and equipment	\$ 298,891	\$ -
Investment properties	<u>\$ 335,903</u>	<u>\$ (107,467)</u>
Intangible assets	<u>-</u>	<u>\$ 9,547</u>

f. Depreciation and amortization expenses

	Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 28,839,289	\$ 28,760,055
Right-of-use assets	4,072,253	3,981,717
Investment properties	44,300	43,754
Intangible assets	6,699,551	6,642,657
Incremental costs of obtaining contracts	855,754	840,553
Total depreciation and amortization expenses	<u>\$ 40,511,147</u>	<u>\$ 40,268,736</u>
Depreciation expenses summarized by functions		
Operating costs	\$ 30,873,461	\$ 30,734,623
Operating expenses	<u>2,082,381</u>	<u>2,050,903</u>
	<u>\$ 32,955,842</u>	<u>\$ 32,785,526</u>
Amortization expenses summarized by functions		
Operating costs	\$ 7,369,535	\$ 7,285,987
Marketing expenses	70,192	76,209
General and administrative expenses	68,173	71,127
Research and development expenses	<u>47,405</u>	<u>49,887</u>
	<u>\$ 7,555,305</u>	<u>\$ 7,483,210</u>

g. Employee benefit expenses

	Year Ended December 31	
	2023	2022
Post-employment benefit		
Defined contribution plans	\$ 963,063	\$ 862,200
Defined benefit plans	<u>935,198</u>	<u>1,047,808</u>
	<u>1,898,261</u>	<u>1,910,008</u>
Share-based payment		
Equity-settled share-based payment	8,352	15,513
Other employee benefit (Note)	<u>44,304,632</u>	<u>43,746,874</u>
Total employee benefit expenses	<u>\$ 46,211,245</u>	<u>\$ 45,672,395</u>
Summary by functions		
Operating costs	\$ 21,858,587	\$ 21,857,680
Operating expenses	<u>24,352,658</u>	<u>23,814,715</u>
	<u>\$ 46,211,245</u>	<u>\$ 45,672,395</u>

Note: Other employee benefit mainly includes salaries, compensation and labor and health insurance expenses, etc.

Chunghwa distributes employees' compensation at the rates from 1.7% to 4.3% and remuneration to directors not higher than 0.17%, respectively, of pre-tax income. As of December 31, 2023, the payables of the employees' compensation and the remuneration to directors were \$1,522,481 thousand and \$39,797 thousand, respectively. Such amounts have been approved by the Chunghwa's Board of Directors on February 23, 2024 and will be reported to the stockholders in their meeting planned to be held on May 31, 2024.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

The compensation to the employees and remuneration to the directors of 2022 and 2021 approved by the Board of Directors on February 24, 2023 and February 23, 2022, respectively, were as follows:

	Cash	
	2022	2021
Compensation distributed to the employees	\$ 1,498,374	\$ 1,429,000
Remuneration paid to the directors	<u>39,480</u>	<u>38,552</u>

There was no difference between the initial accrued amounts recognized in 2022 and 2021 and the amounts approved by the Board of Directors in 2023 and 2022 of the aforementioned compensation to employees and the remuneration to directors.

Information of the appropriation of Chunghwa's employees compensation and remuneration to directors and those approved by the Board of Directors is available on the Market Observation Post System website.

31. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	Year Ended December 31 2023	2022
Current tax		
Current tax expenses recognized for the year	\$ 8,874,640	\$ 8,863,349
Income tax on unappropriated earnings	24,614	31,209
Income tax adjustments on prior years	(127,798)	(141,850)
Others	<u>5,156</u>	<u>7,123</u>
	8,776,612	8,759,831
Deferred tax		
Deferred tax expenses recognized for the year	217,280	318,191
Income tax adjustments on prior years	<u>8,218</u>	<u>150,889</u>
	225,498	469,080
Income tax recognized in profit or loss	<u>\$ 9,002,110</u>	<u>\$ 9,228,911</u>

Reconciliation of accounting profit and income tax expense was as follows:

	Year Ended December 31 2023	2022
Income before income tax	\$ 46,992,646	\$ 47,228,950
Income tax expense calculated at the statutory rate	\$ 9,398,529	\$ 9,445,790
Nondeductible income and expenses in determining taxable income	27,836	(19,903)
Tax-exempt income	(5,562)	(8,050)
Income tax on unappropriated earnings	24,614	31,209
Investment credits	(208,581)	(206,815)
Effect of different tax rates of group entities operating in other jurisdictions	(7,375)	(30,878)
Income tax adjustments on prior years	(119,580)	9,039
Others	<u>(107,771)</u>	<u>8,519</u>
Income tax expense recognized in profit or loss	<u>\$ 9,002,110</u>	<u>\$ 9,228,911</u>

The applicable tax rate used by the entities subject to the Income Tax Act of the Republic of China is 20%. Tax rates used by other entities of the Company operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	Year Ended December 31 2023	2022
Deferred tax		
Remeasurement on defined benefit pension plans	\$ 31,372	\$ 230,715

c. Current tax assets and liabilities

	December 31 2023	2022
Current tax assets		
Tax refund receivable (included in other current assets - others)	\$ 4,202	\$ 1,553
Current tax liabilities		
Income tax payable	<u>\$4,626,265</u>	<u>\$4,956,465</u>

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

For the year ended December 31, 2023

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary differences				
Defined benefit pension plans	\$ 1,514,648	\$ 1,176	\$ (31,328)	\$ 1,484,496
Allowance for doubtful receivables over quota	183,974	(40,886)	-	143,088
Valuation loss on inventory	104,867	(28,511)	-	76,356
Seniority bonus	5,353	63,887	-	69,240
Impairment loss on assets	-	59,778	-	59,778
Estimated warranty liabilities	47,099	541	-	47,640
Valuation loss on financial assets	23,668	21,746	-	45,414
Valuation loss on onerous contracts	18,353	18,997	-	37,350
Accrued award credits liabilities	11,512	5,035	-	16,547
Deferred revenue	29,355	(14,979)	-	14,376
Share of profit or loss of associates and joint ventures accounted for using equity method	2,059	6,255	-	8,314
Unrealized foreign exchange loss, net	57,863	(55,110)	-	2,753
Others	<u>27,534</u>	<u>(2,926)</u>	<u>-</u>	<u>24,608</u>
	2,026,285	35,003	(31,328)	2,029,960
Loss carryforwards	<u>170,360</u>	<u>(100,881)</u>	<u>-</u>	<u>69,479</u>
	<u>\$ 2,196,645</u>	<u>\$ (65,878)</u>	<u>\$ (31,328)</u>	<u>\$ 2,099,439</u>

(Continued)

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
<u>Deferred income tax liabilities</u>				
Temporary differences				
Defined benefit pension plans	\$ 1,114,457	\$ 145,945	\$ 44	\$ 2,260,446
Land value incremental tax	94,986	-	-	94,986
Deferred revenue for award credits	70,102	(3,654)	-	66,448
Intangible assets	20,024	(2,361)	-	17,663
Unrealized foreign exchange gain, net	719	10,747	-	11,466
Others	557	8,943	-	9,500
	<u>\$ 2,300,845</u>	<u>\$ 159,620</u>	<u>\$ 44</u>	<u>\$ 2,460,509</u>
				(Concluded)

For the year ended December 31, 2022

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
<u>Deferred income tax assets</u>				
Temporary differences				
Defined benefit pension plans	\$ 1,744,030	\$ 900	\$ (230,282)	\$ 1,514,648
Allowance for doubtful receivables over quota	264,797	(80,823)	-	183,974
Valuation loss on inventory	197,071	(92,204)	-	104,867
Unrealized foreign exchange loss, net	1,638	56,225	-	57,863
Estimated warranty liabilities	42,741	4,358	-	47,099
Deferred revenue	48,678	(19,323)	-	29,355
Valuation loss on financial assets	-	23,668	-	23,668
Valuation loss on onerous contracts	26,519	(8,166)	-	18,353
Accrued award credits liabilities	8,935	2,577	-	11,512
Share of profit or loss of associates and joint ventures accounted for using equity method	400,951	(398,892)	-	2,059
Seniority bonus	4,963	390	-	5,353
Others	32,877	(5,343)	-	27,534
	<u>2,773,200</u>	<u>(516,633)</u>	<u>(230,282)</u>	<u>2,026,285</u>
	11,806	158,554	-	170,360
Loss carryforwards	<u>\$ 2,785,006</u>	<u>\$ (358,079)</u>	<u>\$ (230,282)</u>	<u>\$ 2,196,645</u>
				(Continued)

e. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Loss carryforwards		
Expire in 2023	\$ -	\$ 24
Expire in 2024	534	770
Expire in 2025	15,223	15,223
Expire in 2026	8,423	8,423
Expire in 2027	2,585	2,585
Expire in 2028	930	930
Expire in 2029	697	697
Expire in 2030	198	198
Expire in 2031	-	-
Expire in 2032	5,097	286
Expire in 2033	13,189	-
	<u>\$ 46,876</u>	<u>\$ 29,136</u>
Investment credits - research and development expenditures		
Expire in 2025	<u>\$ 7,650</u>	<u>\$ -</u>
Deductible temporary differences	<u>\$ 10,095</u>	<u>\$ 12,743</u>

f. Information about unused investment credits and loss carryforwards

As of December 31, 2023, information about investment credits - research and development expenditures was as follows:

Remaining Creditable Amount	Expiry Year
\$ 7,650	2025

As of December 31, 2023, information about loss carryforwards was as follows:

Remaining Creditable Amount	Expiry Year
\$ 717	2024
17,336	2025
10,172	2026
2,585	2027
930	2028
1,965	2029
862	2030
1,053	2031
64,184	2032
<u>16,551</u>	2033
<u>\$ 116,355</u>	

g. Income tax examinations

Income tax returns of Chungghwa have been examined by the tax authorities through 2021, except for 2020. Income tax returns of CHYP, CHSI, CHST, SENAO, ISPT, Youth, Youyi, Aval, W'in, SENYOUNG, Senolife, CHI, CHPT, CHIEF, Unigate, SFD, SHE, CLPT, CHTSC, LED, HHI, IISI and UTC have been examined by the tax authorities through 2021.

h. Pillar Two Model Rules

The application of the Pillar Two rules does not have a material impact on the Company's consolidated financial statements. The Company will continue to review the possible impact on the Company's future financial performance.

32. EARNINGS PER SHARE ("EPS")

Net income and weighted average number of common stocks used in the calculation of earnings per share were as follows:

	Year Ended December 31 2023	2022
Net Income		
Net income used to compute the basic earnings per share	\$ 36,916,708	\$ 36,477,157
Net income attributable to the parent		
Assumed conversion of all dilutive potential common stocks		
Employee stock options and employee compensation of subsidiaries	(5,106)	(7,370)
Net income used to compute the diluted earnings per share	<u>\$ 36,911,602</u>	<u>\$ 36,469,787</u>

Weighted Average Number of Common Stocks

	Year Ended December 31 2023	(Thousand Shares) 2022
Weighted average number of common stocks used to compute the basic earnings per share	7,757,447	7,757,447
Assumed conversion of all dilutive potential common stocks		
Employee compensation	<u>8,299</u>	<u>8,342</u>
Weighted average number of common stocks used to compute the diluted earnings per share	<u>7,765,746</u>	<u>7,765,789</u>

As Chungghwa may settle the employee compensation in shares or cash, Chungghwa shall presume that it will be settled in shares and take those shares into consideration when calculating the weighted average number of outstanding shares used in the calculation of diluted EPS if the shares have a dilutive effect. The dilutive effect of the shares needs to be considered until the approval of the number of shares to be distributed to employees as compensation in the following year.

33. SHARE-BASED PAYMENT ARRANGEMENT

a. CHIEF share-based compensation plan ("CHIEF Plan") described as follows:

Effective Date for Plan Registration	Resolution Date by CHIEF's Board of Directors	Stock Options Units	Exercise Price (NT\$)
2020.09.16	2020.10.26	200.00	\$171.70 (Original price \$206.00)
2017.12.18	2018.10.31	50.00	\$130.30 (Original price \$147.00)
	2017.12.19	950.00	\$124.70 (Original price \$147.00)

Each option is eligible to subscribe for one thousand common stocks when exercisable. The options are granted to specific employees that meet the vesting conditions. The CHIEF Plan has an exercise price adjustment formula upon the changes in common stocks or distribution of cash dividends. The options of the CHIEF Plan are valid for five years and the graded vesting schedule will vest two years after the grant date.

The Board of Directors of CHIEF resolved to issue stock options on October 26, 2020 and authorized the chairman to decide the grant date. Afterwards, the grant date was decided as November 13, 2020.

The compensation costs for stock options for the years ended December 31, 2023 and 2022 were \$4,980 thousand and \$8,838 thousand, respectively.

CHIEF modified the plan terms of stock options granted on November 13, 2020 in July 2022 and August 2023; therefore, the exercise price changed from \$199.70 to \$193.50 and \$171.70 per share, respectively. The modification did not cause any incremental fair value granted.

CHIEF modified the plan terms of stock options granted on October 31, 2018 in July 2022; therefore, the exercise price changed from \$134.50 to \$130.30 per share. The modification did not cause any incremental fair value granted.

CHIEF modified the plan terms of stock options granted on December 19, 2017 in July 2022; therefore, the exercise price changed from \$128.70 to \$124.70 per share. The modification did not cause any incremental fair value granted.

Information about CHIEF's outstanding stock options for the years ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Granted on November 13, 2020			Granted on October 31, 2018		
	Number of Options	Weighted Average Exercise Price (NT\$)		Number of Options	Weighted Average Exercise Price (NT\$)	
<u>Employee stock options</u>						
Options outstanding at beginning of the year	142.25	\$ 193.50				
Options exercised	(47.00)	171.70				
Options forfeited	(2.25)	-				
Options outstanding at end of the year	93.00	171.70				
Options exercisable at end of the year						
Weighted average remaining contractual life (years)			1.87			

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Granted on November 13, 2020			Granted on October 31, 2018		
	Number of Options	Weighted Average Exercise Price (NT\$)		Number of Options	Weighted Average Exercise Price (NT\$)	
<u>Employee stock options</u>						
Options outstanding at beginning of the year	194.00	\$ 199.70		10.50	\$ 134.50	
Options exercised	(51.00)	193.50		(10.50)	130.30	
Options forfeited	(0.75)	-		-	-	
Options outstanding at end of the year	142.25	193.50				
Options exercisable at end of the year	0.50	193.50				
Weighted average remaining contractual life (years)	2.87		0.83			

CHIEF used the fair value method to evaluate the options using the Black-Scholes model and binomial option pricing model and the related assumptions and the fair value of the options were as follows:

	Year Ended December 31, 2020		Year Ended December 31, 2018		Year Ended December 31, 2017	
	Number of Options	Weighted Average Exercise Price (NT\$)	Number of Options	Weighted Average Exercise Price (NT\$)	Number of Options	Weighted Average Exercise Price (NT\$)
Grant-date share price (NT\$)		\$356.00		\$166.00		\$95.92
Exercise price (NT\$)		\$206.00		\$147.00		\$147.00
Dividend yield		-		-		-
Risk-free interest rate		0.18%		0.72%		0.62%
Expected life		5 years		5 years		5 years
Expected volatility		34.61%		16.60%		17.35%
Weighted average fair value of grants (NT\$)		\$173,893		\$33,540		\$2,318

The expected volatility for the options granted in 2020 was based on CHIEF's average annualized historical share price volatility from June 5, 2018, CHIEF's listing date on Taipei Exchange, to the grant date. The expected volatilities for the options granted from 2017 to 2018 were based on the average annualized historical share price volatility of CHIEF's comparable companies before the grant date.

b. CHTSC share-based compensation plan ("CHTSC Plan") described as follows:

The Board of Directors of CHTSC resolved to issue 4,500 and 3,500 stock options on December 20, 2019 and February 20, 2021, respectively. Each option is eligible to subscribe for one thousand common stocks when exercisable and the exercise price are both \$19.085 per share. The options are granted to specific employees that meet the vesting conditions. The CHTSC Plan has an exercise price adjustment formula upon the changes in common stocks. The options of the CHTSC Plan are valid for five years and the graded vesting schedule will vest one year after the grant date.

The compensation costs for stock options for the years ended December 31, 2023 and 2022 were \$477 thousand and \$5,132 thousand, respectively.

Information about CHTSC's outstanding stock options for the years ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Granted on February 20, 2021			Granted on December 20, 2019		
	Number of Options	Weighted Average Exercise Price (NT\$)		Number of Options	Weighted Average Exercise Price (NT\$)	
<u>Employee stock options</u>						
Options outstanding at beginning of the year	2,343	\$ 19.085		1,083	\$ 19.085	
Options exercised	(778)	19.085		(1,002)	19.085	
Options forfeited	(46)	-		(41)	-	
Options outstanding at end of the year	1,519	19.085		40	19.085	

(Continued)

	Year Ended December 31, 2023		
	Granted on February 20, 2021	Granted on December 20, 2019	
	Weighted Average Exercise Price (NT\$)	Weighted Average Exercise Price (NT\$)	
Number of Options	Number of Options	Number of Options	
Options exercisable at end of the year	<u>7</u>	<u>40</u>	\$ 19.085
Weighted average remaining contractual life (years)	2.14	0.97	(Concluded)

	Year Ended December 31, 2022		
	Granted on February 20, 2021	Granted on December 20, 2019	
	Weighted Average Exercise Price (NT\$)	Weighted Average Exercise Price (NT\$)	
Number of Options	Number of Options	Number of Options	
Options outstanding at beginning of the year	3,324	3,174	\$ 19.085
Options exercised	(815)	(2,049)	19.085
Options forfeited	(166)	(42)	-
Options outstanding at end of the year	<u>2,343</u>	<u>1,083</u>	19.085
Options exercisable at end of the year	<u>7</u>	<u>31</u>	19.085
Weighted average remaining contractual life (years)	3.14	1.97	

CHTSC used the fair value method to evaluate the options using the Black-Scholes model and the related assumptions and the fair value of the options were as follows:

	Stock Options Granted on February 20, 2021	Stock Options Granted on December 20, 2019
Grant-date share price (NT\$)	\$23.76	\$20.17
Exercise price (NT\$)	\$19.085	\$19.085
Dividend yield	15.18%	12.49%
Risk-free interest rate	0.25%	0.54%
Expected life	5 years	5 years
Expected volatility	47.35%	42.41%
Weighted average fair value of grants (NT\$)	\$3,350	\$2,470

Expected volatility was based on the average annualized historical share price volatility of CHTSC's comparable companies before the grant date.

- c. CLPT share-based compensation plan ("CLPT Plan") described as follows:

The Board of Directors of CLPT resolved to issue 690, 600 and 755 stock options on February 26, 2021, May 31, 2022 and September 26, 2023, respectively. Each option is eligible to subscribe for one thousand common stocks when exercisable and the exercise prices are all \$16.87 per share. The options are granted to specific employees that meet the vesting conditions. The CLPT Plan has an exercise price adjustment formula upon the changes in common stocks or distribution of cash dividends. The options of the CLPT Plan are valid for four years and the graded vesting schedule will vest two years after the grant date.

The compensation costs for stock options for the year ended December 31, 2023 and 2022 were \$2,895 thousand and \$1,543 thousand, respectively.

CLPT modified the plan terms of stock options granted on September 26, 2023 in September 2023; therefore, the exercise price changed from \$16.87 to \$15.30 per share. The modification did not cause any incremental fair value granted.

CLPT modified the plan terms of stock options granted on May 31, 2022 in September 2023; therefore, the exercise price changed from \$16.87 to \$15.30 per share. The modification did not cause any incremental fair value granted.

CLPT modified the plan terms of stock options granted on February 26, 2021 in September 2023; therefore, the exercise price changed from \$15.90 to \$14.40 per share. The modification did not cause any incremental fair value granted.

Information about CLPT's outstanding stock options for the year ended December 31, 2023 and 2022 was as follows:

	Year Ended December 31, 2023					
	Granted on September 26, 2023	Granted on May 31, 2022	Granted on February 26, 2021			
	Weighted Average Exercise Price (NT\$)	Weighted Average Exercise Price (NT\$)	Weighted Average Exercise Price (NT\$)	Number of Options	Number of Options	Number of Options
Options outstanding at beginning of the year	-	440	\$ 16.87	510	\$ 15.90	-
Options granted	755	-	-	-	-	-
Options exercised	-	-	-	(55)	15.90	-
Options forfeited	-	-	-	(15)	-	-
Options outstanding at end of the year	<u>755</u>	<u>440</u>	15.30	<u>440</u>	14.40	14.40
Options exercisable at end of the year	<u>-</u>	<u>-</u>	-	<u>192</u>	14.40	1.16
Weighted average remaining contractual life (years)	3.74	2.41				

Employee stock options

STATEMENTS BY THE AGONY PROJECT

Except for those disclosed in other notes, the Company entered into the following non-cash investing and financing activities:

	Year Ended December 31	
Investing activities	2023	2022
Additions of property, plant and equipment	\$ 30,396,642	\$ 31,265,688
Changes in other payables	<u>344,667</u>	<u>269,258</u>
Payments for acquisition of property, plant and equipment	<u>\$ 30,741,309</u>	<u>\$ 31,534,946</u>
Financing Activities		
	Cash Flows from	Balance on
	Operation	December
	Activities -	31, 2023
	Interest Paid	
Lease liabilities	<u>\$ (104,877)</u>	<u>\$ 10,975,181</u>
	Cash Flows from	Balance on
	Operation	December
	Activities -	31, 2022
	Interest Paid	
Lease liabilities	<u>\$ (75,426)</u>	<u>\$ 10,672,507</u>

35. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt of the Company and the equity attributable to the parent.

Some consolidated entities are required to maintain minimum paid-in capital amount as prescribed by the applicable laws.

The management reviews the capital structure of the Company as needed. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. According to the management's suggestions, the Company maintains a balanced capital structure through paying cash dividends, increasing its share capital, purchasing outstanding shares, and issuing new debt or repaying debt.

	Year Ended December 31, 2022		Granted on February 26, 2021	
	Granted on May 31, 2022	Weighted Average Exercise Price (NT\$)	Number of Options	Weighted Average Exercise Price (NT\$)
Employee stock options				
Options outstanding at beginning of the year	-	\$ -	550	\$ 15.90
Options granted	600	16.87	-	-
Options forfeited	(160)	-	(40)	-
	<u>440</u>	<u>16.87</u>	<u>510</u>	<u>15.90</u>
Options outstanding at end of the year	-	-	-	-
Options exercisable at end of the year	-	-	-	-
Weighted average remaining contractual life (years)	3.41		2.16	

CLPT used the fair value method to evaluate the options using the Black-Scholes model and the related assumptions and the fair value of the options were as follows:

	Stock Options Granted on September 26, 2023	Stock Options Granted on May 31, 2022	Stock Options Granted on February 26, 2021
Grant-date share price (NT\$)	\$28.43	\$18.66	\$17.63
Exercise price (NT\$)	\$16.87	\$16.87	\$16.87
Dividend yield	-	-	-
Risk-free interest rate	1.10%	0.98%	0.31%
Expected life	4 years	4 years	4 years
Expected volatility	31.99%	35.76%	35.22%
Weighted average fair value of grants (NT\$)	\$13.225	\$5.665	\$4.750

Expected volatility was based on the average annualized historical share price volatility of CLPT's comparable companies before the grant date.

36. FINANCIAL INSTRUMENTS

Fair Value Information

The fair value measurement guidance establishes a framework for measuring fair value and expands disclosure about fair value measurements. The standard describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value. These levels are:

Level 1 fair value measurements: These measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements: These measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements: These measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a. Financial instruments that are not measured at fair value but for which fair value is disclosed

Except those listed in the table below, the Company considers that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values or the fair values cannot be reliable estimated.

	December 31		
	2023	2022	
	Carrying Value	Fair Value	Fair Value
Financial liabilities			
Financial liabilities measured at amortized cost			
Bonds payable	\$30,482,766	\$30,468,634	\$30,477,357
			\$30,452,475

The fair value of bonds payable is measured using Level 2 inputs. The valuation of fair value is based on the quoted market prices provided by third party pricing services.

b. Financial instruments that are measured at fair value on a recurring basis

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Derivatives	\$ -	\$ 483	\$ -	\$ 483
Listed stocks	421	-	-	421
Non-listed stocks	-	-	792,364	792,364
Limited partnership	-	-	219,032	219,032
Film and drama investing agreements	-	-	24,305	24,305
	\$ 421	\$ 483	\$ 1,035,701	\$ 1,036,605

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI				
Listed stocks	\$ 243,649	\$ -	\$ -	\$ 243,649
Non-listed stocks	-	-	4,168,694	4,168,694
	\$ 243,649	\$ -	\$ 4,168,694	\$ 4,412,343
Hedging financial liabilities	\$ -	\$ 44	\$ -	\$ 44

(Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ -	\$ 3,514	\$ -	\$ 3,514
Listed stocks	439	-	-	439
Non-listed stocks	-	-	860,960	860,960
Limited partnership	-	-	135,121	135,121
Film and drama investing agreements	-	-	24,122	24,122
	\$ 439	\$ 3,514	\$ 1,020,203	\$ 1,024,156
Hedging financial assets	\$ -	\$ 12,891	\$ -	\$ 12,891
Financial assets at FVOCI				
Listed stocks	\$ 272,802	\$ -	\$ -	\$ 272,802
Non-listed stocks	-	-	3,218,579	3,218,579
	\$ 272,802	\$ -	\$ 3,218,579	\$ 3,491,381

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

The reconciliations for financial assets measured at Level 3 were listed below:

2023

Financial Assets	Measured at Fair Value through Profit or Loss	Measured at Fair Value through Other Comprehensive Income	Total
Balance on January 1, 2023	\$ 1,020,203	\$ 3,218,579	\$ 4,238,782
Acquisition	133,171	304,820	437,991
Recognized in profit or loss under "Other gains and losses"	(95,411)	-	(95,411)
Recognized in other comprehensive income under "Unrealized gain or loss on financial assets at fair value through other comprehensive income"	-	648,621	648,621

(Continued)

long-term revenue, a decrease in discount for the lack of marketability or noncontrolling interests discount, or a decrease in the discount rate would result in increases in the fair values.

	December 31	
	2023	2022
	3.75%-20.00%	14.09%-20.00%
Discount for lack of marketability	17.01%-25.00%	17.29%-25.00%
Noncontrolling interests discount	0.19%	0.19%
Growth rate of long-term revenue	7.11%-8.20%	7.20%-8.80%
Discount rate		

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair values of Level 3 financial assets would increase (decrease) as below table.

	December 31	
	2023	2022
	\$ (48,599)	\$ (33,111)
Discount for lack of marketability	\$ 44,801	\$ 33,111
5% increase		
5% decrease		
Noncontrolling interests discount	\$ (21,873)	\$ (23,794)
5% increase	\$ 21,873	\$ 23,794
5% decrease		
Long-term revenue growth rates	\$ 35,337	\$ 29,506
0.1% increase	\$ (34,666)	\$ (28,938)
0.1% decrease		
Discount rate	\$ (396,170)	\$ (329,863)
1% increase	\$ 488,163	\$ 406,648
1% decrease		

Categories of Financial Instruments

	December 31	
	2023	2022
Financial assets		
Measured at FVTPL		
Mandatorily measured at FVTPL	\$ 1,036,605	\$ 1,024,156
Hedging financial assets		
Financial assets at amortized cost (Note a)	82,090,521	12,891
Financial assets at FVOCI	4,412,343	81,523,688
		3,491,381
Financial liabilities		
Hedging financial liabilities		
Measured at amortized cost (Note b)	44	-
	65,466,108	67,451,245

Note a: The balances included cash and cash equivalents, trade notes and accounts receivable, receivables from related parties, other current monetary assets and refundable deposits (classified as other noncurrent assets), which were financial assets measured at amortized cost.

Note b: The balances included short-term loans, trade notes and accounts payable, payables to related parties, partial other payables, customers' deposits, bonds payable and long-term loans (including the current portion) which were financial liabilities carried at amortized cost.

Financial Assets	Measured at Fair Value through Profit or Loss	Measured at Fair Value through Other Comprehensive Income	Total
Proceeds from capital reduction of the investees and profit distribution	\$ (22,262)	\$ (3,326)	\$ (25,588)
Balance on December 31, 2023	\$ 1,035,701	\$ 4,168,694	\$ 5,204,395
Unrealized gain or loss in 2023	\$ (95,028)		

(Concluded)

Financial Assets	Measured at Fair Value through Profit or Loss	Measured at Fair Value through Other Comprehensive Income	Total
Balance on January 1, 2022	\$ 908,775	\$ 3,157,306	\$ 4,066,081
Acquisition	348,321	16,092	364,413
Disposal	-	(154)	(154)
Recognized in profit or loss under "Other gains and losses"	(215,326)	-	(215,326)
Recognized in other comprehensive income under "Unrealized gain or loss on financial assets at fair value through other comprehensive income"	-	52,519	52,519
Proceeds from capital reduction of the investees	(21,567)	(7,184)	(28,751)
Balance on December 31, 2022	\$ 1,020,203	\$ 3,218,579	\$ 4,238,782
Unrealized gain or loss in 2022	\$ (208,809)		

The fair values of financial assets and financial liabilities of Level 2 are determined as follows:

- 1) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices.
- 2) For derivatives, fair values are estimated using discounted cash flow model. Future cash flows are estimated based on observable inputs including forward exchange rates at the end of the reporting periods and the forward and spot exchange rates stated in the contracts, discounted at a rate that reflects the credit risk of various counterparties.

The fair values of non-listed domestic and foreign equity investments and film and drama investing agreements were Level 3 financial assets and determined using the market approach by reference the Price-to-Book ratios (P/B ratios) of peer companies that traded in active markets, using the income approach, in which the discounted cash flow is used to capture the present value of the expected future economic benefits to be derived from the investments, or using assets approach. The significant unobservable inputs used were listed in the below table. An increase in growth rate of

Financial Risk Management Objectives

The main financial instruments of the Company include equity investments, trade notes and accounts receivable, trade notes and accounts payable, lease liabilities, loans and bonds payable. The Company's Finance Department provides services to its business units, co-ordinates access to domestic and international capital markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors. Those derivatives are used to hedge the risks of exchange rate fluctuation arising from operating or investment activities. Compliance with policies and risk exposure limits is reviewed by the Company's Finance Department on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Chunghwa reports the significant risk exposures and related action plans timely and actively to the audit committee and if needed to the Board of Directors.

a. Market risk

The Company is exposed to market risks of changes in foreign currency exchange rates and interest rates. The Company uses forward exchange contracts to hedge the exchange rate risk arising from assets and liabilities denominated in foreign currencies.

There were no changes to the Company's exposure to market risks or the manner in which these risks are managed and measured.

1) Foreign currency risk

For details about the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the balance sheet dates, please refer to Note 40 Significant Assets and Liabilities Denominated in Foreign Currencies.

The carrying amounts of the Company's derivatives with exchange rate risk exposures at the balance sheet dates were as follows:

	December 31	
	2023	2022
Assets		
EUR	\$ 483	\$ 16,405
Liabilities		
EUR	(44)	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations of the currencies USD, EUR and SGD as listed in Note 40.

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The

sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward exchange contracts. A positive number below indicates an increase in pre-tax profit or equity where the functional currency weakens 5% against the relevant currency.

	Year Ended December 31	
	2023	2022
Profit or loss		
Monetary assets and liabilities (a)		
USD	\$ 50,708	\$ 75,119
EUR	(30,371)	(39,281)
SGD	(47,190)	(69,186)
RMB	5,819	(40)
Derivatives (b)		
EUR	7,306	3,272
Equity		
Derivatives (c)		
EUR	1,189	21,841

a) This is mainly attributable to the exposure to foreign currency denominated receivables and payables of the Company outstanding at the balance sheet dates.

b) This is mainly attributable to forward exchange contracts.

c) This is mainly attributable to the changes in the fair value of derivatives that are designated as cash flow hedges.

For a 5% strengthening of the functional currency against the relevant currencies, there would be an equal and opposite effect on the pre-tax profit or equity for the amounts shown above.

2) Interest rate risk

The carrying amounts of the Company's exposures to interest rates on financial assets and financial liabilities at the balance sheet dates were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 43,156,022	\$ 41,593,475
Financial liabilities	41,457,947	41,149,864
Cash flow interest rate risk		
Financial assets	9,136,207	9,631,079
Financial liabilities	2,185,000	2,322,000

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax income would increase/decrease by \$17,378 thousand and \$18,273 thousand for the years ended December 31, 2023 and 2022, respectively. This is mainly

attributable to the Company's exposure to floating interest rates on its financial assets, short-term and long-term loans.

3) Other price risk

The Company is exposed to equity price risks arising from holding other company's equity. Equity investments are held for strategic rather than trading purposes. The management managed the risk through holding various risk portfolios. Further, the Company assigned finance and investment departments to monitor the price risk.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit and pre-tax other comprehensive income would have increased/decreased by \$50,591 thousand and \$220,617 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL and financial assets at FVOCI for the year ended December 31, 2023. If equity prices had been 5% higher/lower, pre-tax profit and pre-tax other comprehensive income would have increased/decreased by \$49,826 thousand and \$174,569 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL and financial assets at FVOCI for the year ended December 31, 2022.

b. Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Company. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the consolidated balance sheet as of the balance sheet date.

The Company has large trade receivables outstanding with its customers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral or credit insurance. The Company has implemented ongoing measures including enhancing credit assessments and strengthening overall risk management to reduce its credit risk. While the Company has procedures to monitor and limit exposure to credit risk on trade receivables, there can be no assurance such procedures will effectively limit its credit risk and avoid losses. This risk is heightened during periods when economic conditions worsen.

As the Company serves a large number of unrelated consumers, the concentration of credit risk was limited.

c. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalent position to support the operations and reduce the impact on fluctuation of cash flow.

1) Liquidity and interest risk tables

The following tables detailed the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

December 31, 2023

	Weighted Average Effective Interest Rate (%)	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years	Total
Non-derivative financial liabilities							
Non-interest bearing	-	\$ 37,930,363	\$ -	\$ 2,107,392	\$ 5,309,097	\$ -	\$ 45,346,852
Floating interest rate instruments	1.99	-	15,000	2,170,000	-	-	2,185,000
Fixed interest rate instruments	0.53	-	-	-	25,880,000	4,700,000	30,580,000
		\$ 37,930,363	\$ 15,000	\$ 4,277,392	\$ 31,109,097	\$ 4,700,000	\$ 78,031,852

Information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Lease liabilities	\$ 3,518,419	\$ 4,819,030	\$ 2,356,754	\$ 518,335	\$ 11,212,538

December 31, 2022

	Weighted Average Effective Interest Rate (%)	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years	Total
Non-derivative financial liabilities							
Non-interest bearing	-	\$ 39,904,488	\$ -	\$ 2,143,523	\$ 5,156,790	\$ -	\$ 47,204,801
Floating interest rate instruments	1.79	-	300,000	422,000	-	-	722,000
Fixed interest rate instruments	0.53	-	-	-	21,700,000	8,800,000	30,500,000
		\$ 39,904,488	\$ 300,000	\$ 2,465,523	\$ 28,456,790	\$ 8,800,000	\$ 80,026,711

Information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Lease liabilities	\$ 3,390,348	\$ 4,445,772	\$ 2,142,864	\$ 869,994	\$ 10,848,978

The following table detailed the Company's liquidity analysis for its derivative financial instruments. The table had been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2023

Gross settled	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Forward exchange contracts					
Inflow	\$ -	\$ 169,092	\$ -	\$ -	\$ 169,092
Outflow	-	168,653	-	-	168,653
	\$ -	\$ 439	\$ -	\$ -	\$ 439

December 31, 2022

Gross settled	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Forward exchange contracts					
Inflow	\$ -	\$ 501,175	\$ -	\$ -	\$ 501,175
Outflow	-	484,770	-	-	484,770
	\$ -	\$ 16,405	\$ -	\$ -	\$ 16,405

2) Financing facilities

	December 31	
	2023	2022
Unsecured bank loan facilities		
Amount used	\$ 585,000	\$ 722,000
Amount unused	<u>56,191,331</u>	<u>56,861,505</u>
	<u>\$ 56,776,331</u>	<u>\$ 57,583,505</u>
Secured bank loan facilities		
Amount used	\$ 1,600,000	\$ 1,600,000
Amount unused	<u>20,000</u>	<u>-</u>
	<u>\$ 1,620,000</u>	<u>\$ 1,600,000</u>

37. RELATED PARTIES TRANSACTIONS

The ROC Government has significant equity interest in Chunghwa. Chunghwa provides fixed-line services, mobile services, internet and data and other services to the various departments and institutions of the ROC Government in the normal course of business and at arm's-length prices. Except for those disclosed in other notes or this note, the transactions with the ROC government bodies have not been disclosed because the transactions are not individually or collectively significant. However, the related revenues and operating costs have been appropriately recorded.

a. The Company engages in business transactions with the following related parties:

Company	Relationship
Taiwan International Standard Electronics Co., Ltd.	Associate
So-net Entertainment Taiwan Limited	Associate
KKBOX Taiwan Co., Ltd.	Associate
Kingway/Tek Technology Co., Ltd.	Associate
Taiwan International Ports Logistics Corporation	Associate
Senao Networks, Inc.	Associate
EnGenius Networks Inc.	Subsidiary of the Company's associate, Senao Networks, Inc.
EnRack Technology Inc.	Subsidiary of the Company's associate, Senao Networks, Inc.
Emplus Technologies, Inc.	Subsidiary of the Company's associate, Senao Networks, Inc.
ST-2 Satellite Ventures Pte., Ltd.	Associate
CHT Infinity Singapore Pte. Ltd.	Associate
Viettel-CHT Co., Ltd.	Associate
PT. CHT Infinity Indonesia	Subsidiary of the Company's associate, CHT Infinity Singapore Pte. Ltd.
Click Force Co., Ltd.	Associate
Chunghwa PChome Fund I Co., Ltd.	Associate
Cornerstone Ventures Co., Ltd.	Associate
Next Commercial Bank Co., Ltd.	Associate
WiAdvance Technology Corporation	Associate
AgriTalk Technology Inc.	Associate

(Continued)

Company	Relationship
Imediac Co., Ltd.	Associate
Bachwa Trust Co., Ltd.	Associate
Chunghwa SEA Holdings	Joint venture
Other related parties	
Chunghwa Telecom Foundation	A nonprofit organization of which the funds donated by Chunghwa exceeds one third of its total funds
Senao Technical and Cultural Foundation	A nonprofit organization of which the funds donated by SENAO exceeds one third of its total funds
Sochamp Technology Co., Ltd.	Investor of significant influence over CHST
Tsann Kuen Enterprise Co., Ltd.	Substantial related party of SENAO
E-Life Mall Co., Ltd.	Substantial related party of SENAO
Engenius Technologies Co., Ltd.	Substantial related party of SENAO
Cheng Keng Investment Co., Ltd.	Substantial related party of SENAO
Cheng Feng Investment Co., Ltd.	Substantial related party of SENAO
All Oriented Investment Co., Ltd.	Substantial related party of SENAO
Hwa Shun Investment Co., Ltd.	Substantial related party of SENAO
Yu Yu Investment Co., Ltd.	Substantial related party of SENAO
Kangsin Co., Ltd.	Substantial related party of SENAO
United Daily News Co., Ltd.	Investor of significant influence over SFD
Shenzhen Century Communication Co., Ltd.	Investor of significant influence over SCT
Advantech Co., Ltd.	Investor of significant influence over IISI
Z-Com, Inc.	Investor of significant influence over CHST (Concluded)

b. Balances and transactions between Chunghwa and its subsidiaries, which are related parties of Chunghwa, have been eliminated on consolidation and are not disclosed in this note. Terms of the foregoing transactions with related parties were not significantly different from transactions with non-related parties. When no similar transactions with non-related parties can be referenced, terms were determined in accordance with mutual agreements. Details of transactions between the Company and other related parties are disclosed below:

1) Operating transactions

	Revenues	
	Year Ended December 31 2023	2022
Associates	\$ 403,166	\$ 416,922
Others	<u>56,871</u>	<u>60,767</u>
	<u>\$ 460,037</u>	<u>\$ 477,689</u>
	Operating Costs and Expenses	
	Year Ended December 31 2023	2022
Associates	\$ 1,322,041	\$ 1,246,744
Others	<u>74,197</u>	<u>79,759</u>
	<u>\$ 1,396,238</u>	<u>\$ 1,326,503</u>

2) Non-operating transactions

	Non-operating Income and Expenses	
	Year Ended December 31 2023	2022
Associates	\$ 37,722	\$ 37,014
Others	1,865	1,928
	<u>\$ 39,587</u>	<u>\$ 38,942</u>

3) Receivables

	December 31	
	2023	2022
Associates	\$ 75,994	\$ 70,091
Others	2,095	4,970
	<u>\$ 78,089</u>	<u>\$ 75,061</u>

4) Payables

	December 31	
	2023	2022
Associates	\$ 380,663	\$ 534,515
Others	4,426	4,679
	<u>\$ 385,089</u>	<u>\$ 539,194</u>

5) Customers' deposits

	December 31	
	2023	2022
Associates	\$ 19,432	\$ 68,942
Others	284	284
	<u>\$ 19,716</u>	<u>\$ 69,226</u>

6) Acquisition of property, plant and equipment

	Year Ended December 31	
	2023	2022
Associates	\$ 173,283	\$ 32,477

7) Acquisition of intangible assets

	Year Ended December 31	
	2023	2022
Associates	\$ -	\$ 677

8) Lease-in agreements

Chunghwa entered into a contract with ST-2 Satellite Ventures Pte., Ltd. on March 12, 2010 to lease capacity on the ST-2 satellite. This lease term is for 15 years which should start from the official operation of ST-2 satellite and the total contract value is approximately \$6,000,000 thousand (SGD 260,723 thousand), including a prepayment of \$3,067,711 thousand at the inception of the lease, and the rest of amount should be paid annually when ST-2 satellite starts its official operation. ST-2 satellite was launched in May 2011 and began its official operation in August 2011. As ST-2 satellite is in good operating condition, the useful life is extended for another 3 years and 3 months after evaluation in 2021. The Board of Directors of Chunghwa approved to extend the lease period accordingly with the original contract terms in December 2021; therefore, Chunghwa acquired right-of-use asset of \$1,124,780 thousand from the aforementioned lease extension.

The lease liabilities of ST-2 Satellite Ventures Pte., Ltd. as of balance sheet dates were as follows:

	December 31	
	2023	2022
Lease liabilities - current	\$ 197,278	\$ 193,805
Lease liabilities - noncurrent	<u>1,602,633</u>	<u>1,760,815</u>
	<u>\$ 1,799,911</u>	<u>\$ 1,954,620</u>

The interest expense recognized for the aforementioned lease liabilities for the years ended December 31, 2023 and 2022 were \$8,013 thousand and \$8,165 thousand, respectively.

9) Others

The bank deposits and other financial assets of NCB as of balance sheet dates were as follows:

	December 31	
	2023	2022
Bank deposits and other financial assets	<u>\$ 1,132,008</u>	<u>\$ -</u>

The interest income recognized for the aforementioned bank deposits and other financial assets was \$1,058 thousand for the year ended December 31, 2023.

c. Compensation of key management personnel

The compensation of directors and key management personnel was as follows:

	Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 351,719	\$ 359,936
Post-employment benefits	26,167	7,974
Share-based payment	1,240	1,481
Termination benefits	-	237
	<u>\$ 379,126</u>	<u>\$ 369,628</u>

The compensation of directors and key management personnel was mainly determined by the compensation committee having regard to the performances and market trends.

38. PLEDGED ASSETS

The following assets are pledged as collaterals for bank loans, customs duties of the imported materials, warranties of contract performance or the trust account LED entrusts to Land Bank of Taiwan for fund control and property rights management.

	December 31	
	2023	2022
Property, plant and equipment	\$ 2,468,835	\$ 2,402,781
Restricted assets (included in other assets - others)	<u>546,022</u>	<u>131,136</u>
	<u>\$ 3,014,857</u>	<u>\$ 2,533,917</u>

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Except for those disclosed in other notes, the Company's significant commitments and contingent liabilities as of December 31, 2023 were as follows:

- Acquisitions of land and buildings of \$49,481 thousand.
- Acquisitions of telecommunications-related inventory and equipment of \$21,757,730 thousand.
- Unused letters of credit amounting to \$10,000 thousand.
- A commitment to contribute \$2,000,000 thousand to a Piping Fund administered by the Taipei City Government, of which \$1,000,000 thousand was contributed by Chungghwa on August 15, 1996 (classified as other financial assets - noncurrent). If the fund is not sufficient, Chungghwa will contribute the remaining \$1,000,000 thousand upon notification from the Taipei City Government.
- Chungghwa committed that when its ownership interest in NCB is greater than 25% and NCB encounters financial difficulty or the capital adequacy ratio of NCB cannot meet the related regulation requirements, Chungghwa will provide financial support to assist NCB in maintaining a healthy financial condition.
- Chungghwa signed a contract, the ST-2 Satellite Succession Plan, with Singapore Telecommunications Limited, for a total transaction price of EUR 177,000 thousand and SGD 51,000 thousand. As of December 31, 2023, Chungghwa had paid the amount of EUR 50,445 thousand (classified as prepayments - noncurrent).
- LED has signed the land presale contracts amounting to \$4,244,486 thousand and has received \$459,697 thousand in accordance with the contracts (classified as contract liabilities - current).

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information summarizes the disclosure of foreign currencies other than the functional currency of Chungghwa and its subsidiaries. The following exchange rates are the exchange rates used to translate to the presentation currency of the consolidated financial statements, which is the NTD:

	December 31, 2023		
	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 66,564	30.71	\$ 2,043,834
EUR	1,999	33.98	67,919
SGD	39,515	23.29	920,308
RMB	35,777	4.327	154,806
Non-monetary items			
Investments accounted for using equity method			
SGD	12,255	23.29	285,430
VND	435,484,544	0.0012	542,178
<u>Liabilities denominated in foreign currencies</u>			
Monetary items			
USD	33,534	30.71	1,029,674
EUR	19,875	33.98	675,342
SGD	80,039	23.29	1,864,104
RMB	8,880	4.327	38,424
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 76,675	30.71	\$ 2,354,691
EUR	2,740	32.72	89,645
SGD	27,384	22.88	626,538
RMB	8,301	4.408	36,591
Non-monetary items			
Investments accounted for using equity method			
SGD	10,787	22.88	246,815
VND	434,655,397	0.0013	558,532
<u>Liabilities denominated in foreign currencies</u>			
Monetary items			
USD	27,753	30.71	852,302
EUR	26,750	32.72	875,256
SGD	87,861	22.88	2,010,250
RMB	8,481	4.408	37,386

The unrealized foreign currency exchange gains and losses were gain of \$60,046 thousand and loss of \$265,035 thousand for the years ended December 31, 2023 and 2022, respectively. Due to the various foreign currency transactions and the functional currency of each individual entity of the Company, foreign exchange gains and losses cannot be disclosed by the respective significant foreign currency.

41. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the FSC for the Company:

- Financing provided: None.
- Endorsement/guarantee provided: Please see Table 1.
- Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 2.
- Marketable securities acquired or disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: Please see Table 3.
- Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital: Please see Table 4.
- Receivables from related parties amounting to \$100 million or 20% of the paid-in capital: Please see Table 5.
- Names, locations, and other information of investees on which the Company exercises significant influence (excluding investments in Mainland China): Please see Table 6.
- Derivative instruments transactions: Please see Notes 7, 20 and 36.
- Investments in Mainland China: Please see Table 7.

l. Intercompany relationships and significant intercompany transactions: Please see Table 8.

m. Information of main stakeholders: Please see Table 9.

42. SEGMENT INFORMATION

In response to changes in the operating environment and new business challenges, the Company launched its organizational transformation and redesigned the operational decision-making processes and the performance assessment under the new structure. The aforementioned organizational transformation was effective from January 1, 2022. The Company redefined the reportable segments as "Consumer Business", "Enterprise Business", "International Business" and "Others". The reportable segments are managed separately because each segment represents a strategic business unit that serves different customers. Segment information is provided to the chief operating decision maker who allocates resources and assesses segment performance. The Company's measure of segment performance is mainly based on revenues and income before income tax.

Some operating segments have been aggregated into a single operating segment taking into account the following factors: (a) the type or class of customer for the telecommunications products and services are similar; (b) the nature of the telecommunications products and services are similar; and (c) the methods used to provide the services to the customers are similar.

The accounting policies of the operating segments are the same as those described in Note 3.

Segment Revenues and Operating Results

Analysis by reportable segment of revenues and operating results of continuing operations are as follows:

Year ended December 31, 2023	Consumer Business	Enterprise Business	International Business	Others	Total
Revenues					
From external customers	\$ 137,092,762	\$ 73,005,398	\$ 9,187,648	\$ 3,913,452	\$ 223,199,260
Intersegment revenues	2,526,405	913,500	995,731	405,967	5,041,246
Segment revenues	<u>\$ 139,719,167</u>	<u>\$ 74,018,898</u>	<u>\$ 10,183,379</u>	<u>\$ 4,319,419</u>	<u>\$ 228,240,506</u>
Intersegment elimination					<u>(5,041,246)</u>
Consolidated revenues					<u>\$ 223,199,260</u>
Segment income before income tax	<u>\$ 28,899,938</u>	<u>\$ 14,558,046</u>	<u>\$ 2,140,747</u>	<u>\$ 1,593,915</u>	<u>\$ 46,992,646</u>
Year ended December 31, 2022					
Revenues					
From external customers	\$ 132,062,750	\$ 72,152,293	\$ 7,188,697	\$ 5,335,494	\$ 216,739,234
Intersegment revenues	2,166,085	951,518	864,792	348,017	4,330,412
Segment revenues	<u>\$ 134,228,835</u>	<u>\$ 73,103,811</u>	<u>\$ 8,053,489</u>	<u>\$ 5,683,511</u>	<u>\$ 221,069,646</u>
Intersegment elimination					<u>(4,330,412)</u>
Consolidated revenues					<u>\$ 216,739,234</u>
Segment income before income tax	<u>\$ 28,315,614</u>	<u>\$ 15,608,640</u>	<u>\$ 1,693,789</u>	<u>\$ 1,410,907</u>	<u>\$ 47,228,950</u>

Other Segment Information

Other information reviewed by the chief operating decision maker or regularly provided to the chief operating decision maker was as follows:

Year ended December 31, 2023	Consumer Business	Enterprise Business	International Business	Others	Total
Share of profits of associates and joint ventures accounted for using equity method	\$ (135,439)	\$ 29,219	\$ 282,804	\$ 66,790	\$ 243,374
Interest income	24,875	57,869	35,749	499,123	617,609
Interest expenses	185,198	93,829	7,788	52,348	319,163
Depreciation and amortization	28,698,662	9,720,829	1,354,075	737,581	40,511,147
Impairment loss on property, plant and equipment	248,647	50,184	60	-	298,891
Impairment loss on investment properties	-	-	-	335,903	335,903
Year ended December 31, 2022					
Share of profits of associates and joint ventures accounted for using equity method	\$ (32,511)	\$ 24,275	\$ 315,133	\$ 146,034	\$ 452,931
Interest income	11,020	28,273	7,599	202,237	249,129
Interest expenses	150,875	83,296	21,980	267,738	462,788
Depreciation and amortization	28,702,971	9,713,909	1,113,039	738,867	40,268,736
Reversal of impairment loss on investment properties	-	-	-	107,467	107,467
Impairment loss on intangible assets	9,547	-	-	-	9,547

Main Products and Service Revenues

	Year Ended December 31	
	2023	2022
Consumer Business		
Mobile services	\$ 55,137,912	\$ 51,821,044
Fixed-line services	42,574,487	42,766,155
Sales	36,816,056	35,171,564
Others	2,564,307	2,303,987
	<u>137,092,762</u>	<u>132,062,750</u>
Enterprise Business		
Fixed-line services	33,967,097	34,536,513
ICT business	24,696,935	24,247,914
Mobile services	9,118,667	8,942,259
Others	5,222,699	4,425,607
	<u>73,005,398</u>	<u>72,152,293</u>
International Business		
Fixed-line services	5,389,496	5,063,377
ICT business	2,840,765	1,506,495
Others	957,387	618,825
	<u>9,187,648</u>	<u>7,188,697</u>
Others		
Sales	3,033,953	4,553,403
Others	879,499	782,091
	<u>3,913,452</u>	<u>5,335,494</u>
	<u>\$ 223,199,260</u>	<u>\$ 216,739,234</u>

Geographic Information

The users of the Company's services are mainly from Taiwan, ROC. The revenues it derived outside Taiwan are mainly revenues from international long distance telephone and leased line services. The geographic information for revenues was as follows:

	Year Ended December 31	
	2023	2022
Taiwan, ROC	\$ 215,265,149	\$ 209,727,262
Overseas	<u>7,934,111</u>	<u>7,011,972</u>
	<u>\$ 223,199,260</u>	<u>\$ 216,739,234</u>

The Company has long-lived assets in U.S., Singapore, Hong Kong, China, Vietnam, Japan and Thailand for \$3,092,635 thousand and \$3,212,396 thousand at December 31, 2023 and 2022, respectively, in the aforementioned areas, the other long-lived assets are located in Taiwan, ROC.

Major Customers

As of December 31, 2023, and 2022, the Company did not have any single customer whose revenue exceeded 10% of the total revenues.

TABLE 1

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated/ Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
1	Senao International Co., Ltd.	Aval Technologies Co., Ltd. Wiiin Technology Co., Ltd.	b b	\$ 641,463 641,463	\$ 300,000 200,000	\$ 300,000 200,000	\$ 300,000 200,000	\$ - -	4.68 3.12	\$ 3,207,316 3,207,316	Yes Yes	No No	No No	Notes 3 and 4 Notes 3 and 4

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the Company.
- Subsidiaries are numbered from "1".

Note 2: Relationships between the endorsement/guarantee provider and the guaranteed party:

- A company with which it does business.
- A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- Companies in the same industry provide among themselves jointly and severally guarantee for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The limits on endorsement or guarantee amount provided to each guaranteed party is up to 10% of the net assets value of the latest financial statements of Senao International Co., Ltd.

Note 4: The total amount of endorsement or guarantee that the Company is allowed to provide is up to 50% of the net assets value of the latest financial statements of Senao International Co., Ltd.

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023			Note
				Shares (Thousands/ Thousand Units)	Carrying Value (Note 1)	Percentage of Ownership	
Chunghwa Telecom Co., Ltd.	Stocks Taipei Financial Center Corp.	-	Financial assets at FVOCI	172,927	\$ 3,643,592	12	-
	KKCompany Technologies Inc.	-	Financial assets at FVOCI	2,762	292,416	2	-
	4 Gamers Entertainment Inc.	-	Financial assets at FVOCI	136	137,202	19.9	-
	Industrial Bank of Taiwan II Venture Capital Co., Ltd. (IBT II)	-	Financial assets at FVOCI	5,252	17,255	17	-
	Innovation Works Limited	-	Financial assets at FVOCI	1,000	5,294	2	-
	Taiwan mobile payment Co., Ltd.	-	Financial assets at FVOCI	1,200	4,362	2	-
	RPTI InterGroup International Ltd.	-	Financial assets at FVOCI	4,765	-	10	-
	Global Mobile Corp.	-	Financial assets at FVOCI	7,617	-	3	-
	Taiwania Capital Buffalo Fund Co., Ltd.	-	Financial assets at FVTPL - noncurrent	555,600	513,018	13	-
	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	-	Financial assets at FVTPL - noncurrent	20,000	190,519	9	-
Senao International Co., Ltd.	Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL - noncurrent	-	73,279	4	-
	Limited partnership Taiwania Capital Buffalo Fund VI, L.P.	-	Financial assets at FVTPL - noncurrent	-	182,678	10	-
	Stocks N.T.U. Innovation Incubation Corporation	-	Financial assets at FVOCI	1,200	9,969	9	-
CHIEF Telecom Inc.	Stocks WPG Holdings Limited	-	Financial assets at FVOCI	2,102	98,793	-	Note 2
	WT Microelectronics Co., Ltd.	-	Financial assets at FVOCI	361	16,480	-	Note 2
	3 Link Information Service Co., Ltd.	-	Financial assets at FVOCI	374	1,147	10	-
	WPG Holdings Limited	-	Financial assets at FVTPL - current	9	421	-	Note 2
Chunghwa Investment Co., Ltd.	Stocks PChrome Online Inc.	-	Financial assets at FVOCI	1,875	82,889	1	Note 2
	Bosdom Diginnovation Co., Ltd.	-	Financial assets at FVOCI	2,309	45,487	6	Note 2
	Tatung Technology Inc.	-	Financial assets at FVOCI	4,571	44,724	11	-
	ioNetworks Inc.	-	Financial assets at FVOCI	107	12,733	2	-
	iSing99 Inc.	-	Financial assets at FVOCI	10,000	-	7	-
	Powtec ElectroChemical Corporation	-	Financial assets at FVOCI	20,000	-	2	-
	Limited partnership Taiwania Capital Buffalo Fund V, L.P.	-	Financial assets at FVTPL - noncurrent	-	36,354	3	-
CHT Security Co., Ltd.	Stocks TXOne Networks Inc.	-	Financial assets at FVTPL - noncurrent	91	15,548	-	-

Note 1: Showed at carrying amounts with fair value adjustments.

Note 2: Fair value was based on the closing price on the last trading day of the reporting period.

TABLE 3

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance	
					Shares (Thousands/ Thousand Units)	Amount	Shares (Thousands/ Thousand Units)	Amount	Amount	Carrying Value	Gain on Disposal	Shares (Thousands/ Thousand Units)	Amount
Chungghwa Telecom Co., Ltd.	Stocks Next Commercial Bank Co., Ltd.	Investments accounted for using equity method	-	Associate	419,000	\$ 4,190,000 (Note 1)	154,385	\$ 1,543,847	\$ -	\$ -	\$ -	462,643	\$ 5,733,847 (Note 1)

Note 1: Showing at the original investment amounts without adjustments for investment income or loss and other comprehensive income accounted for using equity method.

Note 2: The investee company reduced its capital to offset accumulated deficits.

TABLE 4

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction			Notes / Accounts Payable or Receivable	
			Purchases/Sales (Note 1)	Amount (Note 4)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Notes 2 and 4)	% to Total
Chungghwa Telecom Co., Ltd.	Senao International Co., Ltd.	Subsidiary	Sales	\$ 4,419,423	2	30 days	\$	-	\$ 200,422	1
	Aval Technologies Co., Ltd.	Subsidiary	Purchase	889,054	1	30~90 days	-	-	(892,561)	(6)
	CHIEF Telecom Inc.	Subsidiary	Purchase	437,814	-	30 days	-	-	-	-
	Chungghwa System Integration Co., Ltd.	Subsidiary	Sales	483,027	-	30 days	-	-	60,653	-
	CHYP Multimedia Marketing & Communications Co., Ltd.	Subsidiary	Purchase	1,405,769	1	30 days	-	-	(703,045)	(5)
	Hongghwa International Co., Ltd.	Subsidiary	Purchase	188,904	-	30 days	-	-	(60,340)	-
		Subsidiary	Sales	213,294	-	30~60 days	-	-	3,871	-
		Subsidiary	Purchase	7,161,736	6	30~60 days	-	-	(1,241,480)	(8)
	Dongghwa Telecom Co., Ltd.	Subsidiary	Purchase	171,988	-	30 days	-	-	40,200	-
		Subsidiary	Purchase	537,297	-	90 days	-	-	(130,971)	(1)
	Chungghwa Telecom Global, Inc.	Subsidiary	Sales	168,479	-	90 days	-	-	76,507	-
	CHT Security Co., Ltd.	Subsidiary	Purchase	316,708	-	90 days	-	-	(69,710)	-
	Chungghwa Telecom Singapore Pte., Ltd.	Subsidiary	Purchase	458,395	-	30 days	-	-	(101,083)	(1)
	International Integrated Systems, Inc.	Subsidiary	Purchase	200,142	-	30 days	-	-	(198,429)	(1)
	Senyoung Insurance Agent Co., Ltd.	Subsidiary	Purchase	523,607	-	30 days	-	-	(144,623)	(1)
	Next Commercial Bank Co., Ltd.	Associate	Sales	144,448	-	90 days	-	-	36,881	-
	Taiwan International Standard Electronics Co., Ltd.	Associate	Purchase	124,998	-	30~60 days	-	-	4,154	-
Senao International Co., Ltd.	KingwayTek Technology Co., Ltd.	Associate	Purchase	881,589	1	30~90 days	-	-	(295,597)	(2)
		Associate	Purchase	105,550	-	60 days	-	-	(3,927)	-
		Associate	Purchase	118,737	-	30 days	-	-	(21,395)	-
CHIEF Telecom Inc.	Aval Technologies Co., Ltd.	Subsidiary	Sales	407,324	1	60 days	-	-	18,737	1
		Associate	Purchase	191,608	1	30 days	-	-	(6,031)	-
Aval Technologies Co., Ltd.	So-net Entertainment Taiwan Limited	Associate	Sales	143,085	5	30 days	-	-	24,361	11
Chungghwa Precision Test Tech. Co., Ltd.	Youth Co., Ltd.	Fellow subsidiary	Sales	103,983	-	30 days	-	-	858	-
	Su Zhou Precision Test Tech. Ltd.	Subsidiary	Sales	258,535	9	90 days	-	-	87,497	15

Note 1: Purchases include costs to acquire services.

Note 2: Notes and accounts receivable did not include the amounts collected for others and other receivables.

Note 3: Transaction terms with related parties were determined in accordance with mutual agreements when there were no similar transactions with third parties. Other transactions with related parties were not significantly different from those with third parties.

Note 4: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 5

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023**

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Chunghwa Telecom Co., Ltd.	Senao International Co., Ltd.	Subsidiary	\$ 369,162 (Note 2)	10.74	\$ -	-	\$ 93,361	\$ -
Senao International Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	1,016,594 (Note 2)	8.15	-	-	189,841	-
Chunghwa System Integration Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	703,045 (Note 2)	3.47	-	-	382,623	-
Honghua International Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	1,251,519 (Note 2)	6.89	-	-	253,994	-
CHT Security Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	101,049 (Note 2)	4.25	-	-	61,094	-
International Integrated Systems, Inc.	Chunghwa Telecom Co., Ltd.	Parent company	144,623 (Note 2)	6.55	-	-	107,392	-
Donghua Telecom Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	130,971 (Note 2)	7.36	-	-	89,945	-
Chunghwa Telecom Singapore Pte., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	198,381 (Note 2)	9.54	-	-	192,905	-
Chunghwa Precision Test Tech. Co., Ltd.	Su Zhou Precision Test Tech. Ltd.	Subsidiary	87,497 (Note 2)	4.06	-	-	8,940	-

Note 1: Payments and receipts collected in trust for others are excluded from the accounts receivable in calculating the turnover rate.

Note 2: The amount was eliminated upon consolidation.

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
Chungghwa Telecom Co., Ltd.	Senao International Co., Ltd.	Taiwan	Handset and peripherals retailer; sales of CHT mobile phone plans as an agent	\$ 1,065,813	\$ 1,065,813	71,773	28	\$ 705,677	\$ 190,662	Subsidiary (Notes 3 and 5)
	Light Era Development Co., Ltd.	Taiwan	Planning and development of real estate and intelligent buildings, and property management	3,000,000	3,000,000	300,000	100	9,978	11,050	Subsidiary (Note 5)
	Dongghwa Telecom Co., Ltd.	Hong Kong	International private leased circuit, IP VPN service, and IP transit services	691,163	691,163	178,590	100	60,659	60,659	Subsidiary (Note 5)
	Chungghwa Telecom Singapore Pte., Ltd.	Singapore	International private leased circuit, IP VPN service, and IP transit services	574,112	574,112	26,383	100	219,513	219,585	Subsidiary (Note 5)
	Chungghwa System Integration Co., Ltd.	Taiwan	Providing system integration services and telecommunications equipment	838,506	838,506	60,000	100	37,870	7,052	Subsidiary (Note 5)
	CHIEF Telecom Inc.	Taiwan	Network integration, internet data center ("IDC"), communications integration and cloud application services	459,652	459,652	43,368	56	921,112	529,458	Subsidiary (Note 5)
	Chungghwa Investment Co., Ltd.	Taiwan	Investment	639,559	639,559	68,085	89	390	503	Subsidiary (Note 5)
	Prime Asia Investments Group Ltd.	British Virgin Islands	Investment	385,274	385,274	1	100	7,632	7,632	Subsidiary (Note 5)
	Hongghwa International Co., Ltd.	Taiwan	Telecommunication engineering, sales agent of mobile phone plan application and other business services, etc.	180,000	180,000	18,000	100	473,167	461,064	Subsidiary (Notes 3 and 5)
	CHYP Multimedia Marketing & Communications Co., Ltd.	Taiwan	Digital information supply services and advertisement services	150,000	150,000	15,000	100	23,305	23,676	Subsidiary (Note 5)
	Chungghwa Telecom Vietnam Co., Ltd.	Vietnam	Intelligent energy saving solutions, international circuit, and information and communication technology ("ICT") services	148,275	148,275	-	100	(27,098)	(27,098)	Subsidiary (Note 5)
	Chungghwa Telecom Global, Inc.	United States	International private leased circuit, internet services, and transit services	70,429	70,429	6,000	100	113,316	113,392	Subsidiary (Note 5)
	CHT Security Co., Ltd.	Taiwan	Computing equipment installation, wholesale of computing and business machinery equipment and software, management consulting services, data processing services, digital information supply services and internet identity services	240,000	240,000	24,000	69	269,509	181,426	Subsidiary (Note 5)
	Chungghwa Telecom (Thailand) Co., Ltd.	Thailand	International private leased circuit, IP VPN service, ICT and cloud VAS services	119,624	119,624	1,300	100	6,961	6,961	Subsidiary (Note 5)
	Spring House Entertainment Tech. Inc.	Taiwan	Software design services, internet contents production and play, and motion picture production and distribution	62,209	62,209	8,251	56	37,740	21,150	Subsidiary (Note 5)
	Chungghwa leading Photonics Tech Co., Ltd.	Taiwan	Production and sale of electronic components and finished products	70,500	70,500	7,050	75	42,509	31,732	Subsidiary (Note 5)
	Smartfun Digital Co., Ltd.	Taiwan	Providing diversified family education digital services	65,000	65,000	6,500	65	17,938	11,945	Subsidiary (Note 5)
	Chungghwa Telecom Japan Co., Ltd.	Japan	International private leased circuit, IP VPN service, and IP transit services	17,291	17,291	1	100	40,503	40,503	Subsidiary (Note 5)
	Chungghwa Sochamp Technology Inc.	Taiwan	Design, development and production of Automatic License Plate Recognition software and hardware	20,400	20,400	2,040	37	(13,324)	(5,505)	Subsidiary (Note 5)
	International Integrated Systems, Inc.	Taiwan	IT solution provider, IT application consultation, system integration and package solution	517,423	517,423	37,211	51	168,655	95,518	Subsidiary (Note 5)
	Viettel-CHT Co., Ltd.	Vietnam	IDC services	288,327	288,327	-	30	335,738	100,722	Associate
	Taiwan International Standard Electronics Co., Ltd.	Taiwan	Manufacturing, selling, designing, and maintaining of telecommunications systems and equipment	164,000	164,000	1,760	40	197,896	86,631	Associate

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
	KKBOX Taiwan Co., Ltd.	Taiwan	Providing of music on-line, software, electronic information, and advertisement services	\$ 67,025	\$ 67,025	4,438	30	\$ (34,743)	\$ (10,423)	Associate
	So-net Entertainment Taiwan Limited	Taiwan	Online service and sale of computer hardware	120,008	120,008	9,429	30	(5,609)	(1,683)	Associate
	KingwayTek Technology Co., Ltd.	Taiwan	Design and sale of digital map, technical support for computer peripherals device, design and development of system programming projects	66,684	66,684	11,563	23	60,948	13,993	Associate
	Taiwan International Ports Logistics Corporation	Taiwan	Import and export storage, logistic warehouse, and ocean shipping service	80,000	80,000	8,000	27	129,253	34,470	Associate
	Chungghwa PChome Fund I Co., Ltd.	Taiwan	Investment, venture capital, investment advisor, management consultant and other consultancy service	200,000	200,000	20,000	50	(22,272)	(11,136)	Associate
	Cornerstone Ventures Co., Ltd.	Taiwan	Investment, venture capital, investment advisor, management consultant and other consultancy service	4,900	4,900	490	49	1,492	731	Associate
	Next Commercial Bank Co., Ltd.	Taiwan	Online banking business	5,733,847	4,190,000	462,643	46	(968,614)	(403,264)	Associate
	Chungghwa SEA Holdings	Taiwan	Investment business	10,200	10,200	1,020	51	(214)	(214)	Joint venture
	WiAdvance Technology Corporation	Taiwan	Software solution integration	273,800	273,800	3,700	19	(50,275)	(16,140)	Associate
Senao International Co., Ltd.	Senao Networks, Inc.	Taiwan	Telecommunication facilities manufactures and sales	202,758	202,758	16,579	34	828,373	279,930	Associate
	Senao International (Samoa) Holding Ltd.	Samoa Islands	International investment	-	2,046,143	-	-	506	506	Subsidiary (Notes 5 and 6)
	Youth Co., Ltd.	Taiwan	Sale of information and communication technologies products	427,850	427,850	14,752	96	(2,969)	(10,953)	Subsidiary (Note 5)
	Aval Technologies Co., Ltd.	Taiwan	Sale of information and communication technologies products	89,550	89,550	12,555	100	7,898	7,901	Subsidiary (Note 5)
	Senyoung Insurance Agent Co., Ltd.	Taiwan	Property and liability insurance agency	59,000	59,000	8,909	100	26,433	26,433	Subsidiary (Note 5)
CHIEF Telecom Inc.	Unigate Telecom Inc.	Taiwan	Telecommunications and internet service	2,000	2,000	200	100	120	120	Subsidiary (Note 5)
	Chief International Corp.	Samoa Islands	Telecommunications and internet service	6,068	6,068	200	100	10,085	10,085	Subsidiary (Note 5)
Chungghwa Telecom Singapore Pte., Ltd.	ST-2 Satellite Ventures Pte., Ltd.	Singapore	Operation of ST-2 telecommunications satellite	21,309	21,309	943	38	483,704	184,438	Associate
	CHT Infinity Singapore Pte. Ltd.	Singapore	Investment business	55,720	55,720	2,000	40	(5,355)	(2,142)	Associate
Chungghwa Investment Co., Ltd.	Chungghwa Precision Test Tech. Co., Ltd.	Taiwan	Production and sale of semiconductor testing components and printed circuit board	178,608	178,608	11,230	34	32,601	11,166	Subsidiary (Note 5)
	CHIEF Telecom Inc.	Taiwan	Network integration, internet data center ("IDC"), communications integration and cloud application services	19,064	19,064	2,286	3	921,112	27,040	Associate (Note 5)
	Senao International Co., Ltd.	Taiwan	Selling and maintaining mobile phones and its peripheral products	49,731	49,731	1,001	-	705,677	2,735	Associate (Note 5)
	AgriTalk Technology Inc.	Taiwan	Providing smart agricultural solutions, scientific agricultural product, biological inhibitor, and biochips	65,175	65,175	3,300	29	(14,784)	(3,940)	Associate
	Imediac Co., Ltd.	Taiwan	Providing medical AIoT solution, biomedical engineering services, and sales of medical device as an agent	59,467	48,000	1,189	7	(64,615)	(5,495)	Associate
Chungghwa Precision Test Tech Co., Ltd.	Chungghwa Precision Test Tech USA Corporation	United States	Design and after-sale services of semiconductor testing components and printed circuit board	74,192	74,192	2,600	100	1,561	1,561	Subsidiary (Note 5)
	CHPT Japan Co., Ltd.	Japan	Related services of electronic parts, machinery processed products and printed circuit board	2,008	2,008	1	100	113	113	Subsidiary (Note 5)

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
TestPro Investment Co., Ltd.	Chungghwa Precision Test Tech. International, Ltd.	Samoa Islands	Wholesale and retail of electronic materials, and investment	\$ 173,649	\$ 173,649	5,700	100	\$ 727	\$ 1,445	Subsidiary (Note 5)
	TestPro Investment Co., Ltd.	Taiwan	Investment	135,000	135,000	13,500	100	(35,024)	(34,392)	Subsidiary (Note 5)
	NavCore Tech. Co., Ltd	Taiwan	Sale and manufacturing of smart equipment, smart factory software and hardware integration and technical consulting service	108,500	108,500	10,850	54	(64,672)	(35,085)	Subsidiary (Note 5)
Prime Asia Investments Group, Ltd.	Chungghwa Hsingta Co., Ltd.	Hong Kong	Investment	375,274	375,274	1	100	7,632	7,632	Subsidiary (Note 5)
Senao International (Samoa) Holding Ltd.	Senao International HK Limited	Hong Kong	International investment	-	2,060,467	-	-	-	-	Subsidiary (Notes 5 and 7)
Youth Co., Ltd.	ISPOT Co., Ltd.	Taiwan	Sale of information and communication technologies products	53,021	53,021	-	100	1,117	925	Subsidiary (Note 5)
	Youyi Co., Ltd.	Taiwan	Maintenance of information and communication technologies products	-	21,354	-	-	(4,081)	(4,236)	Subsidiary (Notes 5 and 8)
Aval Technologies Co., Ltd.	Wtiin Technology Co., Ltd.	Taiwan	Sale of information and communication technologies products	29,550	29,550	4,418	100	3,440	3,440	Subsidiary (Note 5)
Senyoung Insurance Agent Co., Ltd.	SenaoLife Insurance Agent Co., Ltd.	Taiwan	Life insurance services	-	29,500	-	-	(2,013)	(2,013)	Subsidiary (Notes 5 and 9)
CHYP Multimedia Marketing & Communications Co., Ltd	Click Force Marketing Company	Taiwan	Advertisement services	44,607	44,607	1,715	49	10,371	5,126	Associate
International Integrated Systems, Inc.	Infoexplorer International Co., Ltd.	Samoa	Investment	-	24,806	-	-	1,178	1,178	Subsidiary (Notes 5 and 10)
	Unitronics Technology Corp.	Taiwan	Development and maintenance of information system	55,610	55,569	5,067	100	(4,340)	(4,341)	Subsidiary (Note 5)
Infoexplorer International Co., Ltd.	International Integrated Systems (Hong Kong) Limited	Hong Kong	Investment and engaging in technical consulting service	-	24,336	-	-	24	24	Subsidiary (Notes 5 and 11)
CHT Security Co., Ltd.	Baohwa Trust Co., Ltd.	Taiwan	VR integration and AIoT security services	20,000	20,000	2,000	25	(21,828)	(8,230)	Associate

Note 1: The amounts were based on audited financial statements.

Note 2: Recognized gain (loss) of investees includes amortization of differences between the investment cost and net value and elimination of unrealized transactions.

Note 3: Recognized gain (loss) and carrying value of the investees did not include the adjustment of the difference between the accounting treatment on standalone basis and consolidated basis as a result of the application of IFRS 15.

Note 4: Investments in mainland China are included in Table 6.

Note 5: The amount was eliminated upon consolidation.

Note 6: SIS completed its liquidation in September 2023.

Note 7: SHHK completed its liquidation in July 2023.

Note 8: Youyi completed its liquidation in November 2023.

Note 9: The merger between SENYOUNG and SenaoLife was completed on May 1, 2023, the merger completion date, with SENYOUNG being the surviving company.

Note 10: IESA completed its liquidation in September 2023.

Note 11: IEHK completed its liquidation in June 2023.

(Concluded)

TABLE 7

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Investee	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023	Note
					Outflow	Inflow							
Senao International Trading (Shanghai) Co., Ltd.	Sale of information and communication technologies products	\$ 955,838	2	\$ 955,838	\$ -	\$ 34,279	\$ 921,559	\$ -	100	\$ -	\$ -	\$ -	Notes 7 and 10
Chungghwa Telecom (China) Co., Ltd.	Integrated information and communication solution services for enterprise clients, and intelligent energy network service	177,176	2	177,176	-	-	177,176	-	100	-	-	-	Notes 8 and 10
Jiangsu Zhenghua Information Technology Company, LLC	Providing intelligent energy saving solution and intelligent buildings services	189,410	2	142,057	-	-	142,057	-	75	-	-	-	Notes 9 and 10
Shanghai Taihua Electronic Technology Limited	Design of printed circuit board and related consultation service	51,233	2	51,233	-	-	51,233	(1,026)	100	(1,026)	8,070	-	Note 10
Su Zhou Precision Test Tech. Ltd.	Assembly processed of circuit board, design of printed circuit board and related consultation service	119,199	2	119,199	-	-	119,199	1,649	100	1,649	161,792	-	Note 10
Shanghai Chief Telecom Co., Ltd.	Telecommunications and internet service	10,150	1	4,973	-	-	4,973	946	49	464	9,349	5,418	Note 10

(Continued)

Investee	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
Chunghwa Telecom Co., Ltd. (Note 3)	\$ 319,233	\$ 319,233	\$236,942,604
SENAO and its subsidiaries (Note 4)	921,559	2,013,579	3,855,121
Chunghwa Precision Test Tech. Co., Ltd. and its subsidiaries (Note 5)	170,432	216,185	4,544,114
CHIEF Telecom Inc. and its subsidiaries (Note 6)	4,973	4,973	2,169,180

Note 1: Investments are divided into three categories as follows:

- a. Direct investment.
- b. Investments through a holding company registered in a third region.
- c. Others.

Note 2: The amounts were calculated based on the investee's audited financial statements.

Note 3: Chunghwa Telecom Co., Ltd. was calculated based on the consolidated net assets value of Chunghwa Telecom Co., Ltd.

Note 4: Senao International Co., Ltd. and its subsidiaries were calculated based on the consolidated net assets value of Senao International Co., Ltd.

Note 5: Chunghwa Precision Test Tech. Co., Ltd. and its subsidiaries were calculated based on the consolidated net assets value of Chunghwa Precision Test Tech. Co., Ltd.

Note 6: CHIEF Telecom Inc. and its subsidiaries were calculated based on the consolidated net assets value of CHIEF Telecom Inc.

Note 7: Senao International Trading (Shanghai) Co., Ltd. completed its liquidation in April 2021.

Note 8: Chunghwa Telecom (China) Co., Ltd. completed its liquidation in October 2022.

Note 9: Jiangsu Zhenhua Information Technology Company, LLC. completed its liquidation in December 2018.

Note 10: The amount was eliminated upon consolidation.

(Concluded)

TABLE 8

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS YEAR ENDED DECEMBER 31, 2023 (Amounts in Thousands of New Taiwan Dollars)

Year	No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Transaction Details			
					Financial Statement Account	Amount (Note 5)	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
2023	0	Chunghwa Telecom Co., Ltd.	Senao International Co., Ltd.	a	Accounts receivable	\$ 200,422	-	-
					Accrued custodial receipts	168,740	-	-
					Accounts payable	892,561	-	-
					Amounts collected for others	124,033	-	-
					Revenues	4,419,423	-	2
					Operating costs and expenses	889,054	-	-
				a	Revenues	483,027	-	-
			CHIEF Telecom Inc.	a	Accounts payable	703,045	-	-
			Chunghwa System Integration Co., Ltd.		Operating costs and expenses	1,326,333	-	1
					Property, plant and equipment	824,649	-	-
			Chunghwa Telecom Global Inc.	a	Revenues	168,479	-	-
					Operating costs and expenses	316,708	-	-
			Donghwa Telecom Co., Ltd.	a	Accounts payable	130,971	-	-
					Revenues	171,988	-	-
					Operating costs and expenses	537,297	-	-
			Honghwa International Co., Ltd.	a	Accounts payable	1,241,480	-	-
					Revenues	213,294	-	-
					Operating costs and expenses	7,161,736	-	3
					Property, plant and equipment	146,325	-	-
			CHT Security Co., Ltd.	a	Accounts receivable	101,083	-	-
					Operating costs and expenses	391,537	-	-
			International Integrated Systems, Inc.	a	Accounts receivable	144,623	-	-
					Operating costs and expenses	519,807	-	-
			Chunghwa Telecom Singapore Pte., Ltd.	a	Accounts payable	198,429	-	-
					Operating costs and expenses	200,142	-	-
			Aval Technologies Co., Ltd.	a	Operating costs and expenses	437,814	-	-
			CHYP Multimedia Marketing & Communications Co., Ltd.	a	Operating costs and expenses	188,904	-	-
			Senvoung Insurance Agent Co., Ltd.	a	Revenues	144,448	-	-

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the Company.
- Subsidiaries are numbered from "1".

Note 2: Related party transactions are divided into three categories as follows:

- The Company to subsidiaries.
- Subsidiaries to the Company.
- Subsidiaries to subsidiaries.

Note 3: Transaction terms with the related parties were determined in accordance with mutual agreements when there were no similar transactions with third parties. Other transactions with related parties were not significantly different from those with third parties.

Note 4: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of December 31, 2023, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the year ended December 31, 2023.

Note 5: The amount was eliminated upon consolidation.

TABLE 9

CHUNGHWA TELECOM CO., LTD.
INFORMATION OF MAJOR STOCKHOLDERS
DECEMBER 31, 2023

Name of Major Stockholders	Shares	
	Number of Shares	Percentage of Ownership (%)
Ministry of Transportation and Communications	2,737,718,976	35.29

Note: This table presents information provided by the Taiwan Depository & Clearing Corporation on stockholders holding greater than 5% of Chungwa's dematerialized securities that have completed the process of registration and delivery by book-entry transfer as of the last business day for the current quarter.

8. Parent-only Financial Statements and Independent Auditors' Report

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.

Chunghwa Telecom Co., Ltd.
Parent Only Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

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.

Yih-shin Kao

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.

CHUNGHWA TELECOM CO., LTD.

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3 and 6)	\$ 22,759,222	5	\$ 37,976,062	8
Financial assets at fair value through profit or loss (Notes 3, 4 and 7)	483	-	3,514	-
Hedging financial assets (Notes 3 and 19)	-	-	12,891	-
Contract assets (Notes 3 and 26)	2,378,557	1	2,114,559	1
Trade notes and accounts receivable, net (Notes 3, 4, 9 and 26)	21,501,983	4	21,449,052	4
Receivables from related parties (Note 33)	915,515	-	1,209,306	-
Inventories (Notes 3, 4 and 10)	5,556,391	1	4,903,003	1
Prepayments (Note 11)	1,786,418	-	1,428,124	-
Other current monetary assets (Notes 12, 24 and 33)	17,440,198	3	1,376,203	-
Other current assets (Notes 17 and 18)	2,234,481	1	3,382,722	-
Total current assets	74,573,248	15	73,855,441	15
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 3, 4 and 7)	983,799	-	978,196	-
Financial assets at fair value through other comprehensive income (Notes 3, 4 and 8)	4,100,121	1	3,143,866	1
Investments accounted for using equity method (Notes 3 and 13)	21,800,280	4	20,396,082	4
Contract assets (Notes 3 and 26)	1,470,048	-	1,212,847	-
Property, plant and equipment (Notes 3, 4, 14, 30 and 33)	280,957,955	56	281,135,193	56
Right-of-use assets (Notes 3, 4, 15 and 33)	10,448,737	2	10,533,019	2
Investment properties (Notes 3, 4 and 16)	9,975,729	2	9,974,127	2
Intangible assets (Notes 3, 4 and 17)	72,268,996	15	78,697,640	16
Deferred income tax assets (Notes 3 and 28)	1,939,947	-	1,935,053	-
Incremental costs of obtaining contracts (Notes 3 and 26)	8,570,626	2	7,704,427	2
Net defined benefit assets (Notes 3, 4 and 24)	5,937,496	1	5,240,239	1
Prepayments (Notes 11 and 34)	2,542,668	1	878,600	-
Other noncurrent assets (Notes 18 and 34)	3,823,228	1	3,940,642	1
Total noncurrent assets	424,819,630	85	425,769,931	85
TOTAL	\$ 499,392,878	100	\$ 499,625,372	100

LIABILITIES AND EQUITY

CURRENT LIABILITIES				
Hedging financial liabilities (Notes 3 and 19)	\$ 12,518,134	3	\$ 12,790,467	-
Contract liabilities (Notes 3 and 26)	10,554,797	2	12,438,047	3
Trade notes and accounts payable (Note 21)	4,143,175	1	3,715,122	1
Payables to related parties (Note 33)	4,296,534	1	4,580,440	1
Current tax liabilities (Notes 3 and 28)	3,127,254	1	3,038,698	1
Lease liabilities (Notes 3, 4, 15, 30 and 33)	20,439,778	4	21,102,682	4
Other payables (Notes 22 and 30)	238,130	-	130,161	-
Provisions (Notes 3 and 23)	941,518	-	952,411	-
Other current liabilities	-	-	-	-
Total current liabilities	56,259,364	12	58,748,028	13
NONCURRENT LIABILITIES				
Contract liabilities (Notes 3 and 26)	5,736,939	1	5,680,583	1
Bonds payable (Note 20)	30,482,766	6	30,477,357	6
Deferred income tax liabilities (Notes 3 and 28)	2,428,652	-	2,276,910	-
Provisions (Notes 3 and 23)	475,122	-	169,168	-
Lease liabilities (Notes 3, 4, 15, 30 and 33)	7,059,756	1	7,066,749	1
Customers' deposits (Note 33)	5,079,887	1	4,991,461	1
Net defined benefit liabilities (Notes 3, 4 and 24)	2,069,464	-	2,224,847	-
Other noncurrent liabilities	7,459,840	2	6,811,382	-
Total noncurrent liabilities	60,825,426	11	59,698,457	10
Total liabilities	117,084,790	23	118,446,485	23
EQUITY (Note 25)				
Common stocks	77,574,465	16	77,574,465	16
Additional paid-in capital	171,289,086	34	171,300,898	34
Retained earnings	-	-	-	-
Legal reserve	77,574,465	16	77,574,465	16
Special reserve	2,898,503	1	3,083,569	1
Unappropriated earnings	52,618,677	10	51,868,574	10
Total retained earnings	133,091,645	27	132,526,608	27
Others	352,892	-	(223,084)	-
Total equity	382,308,088	77	381,178,887	77
TOTAL	\$ 499,392,878	100	\$ 499,625,372	100

The accompanying notes are an integral part of the financial statements.

CHUNGHWA TELECOM CO., LTD.

**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 (Notes 3, 26, 33 and 37)	\$ 188,729,545	\$ 182,254,339
OPERATING COSTS (Notes 3, 10, 24, 26, 27 and 33)	118,106,266	113,210,698
GROSS PROFIT	70,623,279	69,043,641
OPERATING EXPENSES (Notes 3, 9, 24, 27 and 33)		
Marketing	18,189,050	17,583,419
General and administrative	5,330,388	5,242,664
Research and development	2,902,230	2,812,225
Expected credit loss	131,417	115,870
Total operating expenses	26,553,085	25,754,178
OTHER INCOME AND EXPENSES (Notes 14, 16, 27 and 37)	(633,364)	102,882
INCOME FROM OPERATIONS	43,436,830	43,392,345
NON-OPERATING INCOME AND EXPENSES		
Interest income (Notes 33 and 37)	477,903	191,932
Other income (Notes 8, 27 and 33)	244,659	255,214
Other gains and losses (Notes 27, 32 and 33)	(320,304)	(494,392)
Interest expense (Notes 15, 27, 33 and 37)	(255,446)	(220,498)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method (Notes 13 and 37)	1,673,737	1,784,364
Total non-operating income and expenses	1,820,549	1,516,620
INCOME BEFORE INCOME TAX	45,257,379	44,908,965
INCOME TAX EXPENSE (Notes 3 and 28)	8,340,671	8,431,808
NET INCOME	36,916,708	36,477,157

(Continued)

CHUNGHWA TELECOM CO., LTD.

**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 (Note 24)	\$ 139,498	\$ 1,116,673
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income (Notes 3, 25 and 32)	669,581	92,444
Gain or loss on hedging instruments subject to basis adjustment (Notes 3 and 19)	(12,935)	21,177
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method (Notes 3, 13 and 25)	(17,878)	(191,987)
Income tax relating to items that will not be reclassified to profit or loss (Note 28)	(27,900)	(223,335)
	750,366	814,972
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising from the translation of the foreign operations	(41,369)	262,176
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method (Note 13)	(9,178)	14,777
	(50,547)	276,953
Total other comprehensive income, net of income tax	699,819	1,091,925
TOTAL COMPREHENSIVE INCOME	\$ 37,616,527	\$ 37,569,082
EARNINGS PER SHARE (Note 29)		
Basic	\$ 4.76	\$ 4.70
Diluted	\$ 4.75	\$ 4.70

The accompanying notes are an integral part of the financial statements.

(Concluded)

CHUNGHWA TELECOM CO., LTD.

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

	Others (Notes 19 and 25)							Total Equity
	Common Stocks (Note 25)	Additional Paid-in Capital (Note 25)	Retained Earnings (Note 25)			Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income	
			Legal Reserve	Special Reserve	Unappropriated Earnings			
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)
Appropriation of 2021 earnings	-	-	-	408,150	(408,150)	-	-	-
Special reserve	-	-	-	-	(35,746,314)	-	-	-
Cash dividends	-	-	-	-	-	-	-	-
Unclaimed dividend	-	1,632	-	-	-	-	-	-
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	14,488	-	-	-	-	-	-
Change in additional paid-in capital for not proportionately participating in the capital increase of subsidiaries	-	5,153	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	36,477,157	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	906,975	281,063	(117,290)	21,177
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	37,384,132	281,063	(117,290)	21,177
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
Appropriation of 2022 earnings	-	-	-	(185,066)	185,066	-	-	-
Special reserve	-	-	-	-	(36,475,514)	-	-	-
Cash dividends	-	-	-	-	-	-	-	-
Unclaimed dividend	-	2,217	-	-	-	-	-	-
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	(14,029)	-	-	-	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	36,916,708	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	123,843	(56,599)	645,510	(12,935)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	37,040,551	(56,599)	645,510	(12,935)
BALANCE, DECEMBER 31, 2023	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)

The accompanying notes are an integral part of the financial statements.

CHUNGHWA TELECOM CO., LTD.

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:		
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 properties	335,903	(107,467)
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	108,337	198,534
Others	(63,548)	251,791
Changes in operating assets and liabilities:		
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	(1,885,721)	(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	(713,142)	(717,588)
Cash generated from operations	79,381,767	81,115,265
Interests paid	(247,358)	(59,037)
Income taxes paid	(8,505,629)	(7,701,426)
Net cash provided by operating activities	70,628,780	73,354,802

(Continued)

CHUNGHWA TELECOM CO., LTD.

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 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)	-
Interests received	428,539	164,371
Cash dividends received from others	161,652	150,569
Cash dividends received from subsidiaries, associates and joint 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
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 accompanying notes are an integral part of the financial statements.

(Concluded)

CHUNGHWA TELECOM CO., LTD.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL

Chungghwa Telecom Co., Ltd. ("the Company") was incorporated on July 1, 1996 in the Republic of China ("ROC"). The Company is a company limited by shares and, prior to August 2000, was wholly owned by the Ministry of Transportation and Communications ("MOTC"). Prior to July 1, 1996, the current operations of the Company were carried out under the Directorate General of Telecommunications ("DGT"). The DGT was established by the MOTC in June 1943 to take primary responsibility in the development of telecommunications infrastructure and to formulate policies related to telecommunications. On July 1, 1996, the telecom operations of the DGT were spun-off as the Company which continues to carry out the business and the DGT continues to be the industry regulator.

Effective August 12, 2005, the MOTC completed the process of privatizing the Company by reducing the government ownership to below 50% in various stages. In July 2000, the Company received approval from the Securities and Futures Commission (the "SFC") for a domestic initial public offering and its common stocks were listed and traded on the Taiwan Stock Exchange (the "TWSE") on October 27, 2000. Certain of the Company's common stocks were sold, in connection with the foregoing privatization plan, in domestic public offerings at various dates from August 2000 to July 2003. Certain of the Company's common stocks were also sold in an international offering of securities in the form of American Depositary Shares ("ADS") on July 17, 2003 and were listed and traded on the New York Stock Exchange (the "NYSE"). The MOTC sold common stocks of the Company by auction in the ROC on August 9, 2005 and completed the second international offering on August 10, 2005. Upon completion of the share transfers associated with these offerings on August 12, 2005, the MOTC owned less than 50% of the outstanding shares of the Company and completed the privatization plan.

Chungghwa launched its organizational transformation based on customer-centric structure effective from January 2022. Please refer to Note 37 Segment Information for details.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on February 23, 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The accompanying financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

When preparing the accompanying financial statements, the Company used equity method to account for its investment in subsidiaries, associates and joint ventures. In order for the amounts of the net profit, other comprehensive income and total equity in the parent company only financial statements to be the same with those amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the captions of "investments accounted for using equity method", "share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method", "share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method" and related equity items, as appropriate, in the parent company only financial statements.

Current and Noncurrent Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period; and
- c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

Foreign Currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined and related exchange differences are recognized in profit or loss. Conversely, when the fair value changes were recognized in other comprehensive income, related exchange difference shall be recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements, the assets and liabilities of the Company's foreign operations (including those subsidiaries, associates and joint ventures in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

Cash Equivalents

Cash equivalents include those maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value such as commercial paper, negotiable certificates of deposit and stimulus vouchers. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Inventories

Inventories are stated at the lower of cost or net realizable value item by item, except for those that may be appropriate to group items of similar or related inventories. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The calculation of the cost of inventory is derived using the weighted-average method.

Investments Accounted for Using Equity Method

Investments in subsidiaries, associates and joint ventures are accounted for using equity method.

a. Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment in subsidiaries is initially recognized at cost and the increase or decrease of carrying amount reflects the recognition of the Company's share of profit or loss and other comprehensive income of the subsidiaries after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment of the subsidiaries and the fair value of the consideration paid or received is recognized directly in equity.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill, which is included within the carrying amount of the investment and shall not be amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

Unrealized profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

b. Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under the equity method, an investment in an associate and a joint venture is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate and joint venture as well as the distribution received. The Company also recognizes its share in changes in the associates and joint ventures.

When the Company subscribes for new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate and joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to additional paid-in capital. When the adjustment should be debited to additional paid-in capital but the additional paid-in capital recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

Any excess of the cost of acquisition over the Company's share of the fair value of the identifiable net assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and shall not be amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate and joint venture directly disposed of the related assets or liabilities.

When the Company transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Company's financial statements only to the extent of interests in the associate and joint venture that are not related to the Company.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period in which the property is derecognized.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer from the investment properties to property, plant and equipment, the deemed cost of the property, plant and equipment for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer from the property, plant and equipment to investment properties, the deemed cost of the investment properties for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of the investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period in which the property is derecognized.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. The effect of any changes in estimate was accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss in the period in which the asset is derecognized.

Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties, Intangible Assets and Incremental Costs of Obtaining Contracts

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Impairment loss from the assets related to incremental cost of obtaining contracts is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

a) Financial assets at fair value through profit or loss (FVTPL)

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at fair value through other comprehensive income (FVOCI).

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend earned on the financial asset. Fair value is determined in the manner described in Note 32.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss, except for short-term receivables as the effect of discounting is immaterial. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial assets.

c) Investments in equity instruments at FVOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments. Instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

3) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and contract assets.

The Company recognizes lifetime Expected Credit Loss (ECL) for accounts receivable and contract assets. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of investments in equity instruments at FVOCI in its entirety, the cumulative gain or loss is directly transferred to retained earnings, and it is not reclassified to profit or loss.

b. Financial liabilities

1) Subsequent measurement

Except for financial liabilities at FVTPL, all the financial liabilities are subsequently measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

c. Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including forward exchange contracts.

Derivatives are initially measured at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Hedge Accounting

The Company designates some derivatives instruments as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Provisions

Provisions are measured at the best estimate of the expenditure required to settle the Company's obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The provisions for warranties claims are made by management according to the sales agreements which represent the management's best estimate of the future outflow of economic benefits. The provisions of warranties claims are recognized as operating cost in the period in which the goods

are sold. The provision for onerous contracts represents the present obligation resulting from the measurement for the unavoidable costs of meeting the Company's contractual obligations exceed the economic benefits expected to be received from the contracts. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

Revenue Recognition

The Company identifies the performance obligations in the contract with the customers, allocates transaction price to each performance obligation and recognizes revenue when performance obligations are satisfied.

Sales of products are recognized as revenue when the Company delivers products and the customer accepts and controls the product. Except for the consumer electronic products such as mobile devices sold in channel stores which are usually in cash sale, the Company recognizes revenues for sale of other electronic devices and corresponding trade notes and accounts receivable.

Usage revenues from fixed-line services (including local, domestic long distance and international long distance telephone services), mobile services, internet and data services, and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon seconds or minutes of traffic processed when the services are provided in accordance with contract terms. The usage revenues and corresponding trade notes and accounts receivable are recognized monthly.

Other revenues are recognized as follows: (a) one-time subscriber connection fees (on fixed-line services) are first recognized as contract liabilities and revenues are recognized subsequently over the average expected customer service periods, (b) monthly fees (on fixed-line services, mobile, internet and data services) and related receivables are accrued monthly, and (c) prepaid services (fixed-line, mobile, internet and data services) are recognized as contract liabilities upon collection considerations from customers and are recognized as revenues subsequently based upon actual usage by customers.

Where the Company enters into transactions which involve both the provision of telecommunications service bundled with products such as handsets, total consideration received from products and telecommunications service in these arrangements are allocated based on their relative stand-alone selling price. The amount of sales revenue recognized for products is not limited to the amount paid by the customer for the products. When the amount of sales revenue recognized for products exceeded the amount paid by the customer for the products, the difference is recognized as contract assets. Contract assets are reclassified to accounts receivable when the amounts become collectible from customers subsequently. When the amount of sales revenue recognized for products was less than the amount paid by the customer for the products, the difference is recognized as contract liabilities and revenues are recognized subsequently when the telecommunications service are provided.

For project business contracts, if a substantial part of the Company's promise to customers is to manage and coordinate the various tasks and assume the risks of those tasks to ensure the individual goods or services are incorporated into the combined output, they are treated as a single performance obligation since the Company provides a significant integration service. The Company recognizes revenues and corresponding accounts receivable when the project business contract is completed and accepted by customers.

For service contracts such as maintenance and warranties, customers simultaneously receive and consume the benefits provided by the Company; thus revenues and corresponding accounts receivable of service contracts are recognized over the related service period.

When another party is involved in providing goods or services to a customer, the Company is acting as a principal if it controls the specified good or service before that good or service is transferred to a customer; otherwise, the Company is acting as an agent. When the Company is acting as a principal,

gross inflow of economic benefits arising from transactions is recognized as revenue. When the Company is acting as an agent, revenue is recognized as its share of transaction.

Incremental Costs of Obtaining Contracts

Commissions and equipment subsidy related to telecommunications service as a result of obtaining contracts are recognized as an asset under the incremental costs of obtaining contracts to the extent the costs are expected to be recovered, and are amortized over the contract period. However, the Company elects not to capitalize the incremental costs of obtaining contracts if the amortization period of the assets that the Company otherwise would have recognized is expected to be one year or less.

Leasing

At inception of a contract, the Company assesses whether the contract is, or contains, a lease.

- a. The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

- b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for lease payments for low-value assets are recognized as expenses on a straight-line basis over the lease terms accounted for applying recognition exemption.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities and for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented separately on the balance sheets.

Right-of-use assets are depreciated using the straight-line basis from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities were initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If such rate cannot be readily determined, the lessee's incremental borrowing rate is used.

Lease liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. The Company accounts for the remeasurement of the lease liability as a result of the decrease of lease scope by decreasing the carrying amount of the right-of-use assets and recognizes in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented separately on the balance sheets.

Variable lease payments not depending on an index or a rate are recognized as expenses in the periods in which they are incurred.

Borrowing Costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to government grants and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses of the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should construct noncurrent assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that become receivable as compensation for expenses or losses already incurred are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and gains or losses on settlements) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising (a) actuarial gains and losses; and (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the stockholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits from purchases of machinery, equipment and technology and research, development expenditures, etc. to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in a subsidiary.

4. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY AND ASSUMPTION

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions which are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed by the management on an ongoing basis.

a. Material accounting judgments

1) Principal versus agent

The Company's project agreements are mainly to provide one or more customized equipment or services to customers. In order to fulfill the agreements, another party may be involved in some agreements. The Company considers the following factors to determine whether the Company is a principal of the transaction: whether the Company is the primary obligation provider of the agreements, its exposures to inventory risks and the discretion in establishing prices, etc. The determination of whether the Company is a principal or an agent will affect the amount of revenue recognized by the Company. Only when the Company is acting as a principal, gross inflows of economic benefits arising from transactions is recognized as revenue.

2) Control over subsidiaries

As discussed in Note 13, some entities are subsidiaries of the Company although the Company only owns less than 50% ownership interests in these entities. After considering the Company's absolute size of holding in the entity and the relative size of and the dispersion of shares owned by the other stockholders, and the contractual arrangements between the Company and other investors, potential voting interests and the written agreement between stockholders, the management concluded that the Company has a sufficiently dominant voting interest to direct the relevant activities of the entity and therefore the Company has control over these entities.

b. Key sources of estimation uncertainty and assumption

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period. Actual results may differ from these estimates.

1) Impairment of trade notes and accounts receivable

The provision for impairment of trade notes and accounts receivable is based on assumptions on probability of default and expected credit loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past experience, current market conditions as well as forward looking information at the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2) Fair value measurements and valuation processes

For the assets and liabilities measured at fair value without quoted prices in active markets, the Company's management determines the appropriate valuation techniques for the fair value measurements and whether to engage third party qualified appraisers based on the related regulations and professional judgments.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities was disclosed in Note 32. If the actual changes of inputs in the

future differ from expectation, the fair value may vary accordingly. The Company updates inputs periodically to monitor the appropriateness of the fair value measurement.

3) Provision for inventory valuation and obsolescence

Inventories are stated at the lower of cost or net realizable value. Net realizable value is calculated as the estimated selling price less the estimated costs necessary to make a sale. Comparison of net realizable value and cost is determined on an item by item basis, except for those similar items which could be categorized into the same groups. The Company uses the inventory holding period and turnover as the evaluation basis for inventory obsolescence losses.

4) Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

When an indication of impairment is assessed with objective evidence, the Company considers whether the recoverable amount of an asset is less than its carrying amount and recognizes the impairment loss based on difference between the recoverable amount and its carrying amount. The estimate of recoverable amount would impact on the timing and the amount of impairment loss recognition.

5) Useful lives of property, plant and equipment

As discussed in Note 3, "Summary of Material Accounting Policy Information - Property, Plant and Equipment", the Company reviews estimated useful lives of property, plant and equipment at the end of each year.

6) Recognition and measurement of defined benefit plans

Net defined benefit liabilities (assets) and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, employee turnover rate, average future salary increase and etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

7) Lessees' incremental borrowing rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for relevant duration and the same currency is selected as a reference rate. The lessee's credit spread adjustments and lease specific adjustments are also taken into account.

5. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRS, IAS, IFRIC and SIC issued by the International Accounting Standards Board and endorsed and issued into effect by the FSC (collectively, the "Taiwan-IFRSs") does not have material impacts on the Company's financial statements.

b. Amendments to IFRSs endorsed by the FSC for application starting from January 1, 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 Leases Liability in a Sale and Leaseback	January 1, 2024 (Note 2)
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1 Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 7 and Supplier Finance Arrangements	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

The application of the above new, revised or amended standards and interpretations will not have a material impact on the Company's financial statements.

c. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined by IASB
Amendments to IAS 21 Lack of Exchangeability	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company's financial position and operating result and will disclose the relevant impact when the assessment is completed.

6. CASH AND CASH EQUIVALENTS

	December 31 2023	2022
Cash		
Cash on hand	\$ 136,439	\$ 126,582
Bank deposits	2,941,563	3,305,759
	<u>3,078,002</u>	<u>3,432,341</u>
Cash equivalents (with maturities of less than three months)		
Commercial paper	13,780,940	19,043,721
Negotiable certificates of deposit	5,900,000	15,500,000
Stimulus vouchers	280	-
	<u>19,681,220</u>	<u>34,543,721</u>
	<u>\$ 22,759,222</u>	<u>\$ 37,976,062</u>

The annual yield rates of bank deposits, commercial paper and negotiable certificates of deposit as of balance sheet dates were as follows:

	December 31 2023	2022
Bank deposits	0.00%~3.10%	0.00%~2.62%
Commercial paper	1.31%~1.33%	0.90%~1.30%
Negotiable certificates of deposit	1.38%	1.20%~1.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	2022
Financial assets - current		
Mandatorily measured at FVTPL		
Derivatives (not designated for hedge)		
Forward exchange contracts	<u>\$ 483</u>	<u>\$ 3,514</u>
Financial assets - noncurrent		
Mandatorily measured at FVTPL		
Non-derivatives		
Non-listed stocks - domestic	\$703,537	\$758,312
Non-listed stocks - foreign	73,279	102,648
Limited partnership - domestic	182,678	93,114
Film and drama investing agreements	<u>24,305</u>	<u>24,122</u>
	<u>\$983,799</u>	<u>\$978,196</u>

Chunghwa's Board of Directors approved an investment in Taiwan Capital Buffalo Fund VI, L.P. at the amount of \$600,000 thousand in January 2022. As of December 31, 2023, Chunghwa invested \$200,000 thousand.

Outstanding forward exchange contracts not designated for hedge as of balance sheet dates were as follows:

	Currency	Maturity Period	Contract Amount (In Thousands)
<u>December 31, 2023</u>			
Forward exchange contracts - buy	NT\$/EUR	March 2024	NT\$144,936 / EUR4,300
<u>December 31, 2022</u>			
Forward exchange contracts - buy	NT\$/EUR	March 2023	NT\$61,746 / EUR2,000

The Company entered into the above forward exchange contracts to manage its exposure to foreign currency risk due to fluctuations in exchange rates. However, the aforementioned derivatives did not meet the criteria for hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT

	2023	2022
Domestic investments		
Non-listed stocks	\$ 3,665,209	\$ 3,026,049
Foreign investments		
Non-listed stocks	434,912	117,817
	<u>\$ 4,100,121</u>	<u>\$ 3,143,866</u>

The Company holds the above foreign and domestic stocks for medium to long-term strategic purposes and expects to profit from long-term investment. Accordingly, the management elected to designate these investments in equity instruments at FVOCI as they believe that recognizing short-term fair value fluctuations of these investments in profit or loss is not consistent with the Company's strategy of holding these investments for long-term purposes.

The Company recognized dividend income of \$161,652 thousand and \$150,569 thousand for the years ended December 31, 2023 and 2022, respectively, from the investments still held on December 31, 2023 and 2022.

9. TRADE NOTES AND ACCOUNTS RECEIVABLE, NET

	2023	2022
Trade notes and accounts receivable	\$ 22,580,756	\$ 22,784,830
Less: Loss allowance	<u>(1,078,773)</u>	<u>(1,335,778)</u>
	<u>\$ 21,501,983</u>	<u>\$ 21,449,052</u>

The main credit terms range from 30 to 90 days.

The Company serves a large consumer base for telecommunications business; therefore, the concentration of credit risk is limited. When having transactions with customers, the Company considers the record of arrears in the past. In addition, the Company may also collect some telecommunication charges in advance to reduce the payment arrears in subsequent periods.

The Company adopted a policy of dealing with counterparties with certain credit ratings for project business and to obtain collateral where necessary to mitigate the risk of loss arising from defaults. Credit rating information is provided by independent rating agencies where available and, if such credit rating information is not available, the Company uses other publicly available financial information and its own historical transaction experience to rate its major customers. The Company continues to monitor the credit exposure and credit ratings of its counterparties and spread the credit risk amongst qualified counterparties.

In order to mitigate credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure the recoverability of receivables. In addition, the Company reviews the recoverable amounts of receivables at balance sheet dates to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk could be reasonably reduced.

The Company applies the simplified approach to recognize expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to past default experience of the customers and an analysis of the customers' current financial positions, as well as the forward-looking indicators such as macroeconomic business indicator.

When there is evidence indicating that the counterparty is in evasion, bankruptcy, deregistration or the accounts receivable are over two years past due and the recoverable amount cannot be reasonable estimated, the Company writes off the trade notes and accounts receivable. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Company's provision matrix arising from telecommunications business and project business is disclosed below.

December 31, 2023

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Past Due 121 to 180 Days	Past Due over 180 Days	Total
Telecommunications business								
Expected credit loss rate (Note a)	0%-1%	1%-20%	3%-65%	12%-82%	23%-91%	40%-96%	100%	
Gross carrying amount	\$ 17,065,909	\$ 346,172	\$ 135,390	\$ 69,909	\$ 47,730	\$ 48,827	\$ 577,604	\$ 18,291,541
Loss allowance (lifetime ECL)	(49,528)	(21,667)	(28,978)	(29,154)	(35,221)	(21,848)	(577,604)	(764,300)
Amortized cost	<u>\$ 17,016,081</u>	<u>\$ 324,505</u>	<u>\$ 106,412</u>	<u>\$ 40,755</u>	<u>\$ 12,509</u>	<u>\$ 26,979</u>	<u>\$ —</u>	<u>\$ 17,527,241</u>
Project business								
Expected credit loss rate (Note b)	0%-5%	5%	10%	30%	50%	80%	100%	
Gross carrying amount	\$ 3,668,984	\$ 101,408	\$ 11,954	\$ 17,535	\$ 1,353	\$ 613	\$ 287,568	\$ 4,289,215
Loss allowance (lifetime ECL)	(2,812)	(16,671)	(1,195)	(5,261)	(676)	(490)	(287,368)	(314,473)
Amortized cost	<u>\$ 3,866,172</u>	<u>\$ 84,737</u>	<u>\$ 10,759</u>	<u>\$ 12,274</u>	<u>\$ 677</u>	<u>\$ 123</u>	<u>\$ —</u>	<u>\$ 3,974,742</u>

December 31, 2022

	Not Past Due	Past Due Less than 30 Days	Past Due 31 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Past Due 121 to 180 Days	Past Due over 180 Days	Total
Telecommunications business								
Expected credit loss rate (Note a)	0%-1%	1%-20%	3%-64%	11%-80%	25%-90%	45%-96%	100%	
Gross carrying amount	\$ 171,62,634	\$ 3,103,92	\$ 86,500	\$ 32,826	\$ 27,774	\$ 34,127	\$ 593,316	\$ 18,233,569
Loss allowance (lifetime ECL)	(49,644)	(22,309)	(19,806)	(20,927)	(20,083)	(29,244)	(593,316)	(761,331)
Amortized cost	\$ 17,112,990	\$ 288,683	\$ 66,694	\$ 11,899	\$ 7,692	\$ 4,883	\$ —	\$ 17,492,228
Project business								
Expected credit loss rate (Note a)	0%-5%	5%	10%	30%	50%	80%	100%	
Gross carrying amount	\$ 3,797,905	\$ 119,329	\$ 11,424	\$ 53,189	\$ 1,360	\$ 785	\$ 547,269	\$ 4,531,261
Loss allowance (lifetime ECL)	(2,604)	(6,138)	(1,142)	(15,986)	(680)	(628)	(547,269)	(574,447)
Amortized cost	\$ 3,795,301	\$ 113,191	\$ 10,282	\$ 37,203	\$ 680	\$ 157	\$ —	\$ 3,956,814

Note a: Please refer to Note 37 for the information of disaggregation of telecommunications service revenue. The expected credit loss rate applicable to different business revenue varies so as to reflect the risk level indicating by factors like historical experience.

Note b: The project business has different loss types according to the customer types. The expected credit loss rate listed above is for general customers. When the customer is a government-affiliated entity, it is anticipated that there will not be an instance of credit loss. Customers with past history of bounced checks or accounts receivable exceeding six months overdue are classified as high-risk customers, with an expected credit loss rate of 50%, increasing by period as the days overdue increase.

Movements of loss allowance for trade notes and accounts receivable were as follows:

	Year Ended December 31 2023	2022
Beginning balance	\$ 1,335,778	\$ 1,572,949
Add: Provision for credit loss	120,216	108,402
Less: Amounts written off	(377,221)	(345,573)
Ending balance	\$ 1,078,773	\$ 1,335,778

10. INVENTORIES

	December 31 2023	2022
Merchandise	\$ 1,649,839	\$ 1,026,261
Project in process	3,906,552	3,876,742
	\$ 5,556,391	\$ 4,903,003

The operating costs related to inventories were \$28,244,205 thousand (including the valuation loss on inventories of \$26,235 thousand) and \$24,018,696 thousand (including the valuation loss on inventories of \$9,252 thousand) for the years ended December 31, 2023 and 2022, respectively.

11. PREPAYMENTS

	December 31 2023	2022
Prepaid rents	\$ 1,203,681	\$ 1,299,100
Prepayments for leases - satellite (Note 34)	1,729,118	-
Others	1,396,287	1,007,624
	\$ 4,329,086	\$ 2,306,724
Current		
Prepaid rents	\$ 390,131	\$ 420,500
Others	1,396,287	1,007,624
	\$ 1,786,418	\$ 1,428,124
Noncurrent		
Prepaid rents	\$ 813,550	\$ 878,600
Prepayments for leases - satellite (Note 34)	1,729,118	-
	\$ 2,542,668	\$ 878,600

Prepaid rents comprised the prepayments from the lease agreements applying the recognition exemption and the prepayments for leases that do not meet the definition of leases under IFRS 16.

12. OTHER CURRENT MONETARY ASSETS

	December 31 2023	2022
Time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	\$ 15,948,029	\$ 14,767
Receivable of receipts under custody	888,916	732,689
Others	603,253	628,747
	\$ 17,440,198	\$ 1,376,203

The annual yield rates of time deposits and negotiable certificates of deposit with maturities of more than three months at the balance sheet dates were as follows:

	December 31 2023	2022
Time deposits and negotiable certificates of deposit with maturities of more than three months	1.38%~3.54%	1.20%~1.45%

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 15,387,218	\$ 15,075,655
Investments in associates	6,403,599	5,310,750
Investments in joint venture	9,463	9,677
	<u>\$ 21,800,280</u>	<u>\$ 20,396,082</u>
a. Investments in subsidiaries		
Investments in subsidiaries were as follows:		
	Carrying Amount	
	December 31	2022
	2023	
<u>Listed</u>		
Senao International Co., Ltd. ("SENAO")	\$ (18,976)	\$ 56,695
CHIEF Telecom Inc. ("CHIEF")	2,161,121	1,983,440
<u>Non-listed</u>		
Light Era Development Co., Ltd. ("LED")	3,831,897	3,839,742
Chunghwa Investment Co., Ltd. ("CHI")	3,055,678	3,176,735
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	1,182,985	1,120,634
Donghwa Telecom Co., Ltd. ("DHT")	765,986	707,721
Honghwa International Co., Ltd. ("HHI")	741,619	730,084
Chunghwa Telecom Global, Inc. ("CHTG")	708,711	597,080
Chunghwa System Integration Co., Ltd. ("CHSI")	694,245	718,130
International Integrated Systems, Inc. ("IISI")	663,066	642,709
CHT Security Co., Ltd. ("CHTSC")	466,165	405,032
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	207,797	204,188
Chunghwa Leading Photonics Tech. Co., Ltd. ("CLPT")	167,628	150,071
Prime Asia Investments Group Ltd. ("Prime Asia")	167,441	162,922
Spring House Entertainment Tech. Inc. ("SHE")	164,793	158,406
Chunghwa Telecom Japan Co., Ltd. ("CHJT")	155,873	124,400
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	122,556	114,611
Smartfun Digital Co., Ltd. ("SFD")	82,314	81,764
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	74,041	103,508
Chunghwa Sochamp Technology Inc. ("CHST")	(7,722)	(2,217)
	<u>\$ 15,387,218</u>	<u>\$ 15,075,655</u>

The percentages of ownership and voting rights in subsidiaries held by the Company as of balance sheet dates were as follows:

	% of Ownership and Voting Right	
	December 31	2022
	2023	
Senao International Co., Ltd. ("SENAO")	28	28
CHIEF Telecom Inc. ("CHIEF")	56	56
Light Era Development Co., Ltd. ("LED")	100	100
Chunghwa Investment Co., Ltd. ("CHI")	89	89
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	100	100
Donghwa Telecom Co., Ltd. ("DHT")	100	100
Honghwa International Co., Ltd. ("HHI")	100	100
Chunghwa Telecom Global, Inc. ("CHTG")	100	100
Chunghwa System Integration Co., Ltd. ("CHSI")	100	100
International Integrated Systems, Inc. ("IISI")	51	51
CHT Security Co., Ltd. ("CHTSC")	69	73
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	100	100
Chunghwa Leading Photonics Tech. Co., Ltd. ("CLPT")	75	75
Prime Asia Investments Group Ltd. ("Prime Asia")	100	100
Spring House Entertainment Tech. Inc. ("SHE")	56	56
Chunghwa Telecom Japan Co., Ltd. ("CHJT")	100	100
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	100	100
Smartfun Digital Co., Ltd. ("SFD")	65	65
Chunghwa Telecom Vietnam Co., Ltd. ("CHTV")	100	100
Chunghwa Sochamp Technology Inc. ("CHST")	37	37

The Company continues to control seven out of thirteen seats of the Board of Directors of SENAO through the support of large beneficial stockholders. As a result, the Company treated SENAO as a subsidiary.

CHIEF issued new shares in March 2022, December 2022 and December 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHIEF decreased to 55.73% and 55.70% as of December 31, 2022 and 2023, respectively.

CHTSC issued new shares in February 2022, May 2022, February 2023 and May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CHTSC decreased to 73.09% and 69.28% as of December 31, 2022 and 2023, respectively.

CLPT issued new shares in May 2023 as its employees exercised options. Therefore, the Company's ownership interest in CLPT decreased to 74.56% as of December 31, 2023.

The Company did not participate in the capital increase of CHST in November 2022. Therefore, the Company's ownership interest in CHST decreased to 37.09% as of December 31, 2023. However, the Company continues to control three out of five seats of the Board of Directors of CHST. As a result, the Company treated CHST as a subsidiary.

For the details of the subsidiaries indirectly held by the Company, please refer to Note 36.

The Company's share of profit (loss) and other comprehensive income (loss) of the subsidiaries was recognized based on the audited financial statements.

b. Investments in associates

Investments in associates were as follows:

	Carrying Amount	
	December 31	2022
	2023	
Material associate		
Non-listed		
Next Commercial Bank Co., Ltd. ("NCB")	\$ 4,293,338	\$ 3,173,309
Associates that are not individually material		
Listed		
KingwayTek Technology Co., Ltd. ("KWT")	266,407	267,125
Non-listed		
Viettel-CHT Co., Ltd. ("Viettel-CHT")	542,178	558,532
Taiwan International Standard Electronics Co., Ltd. ("TISE")	312,800	296,501
Chunghua PChome Fund I Co., Ltd. ("CPFI")	257,657	277,776
So-net Entertainment Taiwan Limited ("So-net")	225,697	228,184
WiAdvance Technology Corporation ("WATC")	212,101	227,868
KKBOX Taiwan Co., Ltd. ("KKBOXTW")	163,999	173,634
Taiwan International Ports Logistics Corporation ("TIPL")	121,948	101,078
Cornerstone Ventures Co., Ltd. ("CVC")	7,474	6,743
	2,110,261	2,137,441
	\$ 6,403,599	\$ 5,310,750

The percentages of ownership interests and voting rights in associates held by the Company as of balance sheet dates were as follows:

	% of Ownership Interests and Voting Rights	
	December 31	2022
	2023	
Material associate		
Non-listed		
Next Commercial Bank Co., Ltd. ("NCB")	46	42
Associates that are not individually material		
Listed		
KingwayTek Technology Co., Ltd. ("KWT")	23	23

(Continued)

% of Ownership Interests and Voting Rights

	December 31	2022
	2023	
Non-listed		
Viettel-CHT Co., Ltd. ("Viettel-CHT")	30	30
Taiwan International Standard Electronics Co., Ltd. ("TISE")	40	40
Chunghua PChome Fund I Co., Ltd. ("CPFI")	50	50
So-net Entertainment Taiwan Limited ("So-net")	30	30
WiAdvance Technology Corporation ("WATC")	19	20
KKBOX Taiwan Co., Ltd. ("KKBOXTW")	30	30
Taiwan International Ports Logistics Corporation ("TIPL")	27	27
Cornerstone Ventures Co., Ltd. ("CVC")	49	49

(Concluded)

Summarized financial information of NCB was set out below:

	December 31	2022
	2023	
Assets	\$ 37,431,036	\$ 33,540,595
Liabilities	(28,083,960)	(25,882,268)
Equity	\$ 9,347,076	\$ 7,658,327
The percentage of ownership interest held by the Company	46.26%	41.90%
Equity attributable to the Company	\$ 4,323,958	\$ 3,208,839
Unrealized gain or loss from downstream transactions	(30,620)	(35,530)
The carrying amount of investment	\$ 4,293,338	\$ 3,173,309
Year Ended December 31	2023	2022
Net revenues (losses)	\$ 10,172	\$ (47,349)
Net loss for the year	\$ (968,614)	\$ (1,004,331)
Other comprehensive income (loss)	14,363	(9,809)
Total comprehensive loss for the year	\$ (954,251)	\$ (1,014,140)

Except for NCB, no associate is considered individually material to the Company. Summarized financial information of associates that are not individually material to the Company was as follows:

	Year Ended December 31	2022
	2023	
The Company's share of profits	\$ 197,165	\$ 314,351
The Company's share of other comprehensive income	5,421	4,625
The Company's share of total comprehensive income	\$ 202,586	\$ 318,976

The Level 1 fair values of associate based on the closing market prices as of the balance sheet date was as follows:

	December 31	
	2023	2022
KWT	\$ 987,520	\$ 804,187

The Company's ownership interest in NCB was originally 41.90%. NCB reduced 26.43% of its capital to offset accumulated deficits and increased its capital in December 2023. The Company increased its investment in NCB in higher proportion to the original shareholder percentage at the price of \$1,543,847 thousand. Therefore, the Company's ownership interest in NCB increased to 46.26% as of December 31, 2023. Although the Company is the single largest stockholder of NCB, it only obtained six out of fifteen seats of the Board of Directors of NCB. In addition, the management considered the size of ownership interest and the dispersion of shares owned by other stockholders, other holdings are not extremely dispersed. The Company is not able to direct its relevant activities. Therefore, the Company does not have control over NCB and merely has significant influence over NCB and treats it as an associate.

WATC issued new shares in March 2022, October 2022, April 2023, September 2023 and December 2023 as its employees exercised option. Therefore, the Company's ownership interest in WATC decreased to 20.05% and 19.22% as of December 31, 2022 and 2023, respectively. However, the Company continues to control one out of three seats of the Board of Directors of WATC and has significant influence over WATC.

The Company invested and obtained 50% ownership interest in CPFI. However, as the Company has only two out of five seats of the Board of Directors of CPFI, the Company has no control but significant influence over CPFI. Therefore, the Company recognized CPFI as an investment in associate.

The Company invested and obtained 49% ownership interest in CVC. However, as the Company has only two out of five seats of the Board of Directors of CVC, the Company has no control but significant influence over CVC. Therefore, the Company recognized CVC as an investment in associate.

The Company's share of profits and other comprehensive income (loss) of associates was recognized based on the audited financial statements.

c. Investment in joint venture

Investment in joint venture was as follows:

Name of Joint Venture	Carrying Amount		% of Ownership Interests and Voting Rights	
	2023	2022	2023	2022

Non-listed

Chunghwa SEA Holdings("CHT SEA")	\$ 9,463	\$ 9,677	51	51
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The Company invested and established a joint venture, CHT SEA, with Delta Electronics, Inc. and Kwang Hsing Industrial Co., Ltd. and obtained 51% ownership interest of CHT SEA. However, according to the mutual agreements among stockholders, the Company does not individually direct

CHT SEA's relevant activities and has joint control with the other party; therefore, the Company treated CHT SEA as a joint venture.

The joint venture is not considered individually material to the Company. Summarized financial information of CHT SEA was set out below:

	Year Ended December 31	
	2023	2022
The Company's share of loss	\$ (214)	\$ (255)
The Company's share of other comprehensive income	-	-
The Company's share of total comprehensive loss	\$ (214)	\$ (255)

The Company's share of loss and other comprehensive income of the joint venture was recognized based on the audited financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	\$273,888,049	\$275,320,953
Assets subject to operating leases	7,069,906	5,814,240
	<u>\$280,957,955</u>	<u>\$281,135,193</u>

a. Assets used by the Company

	Land	Land Improvements	Buildings	Computer Equipment	Telecommunications Equipment	Preparation Equipment	Miscellaneous Equipment	Construction in Progress and Programs to be Accepted	Total
Cost									
Balance on January 1, 2022	\$ 99,576,870	\$ 1,661,628	\$ 66,684,624	\$ 10,716,419	\$ 799,801,451	\$ 3,921,301	\$ 8,157,452	\$ 10,075,666	\$ 910,045,801
Depreciation and impairment	-	(6,062)	(6,988)	(775,297)	(18,385,749)	(104,132)	(337,439)	25,500,000	(19,619,502)
Disposal	(3,588)	-	-	561,397	24,603,406	145,295	651,246	(26,261,929)	2,080,654
Others	482,248	19,662	1,852,084	-	-	-	-	-	-
Balance on December 31, 2022	\$ 100,055,530	\$ 1,675,228	\$ 68,528,720	\$ 10,502,429	\$ 776,020,315	\$ 3,962,664	\$ 8,471,359	\$ 13,313,137	\$ 802,398,459
Accumulated Depreciation and Impairment									
Balance on January 1, 2022	-	\$ (1,441,612)	\$ (29,257,179)	\$ (9,246,453)	\$ (857,980,031)	\$ (3,694,130)	\$ (6,429,199)	\$ -	\$ (917,968,546)
Depreciation and impairment	-	(3,515)	(1,290,631)	(651,812)	(25,470,191)	(76,662)	(446,375)	-	(27,974,516)
Disposal	-	6,062	6,988	775,297	18,372,471	104,132	334,364	-	19,599,284
Others	-	-	-	(15,582)	(42,980)	(417)	(69,521)	-	(728,649)
Balance on December 31, 2022	-	\$ (1,474,065)	\$ (31,156,342)	\$ (9,123,362)	\$ (654,080,582)	\$ (3,667,072)	\$ (6,611,133)	\$ -	\$ (687,072,569)
Balance on January 1, 2022, net	\$ -	\$ -	\$ -	\$ -	\$ 121,801,420	\$ 222,231	\$ 1,228,233	\$ 10,075,666	\$ 222,086,255
Balance on December 31, 2022, net	\$ 99,081,465	\$ 201,163	\$ 37,375,062	\$ 1,379,122	\$ 120,939,733	\$ 294,582	\$ 1,860,246	\$ 13,313,137	\$ 275,200,043
Cost									
Balance on January 1, 2023	\$ 100,055,530	\$ 1,675,228	\$ 68,528,720	\$ 10,502,429	\$ 776,020,315	\$ 3,962,664	\$ 8,471,359	\$ 13,313,137	\$ 802,398,459
Depreciation and impairment	(1,869)	(500)	(500)	(1,011,019)	(24,781,833)	(112,677)	(356,463)	28,490,899	(26,261,929)
Disposal	(630,126)	33,981	(1,220,632)	453,002	24,603,406	104,132	651,246	(27,518,138)	(2,080,654)
Others	-	-	-	-	-	-	-	-	-
Balance on December 31, 2023	\$ 99,425,404	\$ 1,708,226	\$ 67,308,088	\$ 10,344,298	\$ 775,362,292	\$ 4,037,555	\$ 8,729,211	\$ 13,313,137	\$ 802,398,459
Accumulated depreciation and impairment									
Balance on January 1, 2023	-	\$ (1,474,065)	\$ (31,156,342)	\$ (9,123,362)	\$ (654,080,582)	\$ (3,667,072)	\$ (6,611,133)	\$ -	\$ (687,072,569)
Depreciation and impairment	-	(3,347)	(1,262,829)	(610,623)	(25,513,402)	(92,044)	(433,229)	28,490,899	(27,966,625)
Disposal	-	6,062	6,988	775,297	18,372,471	104,132	334,364	(26,261,929)	19,599,284
Others	-	-	-	(15,582)	(42,980)	(417)	(69,521)	-	(728,649)
Balance on December 31, 2023	-	\$ (1,507,932)	\$ (31,788,664)	\$ (9,233,984)	\$ (656,114,400)	\$ (3,667,072)	\$ (6,722,140)	\$ -	\$ (688,511,212)
Balance on January 1, 2023, net	\$ -	\$ -	\$ -	\$ -	\$ 120,939,733	\$ 222,231	\$ 1,228,233	\$ 10,075,666	\$ 222,086,255
Balance on December 31, 2023, net	\$ 99,425,404	\$ 201,163	\$ 37,375,062	\$ 1,379,122	\$ 120,939,733	\$ 294,582	\$ 1,860,246	\$ 13,313,137	\$ 275,200,043
	\$ 99,425,404	\$ 201,304	\$ 37,375,062	\$ 1,617,294	\$ 121,274,362	\$ 380,927	\$ 2,001,332	\$ 13,313,137	\$ 273,888,049

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 in 2024; therefore, the Company recognized an impairment loss of \$298,891 thousand for the year ended December 31, 2023. The aforementioned impairment loss was included in other income and expenses in the statements of comprehensive income.

There was no indication that property, plant and equipment was impaired; therefore, the Company did not recognize any impairment loss for the year ended December 31, 2022.

Depreciation expense for assets used by the Company is computed using the straight-line method over the following estimated service lives:

Land improvements	10~30 years
Buildings	
Main buildings	35~60 years
Other building facilities	4~10 years
Computer equipment	4~6 years
Telecommunications equipment	
Telecommunication circuits	10~15 years
Telecommunication machinery and antennas equipment	3~10 years
Transportation equipment	3~7 years
Miscellaneous equipment	
Leasehold improvements	2~6 years
Mechanical and air conditioner equipment	5~16 years
Others	3~15 years

b. Assets subject to operating leases

Cost					
Balance on January 1, 2022	\$ 4,636,882	\$ 4,493,900	\$ 9,130,782		
Others	(432,730)	(1,739,950)	(2,172,680)		
Balance on December 31, 2022	\$ 4,204,152	\$ 2,753,950	\$ 6,958,102		
Accumulated depreciation and impairment					
Balance on January 1, 2022	\$ -	\$ (1,856,147)	\$ (1,856,147)		
Depreciation expenses	-	(51,609)	(51,609)		
Others	-	763,894	763,894		
Balance on December 31, 2022	\$ -	\$ (1,143,862)	\$ (1,143,862)		
Balance on January 1, 2022, net	\$ 4,636,882	\$ 2,637,753	\$ 7,274,635		
Balance on December 31, 2022, net	\$ 4,204,152	\$ 1,610,088	\$ 5,814,240		
Cost					
Balance on January 1, 2023	\$ 4,204,152	\$ 2,753,950	\$ 6,958,102		
Others	553,504	1,358,209	1,911,713		
Balance on December 31, 2023	\$ 4,757,656	\$ 4,112,159	\$ 8,869,815		

(Continued)

Land Buildings Total

Accumulated depreciation and impairment

Balance on January 1, 2023	\$ -	\$ (1,143,862)	\$ (1,143,862)
Depreciation expenses	-	(75,535)	(75,535)
Others	-	(580,512)	(580,512)
Balance on December 31, 2023	\$ -	\$ (1,799,909)	\$ (1,799,909)
Balance on January 1, 2023, net	\$ 4,204,152	\$ 1,610,088	\$ 5,814,240
Balance on December 31, 2023, net	\$ 4,757,656	\$ 2,312,250	\$ 7,069,906

(Concluded)

The Company leases out land and buildings with lease terms between 1 to 20 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The future aggregate lease collection under operating lease for the freehold plant, property and equipment was as follows:

	December 31	
	2023	2022
Year 1	\$ 513,736	\$ 515,213
Year 2	306,448	330,305
Year 3	232,470	224,778
Year 4	178,110	180,328
Year 5	146,896	149,433
Onwards	1,025,127	1,122,237
	\$ 2,402,787	\$ 2,522,294

The above items of property, plant and equipment subject to operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	35~60 years
Other building facilities	4~10 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Land and buildings		
Handsets base stations	\$ 7,581,406	\$ 7,176,845
Others	981,472	1,168,313
Equipment	1,885,859	2,187,861
	\$ 10,448,737	\$ 10,533,019

d. Other lease information

	Year Ended December 31	
	2023	2022
Expenses relating to low-value asset leases	\$ 873	\$ 947
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 2,302	\$ 1,561
Total cash outflow for leases	\$ 3,546,729	\$ 3,429,630

The Company leases certain equipment which qualifies as low-value asset leases. The Company has elected to apply the recognition exemption and, thus, not to recognize right-of-use assets and lease liabilities for these leases.

Lease-out arrangements under operating leases for freehold property, plant, and equipment and investment properties were set out in Notes 14 and 16 to the financial statements.

16. INVESTMENT PROPERTIES

	Investment Properties
<u>Cost</u>	
Balance on January 1, 2022	\$ 10,832,862
Additions	18,333
Reclassification	99,100
Balance on December 31, 2022	<u>\$ 10,950,295</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2022	\$ (999,958)
Depreciation expense	(43,754)
Reclassification	(39,923)
Reversal of impairment loss	107,467
Balance on December 31, 2022	<u>\$ (976,168)</u>
Balance on January 1, 2022, net	<u>\$ 9,832,904</u>
Balance on December 31, 2022, net	<u>\$ 9,974,127</u>
<u>Cost</u>	
Balance on January 1, 2023	\$ 10,950,295
Additions	54,081
Reclassification	327,724
Balance on December 31, 2023	<u>\$ 11,332,100</u>

(Continued)

	Year Ended December 31	
	2023	2022
Additions to right-of-use assets	\$ 3,712,896	\$ 3,671,805
Depreciation charge for right-of-use assets		
Land and buildings	\$ 2,940,005	\$ 2,863,650
Handsets base stations	370,565	376,338
Others	332,309	327,848
Equipment	\$ 3,642,879	\$ 3,567,836

The Company did not have significant sublease or impairment of right-of-use assets for the year ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Lease liabilities		
Current	\$ 3,127,254	\$ 3,038,698
Noncurrent	7,059,756	7,066,749
	<u>\$ 10,187,010</u>	<u>\$ 10,105,447</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Land and buildings		
Handsets base stations	0.37%~1.84%	0.37%~1.71%
Others	0.37%~1.88%	0.37%~1.68%
Equipment	0.37%~1.42%	0.37%~1.35%

c. Important lease-in activities and terms

The Company mainly enters into lease-in agreements of land and buildings for handsets base stations located throughout Taiwan with lease terms ranging from 1 to 20 years. The lease agreements do not contain bargain purchase options to acquire the assets at the expiration of the respective leases. For majority of the lease-in agreements on handsets base station, the Company has the right to terminate the agreement prior to the expiration date if the Company is unable to build the required telecommunication equipment, either due to legal restrictions, controversial events, or other events.

The Company also leases land and buildings for the use of offices, server rooms, and stores with lease terms from 1 to 30 years. Most of the lease agreements for national land adjust the lease payment according to the changes of the announced land values by the authority. At the expiry of the lease term, the Company does not have bargain purchase options to acquire the assets.

The lease agreements for equipment include a contract between the Company and ST-2 Satellite Ventures Pte., Ltd. to lease capacity on the ST-2 satellite. For the information of lease agreements with related parties, please refer to Note 33 to the financial statements for details.

Accumulated depreciation and impairment

Balance on January 1, 2023	\$ (976,168)
Depreciation expense	(44,300)
Impairment loss	(335,903)

Balance on December 31, 2023

\$ (1,356,371)

Balance on January 1, 2023, net

\$ 9,974,127

Balance on December 31, 2023, net

\$ 9,975,729
(Concluded)

After the evaluation of land and buildings by comparing the recoverable amount which represented the fair value less costs of disposal with the carrying amount, the Company recognized an impairment loss of \$335,903 thousand and a reversal of impairment loss of \$107,467 thousand for the years ended December 31, 2023 and 2022, respectively. The impairment loss and the reversal of impairment loss were included in other income and expenses in the consolidated statements of comprehensive income.

Depreciation expense is computed using the straight-line method over the following estimated service lives:

Land improvements	10~30 years
Buildings	
Main buildings	35~60 years
Other building facilities	4~10 years

The fair values of the Company's investment properties as of December 31, 2023 and 2022 were determined by Level 3 fair value measurements inputs based on the appraisal reports conducted by independent appraisers. Those appraisal reports are based on the comparison approach, income approach or cost approach. Key assumptions and the fair values were as follows:

	December 31 2023	2022
Fair value	\$ 25,568,988	\$ 26,618,481
Overall capital interest rate	1.43%~5.51%	1.31%~4.91%
Profit margin ratio	10%~20%	8%~20%
Discount rate	-	-
Capitalization rate	0.23%~2.28%	0.23%~2.16%

All of the Company's investment properties are held under freehold interest.

The future aggregate lease collection under operating lease for investment properties is as follows:

	December 31 2023	2022
Year 1	\$ 190,983	\$ 138,834
Year 2	180,811	122,654
Year 3	159,397	114,722
Year 4	129,733	96,012
Year 5	107,898	69,686
Onwards	863,576	604,532
	<u>\$ 1,632,398</u>	<u>\$ 1,146,440</u>

17. INTANGIBLE ASSETS

	Mobile Broadband Concession	Computer Software	Others	Total
<u>Cost</u>				
Balance on January 1, 2022	\$ 108,338,000	\$ 2,743,302	\$ 46,801	\$ 111,128,103
Additions - acquired separately	1,625,431	176,604	6,003	1,808,038
Disposal	-	(653,344)	(1,008)	(654,352)
Balance on December 31, 2022	<u>\$ 109,963,431</u>	<u>\$ 2,266,562</u>	<u>\$ 51,796</u>	<u>\$ 112,281,789</u>
Accumulated amortization and impairment				
Balance on January 1, 2022	\$ (25,517,753)	\$ (2,160,129)	\$ (14,803)	\$ (27,692,685)
Amortization expenses	(6,294,525)	(239,912)	(11,379)	(6,545,816)
Disposal	-	653,344	1,008	654,352
Balance on December 31, 2022	<u>\$ (31,812,278)</u>	<u>\$ (1,746,697)</u>	<u>\$ (25,174)</u>	<u>\$ (33,584,149)</u>
Balance on January 1, 2022, net	<u>\$ 82,820,247</u>	<u>\$ 583,173</u>	<u>\$ 31,998</u>	<u>\$ 83,435,418</u>
Balance on December 31, 2022, net	<u>\$ 78,151,153</u>	<u>\$ 519,865</u>	<u>\$ 26,622</u>	<u>\$ 78,697,640</u>
<u>Cost</u>				
Balance on January 1, 2023	\$ 109,963,431	\$ 2,266,562	\$ 51,796	\$ 112,281,789
Additions - acquired separately	-	182,103	2,002	184,105
Disposal	-	(482,089)	(6,377)	(488,466)
Balance on December 31, 2023	<u>\$ 109,963,431</u>	<u>\$ 1,966,576</u>	<u>\$ 47,421</u>	<u>\$ 111,977,428</u>
Accumulated amortization and impairment				
Balance on January 1, 2023	\$ (31,812,278)	\$ (1,746,697)	\$ (25,174)	\$ (33,584,149)
Amortization expenses	(6,390,138)	(213,457)	(9,154)	(6,612,749)
Disposal	-	482,089	6,377	488,466
Balance on December 31, 2023	<u>\$ (38,202,416)</u>	<u>\$ (1,478,065)</u>	<u>\$ (27,951)</u>	<u>\$ (39,708,432)</u>
Balance on January 1, 2023, net	<u>\$ 78,151,153</u>	<u>\$ 519,865</u>	<u>\$ 26,622</u>	<u>\$ 78,697,640</u>
Balance on December 31, 2023, net	<u>\$ 71,761,015</u>	<u>\$ 488,511</u>	<u>\$ 19,470</u>	<u>\$ 72,268,996</u>

The Company's Board of Directors approved the acquisition of the 900MHz frequency band and equipment from Asia Pacific Telecom Co., Ltd. in November 2021. The aforementioned tax-excluded transaction amount was \$1,800,113 thousand included in intangible assets- mobile broadband concession and other assets- spare parts. The transaction was approved by the related authority in May 2022 and completed in July 2022.

The concessions are granted and issued by the National Communications Commission ("NCC"). The concession fees are amortized using the straight-line method over the period from the date operations commence through the date the license expires or the useful life, whichever is shorter. The 4G concession fees will be fully amortized by December 2030 and December 2033 and 5G concession fees will be fully amortized by December 2040.

The computer software is amortized using the straight-line method over the estimated useful lives of 1 to 10 years. Other intangible assets, except for those assessed as having indefinite useful lives, are amortized using the straight-line method over the estimated useful lives of 3 to 11 years.

18. OTHER ASSETS

	December 31	
	2023	2022
Spare parts	\$ 2,223,167	\$ 3,371,966
Refundable deposits	1,388,444	1,350,960
Other financial assets	1,000,000	1,000,000
Others	1,446,098	1,600,443
	<u>\$ 6,057,709</u>	<u>\$ 7,323,369</u>
Current		
Spare parts	\$ 2,223,167	\$ 3,371,966
Others	11,314	10,761
	<u>\$ 2,234,481</u>	<u>\$ 3,382,727</u>
Noncurrent		
Refundable deposits	\$ 1,388,444	\$ 1,350,960
Other financial assets	1,000,000	1,000,000
Others	1,434,784	1,589,682
	<u>\$ 3,823,228</u>	<u>\$ 3,940,642</u>

Other financial assets - noncurrent was Piping Fund. As part of the government's effort to upgrade the existing telecommunications infrastructure, the Company and other public utility companies were required by the ROC government to contribute to a Piping Fund administered by the Taipei City Government. This fund was used to finance various telecommunications infrastructure projects. Net assets of this fund will be returned proportionately after the project is completed.

19. HEDGING FINANCIAL INSTRUMENTS

The Company's hedge strategy is to enter into forward exchange contracts - buy to avoid its foreign currency exposure to certain foreign currency denominated equipment payments in the following six months. In addition, the Company's management considers the market condition to determine the hedge ratio and enters into forward exchange contracts with the banks to avoid the foreign currency risk.

The Company signed equipment purchase contracts with suppliers and entered into forward exchange contracts to avoid foreign currency risk exposure to Euro-denominated purchase commitments. Those forward exchange contracts were designated as cash flow hedges. When forecast purchases actually take place, basis adjustments are made to the initial carrying amounts of hedged items.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the forward foreign exchange contracts and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of credit risks of the Company and the counterparty on the fair value of the forward exchange contracts. Such credit risks do not impact the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables summarized the information relating to the hedges for foreign currency risk.

December 31, 2023

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount		Change in Fair Values of Hedging Instruments Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge - Forecast purchases - forward exchange contracts	NT\$/EUR	NT\$23,717/ EUR700	March 2024	\$ 33.88	Hedging financial assets (liabilities)	\$ -	\$ 44	\$ (12,935)

Hedged Items	Change in Value of Hedged Item Used for Calculating Hedge Ineffectiveness	Accumulated Gain or Loss on Hedging Instruments in Other Equity		Hedge Accounting No Longer Applied
		Continuing Hedges	Accounting No Longer Applied	
Cash flow hedge	\$ 12,935	\$ (44)	\$ -	
Forecast equipment purchases				

December 31, 2022

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate	Line Item in Balance Sheet	Carrying Amount		Change in Fair Values of Hedging Instruments Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge - Forecast purchases - forward exchange contracts	NT\$/EUR	NT\$423,024/ EUR13,350	March 2023	\$ 31.69	Hedging financial assets (liabilities)	\$12,891	\$ -	\$ 21,177

Hedged Items	Change in Value of Hedged Item Used for Calculating Hedge Ineffectiveness	Accumulated Gain or Loss on Hedging Instruments in Other Equity		Hedge Accounting No Longer Applied
		Continuing Hedges	Accounting No Longer Applied	
Cash flow hedge	\$ (21,177)	\$ 12,891	\$ -	
Forecast equipment purchases				

Year ended December 31, 2022

20. BONDS PAYABLE

Unsecured domestic bonds

The major terms of unsecured domestic bonds issued by the Company were as follows:

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21. TRADE NOTES AND ACCOUNTS PAYABLE

Trade notes and accounts payable

Trade notes and accounts payable were attributable to operating activities and the trading conditions were agreed separately.

22. OTHER PAYABLES

	December 31	
	2023	2022
Accrued salary and compensation	\$ 8,364,528	\$ 8,511,526
Payables to contractors	1,969,208	2,556,383
Amounts collected for others	1,593,835	1,509,099
Accrued compensation to employees and remuneration to directors	1,562,278	1,537,854
Accrued maintenance costs	1,225,347	1,043,966
Payables to equipment suppliers	701,491	1,194,761
Others	5,022,891	4,749,093
	\$ 20,439,778	\$ 21,102,682

23. PROVISIONS

	December 31	
	2023	2022
Employee benefits	\$ 374,067	\$ 64,776
Onerous contracts	178,712	80,651
Warranties	157,406	150,135
Others	<u>3,067</u>	<u>3,767</u>
	<u>\$ 713,252</u>	<u>\$ 299,329</u>
Current	\$ 238,130	\$ 130,161
Noncurrent	<u>475,122</u>	<u>169,168</u>
	<u>\$ 713,252</u>	<u>\$ 299,329</u>

deposited in the names of the Committees in the Bank of Taiwan. The plan assets are held in a commingled fund which is operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the funds. According to the Article 56 of the Labor Standards Law, entities are required to contribute the difference in one appropriation to their pension funds before the end of next March when the balance of the Funds is insufficient to pay the eligible employees who meet the retirement criteria in the following year.

The amounts included in the balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of funded defined benefit obligation	\$ 30,048,947	\$ 33,295,706
Fair value of plan assets	(33,916,979)	(36,311,098)
Funded status - surplus	\$ (3,868,032)	\$ (3,015,392)
Net defined benefit liabilities	\$ 2,069,464	\$ 2,224,847
Net defined benefit assets	(5,937,496)	(5,240,239)
	\$ (3,868,032)	\$ (3,015,392)

Movements in the defined benefit obligation and the fair value of plan assets were as follows:

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2022	\$ 35,176,705	\$ 36,357,836	\$ (1,181,131)
Current service cost	1,084,494	-	1,084,494
Interest expense / interest income	169,180	180,009	(10,829)
Amounts recognized in profit or loss	1,253,674	180,009	1,073,665
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	2,948,559	(2,948,559)
Actuarial loss recognized from changes in financial assumptions	227,238	-	227,238
Actuarial loss recognized from experience adjustments	1,604,648	-	1,604,648
Amounts recognized in other comprehensive income	1,831,886	2,948,559	(1,116,673)
Contributions from employer	-	1,547,564	(1,547,564)
Benefits paid	(4,722,870)	(4,722,870)	-
Benefits paid directly by the Company	(243,689)	-	(243,689)
Balance on December 31, 2022	33,295,706	36,311,098	(3,015,392)
Current service cost	1,005,339	-	1,005,339
Interest expense / interest income	399,556	448,691	(49,135)
Amounts recognized in profit or loss	1,404,895	448,691	956,204

(Continued)

	Employee Benefits	Onerous Contracts	Warranties	Others	Total
Balance on January 1, 2022	\$ 62,833	\$ 132,593	\$ 118,126	\$ 3,767	\$ 317,319
Additional / (reversal of) provisions recognized	2,217	(51,942)	47,212	-	(2,513)
Used / forfeited during the year	(274)	-	(15,203)	-	(15,477)
Balance on December 31, 2022	\$ 64,776	\$ 80,651	\$ 150,135	\$ 3,767	\$ 299,329
Balance on January 1, 2023	\$ 64,776	\$ 80,651	\$ 150,135	\$ 3,767	\$ 299,329
Additional / (reversal of) provisions recognized	310,257	48,061	29,664	(700)	387,282
Used / forfeited during the year	(966)	-	(22,393)	-	(23,359)
Reclassification	-	50,000	-	-	50,000
Balance on December 31, 2023	\$ 374,067	\$ 178,712	\$ 157,406	\$ 3,067	\$ 713,252

a. The provision for warranty claims represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under the Company's obligation for warranties in sales agreements. The estimate has been made based on historical warranty experience.

b. The provision for employee benefits represents vested long-term service compensation accrued.

c. The provision for onerous contracts represents the present obligation resulting from the measurement for the unavoidable costs of meeting the Company's contractual obligations exceed the economic benefits expected to be received from the contracts.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act of ROC (the "LPA") is considered as a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company completed its privatization plans on August 12, 2005. The Company is required to pay all accrued pension obligations including service clearance payment, lump sum payment under civil service plan, additional separation payments, etc. upon the completion of the privatization in accordance with the Statute Governing Privatization of State-owned Enterprises. After paying all pension obligations for privatization, the plan assets of the Company should be transferred to the Fund for Privatization of Government-owned Enterprises (the "Privatization Fund") under the Executive Yuan. On August 7, 2006, the Company transferred the remaining balance of fund to the Privatization Fund. However, according to the instructions of MOTC, the Company was requested to administer the distributions to employees for pension obligations including service clearance payment, lump sum payment under civil service plan, additional separation payments, etc. upon the completion of the privatization and recognized in other current monetary assets.

The Company with the pension mechanism under the Labor Standards Law in the ROC is considered as defined benefit plans. These pension plans provide benefits based on an employee's length of service and average six-month salary prior to retirement. The Company contributes an amount no more than 15% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and

c. Salary risk

The calculation of the present value of defined benefit obligation is referred to the plan participants' future salary. Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out by the independent actuary. The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Measurement Date	
	2023	2022
Discount rates	1.25%	1.25%
Expected rates of salary increase	2.00%	2.00%

If reasonably possible changes of the respective significant actuarial assumptions occur at the end of reporting periods, while holding all other assumptions constant, the present values of the defined benefit obligations would increase (decrease) as follows:

	2023	2022
Discount rates		
0.5% increase	\$ (868,224)	\$ (982,713)
0.5% decrease	\$ 919,455	\$ 1,041,853
Expected rates of salary increase		
0.5% increase	\$ 988,311	\$ 1,116,453
0.5% decrease	\$ (941,687)	\$ (1,062,627)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the methods and assumptions used in preparing the sensitivity analysis from the previous period.

	2023	2022
The expected contributions to the plan for the next year	\$ 1,350,222	\$ 1,535,312
The average duration of the defined benefit obligation	6.1 years	6.2 years

As of December 31, 2023, the Company's maturity analysis of the undiscounted benefit payments was as follows:

Year	Amount
2024	\$ 2,528,728
2025	5,854,297
2026	8,821,980
2027	10,032,138
2028 and thereafter	34,789,213
	<u>\$ 62,026,356</u>

The Company should appropriate a special reserve when the net amount of other equity items is negative at the end of reporting period upon the earnings distribution. Distributions can be made out of any subsequent reversal of the debit to other equity items.

The appropriation for legal reserve shall be made until the accumulated reserve equals the aggregate par value of the outstanding capital stock of the Company. This reserve can only be used to offset a deficit, or, when the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of the 2022 and 2021 earnings of the Company approved by the stockholders in their meetings on May 26, 2023 and May 27, 2022, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Fiscal Year 2022	For Fiscal Year 2021	For Fiscal Year 2022	For Fiscal Year 2021
Provision for (reversal of) special reserve	\$ (185,066)	\$ 408,150		
Cash dividends	36,475,514	35,746,314	\$ 4,702	\$ 4,608
The appropriations of earnings for 2023 had been proposed by Chungwha's Board of Directors on February 23, 2024. The appropriations and dividends per share were as follows:				
	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Fiscal Year 2022	For Fiscal Year 2021	For Fiscal Year 2022	For Fiscal Year 2021
Reversal of special reserve	\$ (223,084)			
Cash dividends	36,909,931		\$ 4,758	

The appropriations of earnings for 2023 are subject to the resolution of the stockholders' meeting planned to be held on May 31, 2024. Information of the appropriation of the Company's earnings proposed by the Board of Directors and approved by the stockholders is available on the Market Observation Post System website.

d. Others

- 1) Exchange differences arising from the translation of the foreign operations

The exchange differences arising from the translation of the foreign operations from their functional currency to New Taiwan dollars were recognized as exchange differences arising from the translation of the foreign operations in other comprehensive income.

- 2) Unrealized gain or loss on financial assets at FVOCI

	Year Ended December 31	
	2023	2022
Beginning balance		
Recognized for the year	\$ (124,762)	\$ (7,588)
Unrealized gain or loss		
Equity instruments	669,581	92,444
Share from subsidiaries, associates and joint ventures accounted for using the equity method	(24,071)	(209,734)
		(Continued)

Year Ended December 31
2023

Transferred accumulated gain or loss to unappropriated earnings resulting from the disposal of equity instruments by subsidiaries	\$ -	\$ 116
Ending balance	\$ 520,748	\$ (124,762) (Concluded)

26. REVENUES

	Year Ended December 31	
	2023	2022
Revenue from contracts with customers	\$ 185,788,884	\$ 180,117,977
Other revenues		
Government grants income	1,697,417	990,806
Rental income	1,057,582	956,505
Others	185,662	189,051
	2,940,661	2,136,362
	\$ 188,729,545	\$ 182,254,339

For the information of performance obligations related to customer contracts, please refer to Note 3 Summary of Material Accounting Policy Information for details.

a. Disaggregation of revenue

Please refer to Note 37 Segment Information for details.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade notes and accounts receivable (Note 9)	\$ 21,501,983	\$ 21,449,052	\$ 20,691,664
Contract assets			
Products and service bundling	\$ 3,577,392	\$ 3,036,507	\$ 2,869,419
Others	280,673	299,146	226,979
Less: Loss allowance	(9,460)	(8,247)	(8,055)
	\$ 3,848,605	\$ 3,327,406	\$ 3,088,343
Current	\$ 2,378,557	\$ 2,114,559	\$ 1,982,596
Noncurrent	1,470,048	1,212,847	1,105,747
	\$ 3,848,605	\$ 3,327,406	\$ 3,088,343 (Continued)

c. Incremental costs of obtaining contracts

	December 31 2023	December 31 2022
Noncurrent		
Incremental costs of obtaining contracts	\$ 8,570,626	\$ 7,704,427

The Company considered the past experience and the default clauses in the telecommunications service contracts and believes the commissions and equipment subsidies paid for obtaining telecommunications service contracts are expected to be recoverable; therefore, such costs were capitalized. Amortization expenses for the years ended December 31, 2023 and 2022 were \$6,115,128 thousand and \$5,787,729 thousand, respectively.

d. Remaining Performance Obligations

As of December 31, 2023, the aggregate amount of transaction price allocated to performance obligations for non-cancellable telecommunications service contracts that are unsatisfied is \$41,052,535 thousand. The Company recognizes revenue when service is provided over contract terms. The Company expects to recognize such revenue of \$24,672,426 thousand, \$12,688,382 thousand and \$3,691,727 thousand in 2024, 2025 and 2026, respectively. The variable consideration collected from customers on nonrecurring basis resulting from exceeded usage from monthly fee and revenue recognized for contracts that the Company has a right to consideration from customers in the amount corresponding directly with the value to the customers of the Company's performance completed to date have been excluded from the disclosure of remaining performance obligations.

As of December 31, 2023, the aggregate amount of transaction price allocated to performance obligations for non-cancellable project business contracts that are unsatisfied is \$18,504,663 thousand. The Company recognizes revenues when the project business contract is completed and accepted by customers. The Company expects to recognize such revenue of \$6,630,926 thousand, \$6,664,766 thousand and \$5,208,971 thousand in 2024, 2025 and 2026, respectively. Project business contracts whose expected duration are less than a year have been excluded from the aforementioned disclosure.

27. NET INCOME

a. Other income and expenses

	Year Ended December 31 2023	2022
Gain (Loss) on disposal of property, plant and equipment	\$ 1,430	\$ (4,585)
Impairment loss on disposal of property, plant and equipment	(298,891)	-
Reversal of impairment loss (Impairment loss) on investment properties	(335,903)	107,467
	<u>\$ (633,364)</u>	<u>\$ 102,882</u>

b. Other income

	Year Ended December 31	
	2023	2022
Dividend income	\$ 161,652	\$ 150,569
Others	<u>83,007</u>	<u>104,645</u>
	<u>\$ 244,659</u>	<u>\$ 255,214</u>

c. Other gains and losses

	Year Ended December 31	
	2023	2022
Foreign currency exchange loss	\$ (142,909)	\$ (285,255)
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	(108,337)	(198,534)
Others	<u>(69,058)</u>	<u>(10,603)</u>
	<u>\$ (320,304)</u>	<u>\$ (494,392)</u>

d. Interest expenses

	Year Ended December 31	
	2023	2022
Interest on bonds payable	\$ 167,730	\$ 161,427
Interest on lease liabilities	85,038	59,037
Others	<u>2,678</u>	<u>34</u>
	<u>\$ 255,446</u>	<u>\$ 220,498</u>

e. Impairment loss (reversal of impairment loss)

	Year Ended December 31	
	2023	2022
Contract assets	\$ 1,213	\$ 192
Trade notes and accounts receivable	<u>120,216</u>	<u>108,402</u>
Other receivables	<u>9,988</u>	<u>7,276</u>
Inventories	<u>26,235</u>	<u>9,252</u>
Property, plant and equipment	<u>298,891</u>	<u>-</u>
Investment properties	<u>335,903</u>	<u>(107,467)</u>

f. Depreciation and amortization expenses

	Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 28,042,160	\$ 28,026,125
Right-of-use assets	3,642,879	3,567,836
Investment properties	44,300	43,754

(Continued)

	Year Ended December 31	
	2023	2022
Intangible assets	\$ 6,612,749	\$ 6,545,816
Incremental costs of obtaining contracts	<u>6,115,128</u>	<u>5,787,729</u>
	<u>\$ 44,457,216</u>	<u>\$ 43,971,260</u>

Total depreciation and amortization expenses

Depreciation expenses summarized by functions

Operating costs

Operating expenses

	\$ 30,379,815	\$ 30,281,487
	<u>1,349,524</u>	<u>1,356,228</u>
	<u>\$ 31,729,339</u>	<u>\$ 31,637,715</u>

Amortization expenses summarized by functions

Operating costs

Marketing expenses

General and administrative expenses

Research and development expenses

	\$ 12,618,172	\$ 12,220,683
	53,198	55,187
	38,950	40,342
	<u>17,557</u>	<u>17,333</u>
	<u>\$ 12,727,877</u>	<u>\$ 12,333,545</u>

(Concluded)

g. Employee benefit expenses

	Year Ended December 31	
	2023	2022
Post-employment benefit	\$ 493,297	\$ 423,972
Defined contribution plans	933,468	1,046,489
Defined benefit plans	<u>1,426,765</u>	<u>1,470,461</u>
Other employee benefit		
Salaries	17,536,790	18,138,094
Insurance	2,035,112	1,980,171
Others	13,129,538	12,716,365
	<u>32,701,440</u>	<u>32,834,630</u>
Total employee benefit expenses	<u>\$ 34,128,205</u>	<u>\$ 34,305,091</u>
Summary by functions		
Operating costs	\$ 17,823,667	\$ 18,152,527
Operating expenses	<u>16,304,538</u>	<u>16,152,564</u>
	<u>\$ 34,128,205</u>	<u>\$ 34,305,091</u>

The Company distributes employees' compensation at the rates from 1.7% to 4.3% and remuneration to directors not higher than 0.17%, respectively, of pre-tax income. As of December 31, 2023, the payables of the employees' compensation and the remuneration to directors were \$1,522,481 thousand and \$39,797 thousand, respectively. Such amounts have been approved by the Company's Board of Directors on February 23, 2024 and will be reported to the stockholders in their meeting planned to be held on May 31, 2024.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

The compensation to the employees and remuneration to the directors of 2022 and 2021 approved by the Board of Directors on February 24, 2023 and February 23, 2022, respectively, were as follows:

	2022	2021
	Cash	Cash
Compensation distributed to the employees	\$ 1,498,374	\$ 1,429,000
Remuneration paid to the directors	39,480	38,552

There was no difference between the initial accrued amounts recognized in 2022 and 2021 and the amounts approved by the Board of Directors in 2023 and 2022 of the aforementioned compensation to employees and the remuneration to directors.

Information of the appropriation of the Company's employees compensation and remuneration to directors and those approved by the Board of Directors is available on the Market Observation Post System website.

28. INCOME TAX

- a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	Year Ended December 31	2022
	2023	
Current tax		
Current tax expenses recognized for the year	\$ 8,302,679	\$ 8,195,651
Income tax adjustments on prior years	(86,005)	-
Others	5,049	6,392
	8,221,723	8,202,043
Deferred tax		
Deferred tax benefits recognized for the year	118,948	229,765
Income tax recognized in profit or loss	\$ 8,340,671	\$ 8,431,808

Reconciliation of accounting profit and income tax expense was as follows:

	Year Ended December 31	2022
	2023	
Income before income tax	\$ 45,257,379	\$ 44,908,965
Income tax expense calculated at the statutory rate	\$ 9,051,476	\$ 8,981,793
Nondeductible income and expenses in determining taxable income	16,779	(14,340)
Tax-exempt income	(343,014)	(352,462)
Investment credits	(185,450)	(180,065)
Income tax adjustments on prior years	(86,005)	-
Others	(113,115)	(3,118)
Income tax expense recognized in profit or loss	\$ 8,340,671	\$ 8,431,808

The applicable tax rate used by the Company is 20%.

- b. Income tax recognized in other comprehensive income

	Year Ended December 31	2022
	2023	

Deferred tax		
Remeasurement on defined benefit pension plan	\$ 27,900	\$ 223,335

- c. Current tax liabilities

	December 31	2022
	2023	

Current tax liabilities		
Income tax payable	\$4,296,534	\$4,580,440

- d. Deferred income tax assets and liabilities

The movements of deferred income tax assets and liabilities were as follows:

For the year ended December 31, 2023

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary differences				
Defined benefit pension plan	\$ 1,508,743	\$ 2,022	\$ (27,900)	\$ 1,482,865
Allowance for doubtful receivables over quota	183,499	(40,916)	-	142,583
Seniority bonus	5,353	61,858	-	67,211
Impairment loss on assets	-	59,778	-	59,778
Valuation loss on financial assets	23,633	21,667	-	45,300
Valuation loss on inventory	69,802	(26,553)	-	43,249
Valuation loss on onerous contracts	16,806	19,732	-	36,538
Estimated warranty liabilities	30,027	1,454	-	31,481
Accrued award credits liabilities	11,512	5,035	-	16,547
Deferred revenue	29,355	(14,979)	-	14,376
Unrealized foreign exchange loss, net	56,175	(56,175)	-	-
Others	148	(129)	-	19
	\$ 1,935,053	\$ 32,794	\$ (27,900)	\$ 1,939,947

(Continued)

- e. All deductible temporary differences were recognized as deferred tax assets in the balance sheets.
- f. Income tax examinations
- Income tax returns of the Company have been examined by the tax authorities through 2021, except for 2020.

29. EARNINGS PER SHARE ("EPS")

Net income and weighted average number of common stocks used in the calculation of earnings per share were as follows:

	Year Ended December 31 2023	2022
Net Income		
Net income used to compute the basic earnings per share	\$ 36,916,708	\$ 36,477,157
Assumed conversion of all dilutive potential common stocks		
Employee stock options and employee compensation of subsidiaries	(5,106)	(7,370)
Net income used to compute the diluted earnings per share	\$ 36,911,602	\$ 36,469,787
Weighted Average Number of Common Stocks		
	Year Ended December 31 2023	2022
(Thousand Shares)		
Weighted average number of common stocks used to compute the basic earnings per share	7,757,447	7,757,447
Assumed conversion of all dilutive potential common stocks	8,299	8,342
Weighted average number of common stocks used to compute the diluted earnings per share	7,765,746	7,765,789

As the Company may settle the employee compensation in shares or cash, the Company shall presume that it will be settled in shares and take those shares into consideration when calculating the weighted average number of outstanding shares used in the calculation of diluted EPS if the shares have a dilutive effect. The dilutive effect of the shares needs to be considered until the approval of the number of shares to be distributed to employees as compensation in the following year.

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax liabilities				
Temporary differences				
Defined benefit pension plan	\$ 2,111,822	\$ 144,650	\$ -	\$ 2,256,472
Land value incremental tax	94,986	-	-	94,986
Deferred revenue for award credits	70,102	(3,654)	-	66,448
Unrealized foreign exchange gain, net	-	10,746	-	10,746
	<u>\$ 2,276,910</u>	<u>\$ 151,742</u>	<u>\$ -</u>	<u>\$ 2,428,652</u>
				(Concluded)
For the year ended December 31, 2022				
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred income tax assets				
Temporary differences				
Defined benefit pension plan	\$ 1,730,449	\$ 1,629	\$ (223,335)	\$ 1,508,743
Allowance for doubtful receivables over quota	263,434	(79,935)	-	183,499
Valuation loss on inventory	164,673	(94,871)	-	69,802
Unrealized foreign exchange loss, net	-	56,175	-	56,175
Estimated warranty liabilities	23,625	6,402	-	30,027
Deferred revenue	48,678	(19,323)	-	29,355
Valuation loss on financial assets	-	23,633	-	23,633
Valuation loss on onerous contracts	26,519	(9,713)	-	16,806
Accrued award credits liabilities	8,935	2,577	-	11,512
Seniority bonus	4,963	390	-	5,353
Others	16	132	-	148
	<u>\$ 2,271,292</u>	<u>\$ (112,904)</u>	<u>\$ (223,335)</u>	<u>\$ 1,935,053</u>
Deferred income tax liabilities				
Temporary differences				
Defined benefit pension plan	\$ 1,966,675	\$ 145,147	\$ -	\$ 2,111,822
Land value incremental tax	94,986	-	-	94,986
Deferred revenue for award credits	55,708	14,394	-	70,102
Unrealized foreign exchange gain, net	26,606	(26,606)	-	-
Valuation gain on financial assets	16,074	(16,074)	-	-
	<u>\$ 2,160,049</u>	<u>\$ 116,861</u>	<u>\$ -</u>	<u>\$ 2,276,910</u>

30. CASH FLOW INFORMATION

Except for those disclosed in other notes, the Company entered into the following non-cash investing and financing activities:

	Year Ended December 31	
	2023	2022
Investing activities		
Additions of property, plant and equipment	\$ 28,503,598	\$ 29,367,206
Changes in other payables	<u>774,971</u>	<u>263,500</u>
Payments for acquisition of property, plant and equipment	\$ 29,278,569	\$ 29,630,706

Financing Activities

[illegible]

31. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt and the equity of the Company.

The Company is required to maintain minimum paid-in capital amount as prescribed by the applicable laws.

The management reviews the capital structure of the Company as needed. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

According to the management's suggestions, the Company maintains a balanced capital structure through paying cash dividends, increasing its share capital, purchasing outstanding shares, and issuing new debt or repaying debt.

32. FINANCIAL INSTRUMENTS

Fair Value Information

The fair value measurement guidance establishes a framework for measuring fair value and expands disclosure about fair value measurements. The standard describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value. These levels are:

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Level 1 fair value measurements: These measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements: These measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements: These measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a. Financial instruments that are not measured at fair value but for which fair value is disclosed

Except those listed in the table below, the Company considers that the carrying amounts of financial assets and liabilities not measured at fair value approximate their fair values or the fair values cannot be reliable estimated.

	December 31	
	2023	2022
	Carrying Value	Carrying Value
	Fair Value	Fair Value
Financial liabilities		
Financial liabilities measured at amortized cost		
Bonds payable	\$ 30,482,766	\$ 30,477,357
	\$ 30,468,634	\$ 30,452,475

The fair value of bonds payable is measured using Level 2 inputs. The valuation of fair value is based on the quoted market prices provided by third party pricing services.

b. Financial instruments that are measured at fair value on a recurring basis

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ -	\$ 483	\$ -	\$ 483
Non-listed stocks	-	-	776,816	776,816
Limited partnership	-	-	182,678	182,678
Film and drama investing agreements	-	-	24,305	24,305
	<u>\$ -</u>	<u>\$ 483</u>	<u>\$ 983,799</u>	<u>\$ 984,282</u>
Financial assets at FVOCI				
Non-listed stocks	<u>\$ -</u>	<u>-</u>	<u>\$ 4,100,121</u>	<u>\$ 4,100,121</u>
Hedging financial liabilities	\$ -	\$ 44	\$ -	\$ 44

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December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ -	\$ 3,514	\$ -	\$ 3,514
Non-listed stocks	-	-	860,960	860,960
Limited partnership	-	-	93,114	93,114
Film and drama investing agreements	-	-	24,122	24,122
Hedging financial assets	\$ -	\$ 3,514	\$ 978,196	\$ 981,710
Financial assets at FVOCI				
Non-listed stocks	\$ -	\$ 12,891	\$ -	\$ 12,891
	\$ -	\$ -	\$ 3,143,866	\$ 3,143,866

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

The reconciliations for financial assets measured at Level 3 were listed below:

2023

Financial Assets	Measured at Fair Value through Profit or Loss	Measured at Fair Value through Other Comprehensive Income	Total
Balance on January 1, 2023	\$ 978,196	\$ 3,143,866	\$ 4,122,062
Acquisition	133,171	290,000	423,171
Recognized in profit or loss under "Other gains and losses"	(105,306)	-	(105,306)
Recognized in other comprehensive income under "Unrealized gain or loss on financial assets at fair value through other comprehensive income"	-	669,581	669,581
Proceeds from capital reduction and profit distribution of the investee	(22,262)	(3,326)	(25,588)
Balance on December 31, 2023	\$ 983,799	\$ 4,100,121	\$ 5,083,920
Unrealized gain or loss in 2023	\$ (104,923)		

2022

Financial Assets	Measured at Fair Value through Profit or Loss	Measured at Fair Value through Other Comprehensive Income	Total
Balance on January 1, 2022	\$ 884,670	\$ 3,058,606	\$ 3,943,276
Acquisition	323,321	-	323,321
Recognized in profit or loss under "Other gains and losses"	(208,228)	-	(208,228)
Recognized in other comprehensive income under "Unrealized gain or loss on financial assets at fair value through other comprehensive income"	-	92,444	92,444
Proceeds from capital reduction of the investee	(21,567)	(7,184)	(28,751)
Balance on December 31, 2022	\$ 978,196	\$ 3,143,866	\$ 4,122,062
Unrealized gain or loss in 2022	\$ (198,197)		

The fair values of financial assets and financial liabilities of Level 2 are determined as follows:

- 1) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices.
- 2) For derivatives, fair values are estimated using discounted cash flow model. Future cash flows are estimated based on observable inputs including forward exchange rates at the end of the reporting periods and the forward and spot exchange rates stated in the contracts, discounted at a rate that reflects the credit risk of various counterparties.

The fair values of non-listed domestic and foreign equity investments and film and drama investing agreements were Level 3 financial assets and determined using the market approach by reference the Price-to-Book ratios (P/B ratios) of peer companies that traded in active markets, using the income approach, in which the discounted cash flow is used to capture the present value of the expected future economic benefits to be derived from the investments, or using assets approach. The significant unobservable inputs used were listed in the below table. An increase in growth rate of long-term revenue, a decrease in discount for the lack of marketability or noncontrolling interests discount, or a decrease in the discount rate would result in increases in the fair values.

	2023	December 31 2022
Discount for lack of marketability	3.75%-20.00%	20.00%
Noncontrolling interests discount	25.00%	25.00%
Growth rate of long-term revenue	0.19%	0.19%
Discount rate	7.11%-8.20%	7.22%-8.80%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair values of Level 3 financial assets would increase (decrease) as below table.

	December 31	
	2023	2022
Discount for lack of marketability		
5% increase	\$ (41,935)	\$ (26,827)
5% decrease	\$ 38,137	\$ 26,827
Noncontrolling interests discount		
5% increase	\$ (19,381)	\$ (20,921)
5% decrease	\$ 19,381	\$ 20,921
Long-term revenue growth rates		
0.1% increase	\$ 35,337	\$ 29,506
0.1% decrease	\$ (34,666)	\$ (28,938)
Discount rate		
1% increase	\$ (396,170)	\$ (329,863)
1% decrease	\$ 488,163	\$ 406,648

Categories of Financial Instruments

Financial assets

Measured at FVTPL		
Mandatorily measured at FVTPL	\$ 984,282	\$ 981,710
Hedging financial assets	-	12,891
Financial assets at amortized cost (Note a)	65,005,362	64,361,583
Financial assets at FVOCI	4,100,121	3,143,866

Financial liabilities

Hedging financial liabilities	44	-
Measured at amortized cost (Note b)	60,773,597	62,675,289

Note a: The balances included cash and cash equivalents, trade notes and accounts receivable, receivables from related parties, other current monetary assets and refundable deposits (classified as other noncurrent assets), which were financial assets measured at amortized cost.

Note b: The balances included trade notes and accounts payable, payables to related parties, partial other payables, customers' deposits and bonds payable which were financial liabilities carried at amortized cost.

Financial Risk Management Objectives

The main financial instruments of the Company include equity investments, trade notes and accounts receivable, trade notes and accounts payable, lease liabilities and bonds payable. The Company's Finance Department provides services to its business units, co-ordinates access to domestic and international capital markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors. Those derivatives are used to hedge the risks of exchange rate fluctuation arising from operating or investment activities. Compliance with policies and risk exposure limits is reviewed by the Company's Finance Department on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company reports the significant risk exposures and related action plans timely and actively to the audit committee and if needed to the Board of Directors.

a. Market risk

The Company is exposed to market risks of changes in foreign currency exchange rates and interest rates. The Company uses forward exchange contracts to hedge the exchange rate risk arising from assets and liabilities denominated in foreign currencies.

There were no changes to the Company's exposure to market risks or the manner in which these risks are managed and measured.

1) Foreign currency risk

For details about the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the balance sheet dates, please refer to Note 35 Significant Assets and Liabilities Denominated in Foreign Currencies.

The carrying amounts of the Company's derivatives with exchange rate risk exposures at the balance sheet dates were as follows:

	December 31	
	2023	2022
Assets		
EUR	\$ 483	\$ 16,405
Liabilities		
EUR	44	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations of the currencies USD, EUR and SGD as listed in Note 35.

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and forward exchange contracts. A positive number below indicates an increase in pre-tax profit or equity where the functional currency weakens 5% against the relevant currency.

3) Other price risk

The Company is exposed to equity price risks arising from holding other company's equity. Equity investments are held for strategic rather than trading purposes. The management managed the risk through holding various risk portfolios. Further, the Company assigned finance and investment departments to monitor the price risk.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit and pre-tax other comprehensive income for the year ended December 31, 2023 would have increased/decreased by \$47,975 thousand and \$205,006 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL and financial assets at FVOCI, respectively. If equity prices had been 5% higher/lower, pre-tax profit and pre-tax other comprehensive income for the year ended December 31, 2022 would have increased/decreased by \$47,704 thousand and \$157,193 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL and financial assets at FVOCI, respectively.

b. Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Company. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the balance sheet as of the balance sheet date.

The Company has large trade receivables outstanding with its customers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral or credit insurance. The Company has implemented ongoing measures including enhancing credit assessments and strengthening overall risk management to reduce its credit risk. While the Company has procedures to monitor and limit exposure to credit risk on trade receivables, there can be no assurance such procedures will effectively limit its credit risk and avoid losses. This risk is heightened during periods when economic conditions worsen.

As the Company serves a large number of unrelated consumers, the concentration of credit risk was limited.

c. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalent position to support the operations and reduce the impact on fluctuation of cash flow.

1) Liquidity and interest risk tables

The following tables detailed the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

	Year Ended December 31	
	2023	2022
Profit or loss		
Monetary assets and liabilities (a)		
USD	\$ 3,717	\$ 5,776
EUR	(29,366)	(39,015)
SGD	(71,907)	(100,311)
Derivatives (b)		
EUR	7,306	3,272
Equity		
Derivatives (c)		
EUR	1,189	21,841

a) This is mainly attributable to the exposure to foreign currency denominated receivables and payables of the Company outstanding at the balance sheet dates.

b) This is mainly attributable to forward exchange contracts.

c) This is mainly attributable to the changes in the fair value of derivatives that are designated as cash flow hedges.

For a 5% strengthening of the functional currency against the relevant currencies, there would be an equal and opposite effect on the pre-tax profit or equity for the amounts shown above.

2) Interest rate risk

The carrying amounts of the Company's exposures to interest rates on financial assets and financial liabilities at the balance sheet dates were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 35,746,135	\$ 34,758,350
Financial liabilities	40,669,776	40,582,804
Cash flow interest rate risk		
Financial assets	2,599,742	2,558,200

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax income would increase/decrease by \$6,499 thousand and \$6,396 thousand for the years ended December 31, 2023 and 2022, respectively. This is mainly attributable to the Company's exposure to floating interest rates on its financial assets.

2) Financing facilities

	2023	December 31 2022
Unsecured bank loan facilities		
Amount used	\$ -	\$ -
Amount unused	<u>48,920,000</u>	<u>51,386,000</u>
	<u>\$ 48,920,000</u>	<u>\$ 51,386,000</u>

33. RELATED PARTIES TRANSACTIONS

The ROC Government has significant equity interest in the Company. The Company provides fixed-line services, mobile services, internet and data and other services to the various departments and institutions of the ROC Government in the normal course of business and at arm's-length prices. Except for those disclosed in other notes or this note, the transactions with the ROC government bodies have not been disclosed because the transactions are not individually or collectively significant. However, the related revenues and operating costs have been appropriately recorded.

a. The Company engages in business transactions with the following related parties:

Company	Relationship
Senao International Co., Ltd. ("SENAO")	Subsidiary
Light Era Development Co., Ltd. ("LED")	Subsidiary
Donghua Telecom Co., Ltd.	Subsidiary
Chunghwa Telecom Singapore Pte., Ltd. ("CHTS")	Subsidiary
Chunghwa System Integration Co., Ltd. ("CHSI")	Subsidiary
Chunghwa Investment Co., Ltd. ("CHI")	Subsidiary
CHIEF Telecom, Inc. ("CHIEF")	Subsidiary
CHYP Multimedia Marketing & Communications Co., Ltd. ("CHYP")	Subsidiary
Prime Asia Investments Group Ltd. ("Prime Asia")	Subsidiary
Spring House Entertainment Tech. Inc. ("SHE")	Subsidiary
Chunghwa Telecom Global, Inc.	Subsidiary
Chunghwa Telecom Vietnam Co., Ltd.	Subsidiary
Smartfun Digital Co., Ltd.	Subsidiary
Chunghwa Telecom Japan Co., Ltd.	Subsidiary
Chunghwa Sochamp Technology Inc.	Subsidiary
Honghua International Co., Ltd.	Subsidiary
Chunghwa Leading Photonics Tech. Co., Ltd. ("CLPT")	Subsidiary
Chunghwa Telecom (Thailand) Co., Ltd. ("CHTT")	Subsidiary
CHT Security Co., Ltd. ("CHTSC")	Subsidiary
International Integrated Systems, Inc. ("IISI")	Subsidiary
Senao International (Samoa) Holding Ltd. ("SIS")	Subsidiary of SENAO (Note 1)
Youth Co., Ltd.	Subsidiary of SENAO
Aval Technologies Co., Ltd.	Subsidiary of SENAO
Senyoung Insurance Agent Co., Ltd.	Subsidiary of SENAO
ISPOT Co., Ltd.	Subsidiary of SENAO
Youyi Co., Ltd.	Subsidiary of SENAO (Note 2)
Win Technologies Co., Ltd. ("Win")	Subsidiary of SENAO

(Continued)

Company	Relationship
SenaoLife Insurance Agent Co., Ltd.	Subsidiary of SENAO (Note 3)
Unigate Telecom Inc.	Subsidiary of CHIEF
Chief International Corp.	Subsidiary of CHIEF
Shanghai Chief Telecom Co., Ltd.	Subsidiary of CHIEF
Chungghwa Precision Test Tech. Co., Ltd. ("CHPT")	Subsidiary of CHI
Chungghwa Precision Test Tech. USA Corporation	Subsidiary of CHPT
CHPT Japan Co., Ltd.	Subsidiary of CHPT
Chungghwa Precision Test Tech. International, Ltd. ("CHPT (International)")	Subsidiary of CHPT
TestPro Investment Co., Ltd. ("TestPro")	Subsidiary of CHPT (Note 4)
NavCore Tech Co., Ltd. ("NavCore")	Subsidiary of TestPro (Note 5)
Senao International HK Limited ("SIHK")	Subsidiary of SIS (Note 6)
Chungghwa Hsingta Co., Ltd. ("CHC")	Subsidiary of Prime Asia
Chungghwa Telecom (China) Co., Ltd.	Subsidiary of CHC (Note 7)
Shanghai Taihua Electronic Technology Limited ("STET")	Subsidiary of CHPT (International)
Su Zhou Precision Test Tech. Ltd.	Subsidiary of CHPT (International)
Infoexplorer International Co., Ltd. ("IESA")	Subsidiary of IISI (Note 8)
IISI Investment Co., Ltd. ("IICL")	Subsidiary of IISI (Note 9)
Unitronics Technology Corp.	Subsidiary of IISI
International Integrated Systems (Hong Kong) Limited	Subsidiary of IESA (Note 10)
Leading Tech Co., Ltd. ("LTCL")	Subsidiary of IICL (Note 9)
Leading Systems Co., Ltd. ("LSCL")	Subsidiary of LTCL (Note 9)
Taiwan International Standard Electronics Co., Ltd.	Associate
So-net Entertainment Taiwan Limited	Associate
KKBOX Taiwan Co., Ltd.	Associate
Kingway/Tek Technology Co., Ltd.	Associate
Taiwan International Ports Logistics Corporation	Associate
Senao Networks, Inc.	Associate of SENAO
EnGenius Networks Inc.	Subsidiary of the Company's associate, Senao Networks, Inc.
EnRack Tech. Co., Ltd.	Subsidiary of the Company's associate, Senao Networks, Inc.
Emplus Technologies, Inc.	Subsidiary of the Company's associate, Senao Networks, Inc.
ST-2 Satellite Ventures Pte., Ltd.	Networks, Inc.
CHT Infinity Singapore Pte. Ltd.	Associate of CHTS
Viettel-CHT Co., Ltd.	Associate of CHTS
PT. CHT Infinity Indonesia	Associate
Click Force Co., Ltd.	Subsidiary of the Company's associate, CHT Infinity Singapore Pte. Ltd.
Chungghwa PChome Fund I Co., Ltd.	Associate of CHYP
Comerstone Ventures Co., Ltd.	Associate
Next Commercial Bank Co., Ltd. ("NCB")	Associate
WiAdvance Technology Corporation	Associate
AgriTalk Technology Inc. ("ATT")	Associate of CHI
Imediac Co., Ltd. ("IME")	Associate of CHI
Baohwa Trust Co., Ltd. ("BHT")	Associate of CHTSC (Note 11)
Chungghwa SEA Holdings	Joint venture
Other related parties	
Chungghwa Telecom Foundation	Subsidiary of SENAO (Note 3)
Senao Technical and Cultural Foundation	Subsidiary of CHIEF
Sochamp Technology Co., Ltd.	Subsidiary of CHIEF
Tsann Kuen Enterprise Co., Ltd.	Subsidiary of CHIEF
E-Life Mall Co., Ltd.	Subsidiary of CHIEF
Engenius Technologies Co., Ltd.	Subsidiary of CHIEF
Cheng Keng Investment Co., Ltd.	Subsidiary of CHIEF
Cheng Feng Investment Co., Ltd.	Subsidiary of CHIEF
All Oriented Investment Co., Ltd.	Subsidiary of CHIEF
Hwa Shun Investment Co., Ltd.	Subsidiary of CHIEF
Yu Yu Investment Co., Ltd.	Subsidiary of CHIEF
Kangsin Co., Ltd.	Subsidiary of CHIEF
United Daily News Co., Ltd.	Subsidiary of CHIEF
Shenzhen Century Communication Co., Ltd.	Subsidiary of CHIEF
Advantech Co., Ltd.	Subsidiary of CHIEF
Z-Com, Inc.	Subsidiary of CHIEF
Note 1: SIS completed its liquidation in September 2023.	
Note 2: Youyi Co., Ltd. completed its liquidation in November 2023.	
Note 3: In order to coordinate with financial planning and adjustment of organizational resources, the Board of Directors of SENYOUNG approved the merger with SenaoLife. SENYOUNG was the surviving company. The merger was completed on May 1, 2023.	
Note 4: CHPT invested and established TestPro in March 2022. CHPT obtained 100% ownership interest of TestPro.	
Note 5: TestPro invested and established NavCore in May 2022. TestPro obtained 54.25% ownership interest of NavCore.	
Note 6: SIHK completed its liquidation in July 2023.	
Note 7: Chungghwa Telecom (China) Co., Ltd. completed its liquidation in October 2022.	
Note 8: IESA completed its liquidation in September 2023.	
Note 9: IICL, LTCL and LSCL completed liquidation in September 2022.	
Note 10: International Integrated Systems (Hong Kong) Limited completed its liquidation in June 2023.	
Note 11: CHTSC invested and established BHT in March 2022. CHTSC obtained 40.00% ownership interest of BHT.	

(Continued)

b. Terms of the foregoing transactions with related parties were not significantly different from transactions with non-related parties. When no similar transactions with non-related parties can be referenced, terms were determined in accordance with mutual agreements. Details of transactions between the Company and other related parties are disclosed below:

1) Operating transactions

	Revenues	
	Year Ended December 31	2022
	2023	
Subsidiaries	\$ 5,910,239	\$ 5,468,345
Associates	208,144	228,112
Others	5,019	3,086
	<u>\$ 6,123,402</u>	<u>\$ 5,699,543</u>
	Operating Costs and Expenses	
	Year Ended December 31	2022
	2023	
Subsidiaries	\$ 12,269,366	\$ 11,389,004
Associates	1,131,624	1,016,124
Others	52,664	56,287
	<u>\$ 13,453,654</u>	<u>\$ 12,461,415</u>

2) Non-operating transactions

	Non-operating Income and (Expenses)	
	Year Ended December 31	2022
	2023	
Subsidiaries	\$ 36,184	\$ 791
Associates	(7,889)	(8,597)
	<u>\$ 28,295</u>	<u>\$ (7,806)</u>

3) Receivables

	December 31	
	2023	2022
Subsidiaries	\$ 865,772	\$ 1,182,998
Associates	49,743	26,308
	<u>\$ 915,515</u>	<u>\$ 1,209,306</u>

4) Payables

	December 31	
	2023	2022
Subsidiaries	\$ 3,781,739	\$ 3,381,460
Associates	361,436	333,662
	<u>\$ 4,143,175</u>	<u>\$ 3,715,122</u>

5) Customers' deposits

	December 31	
	2023	2022
Subsidiaries	\$ 16,484	\$ 15,155
Associates	16,148	65,658
Others	284	284
	<u>\$ 32,916</u>	<u>\$ 81,097</u>

6) Acquisition of property, plant and equipment

	Year Ended December 31	
	2023	2022
Subsidiaries	\$ 1,036,883	\$ 711,318
Associates	172,764	32,232
	<u>\$ 1,209,647</u>	<u>\$ 743,550</u>

7) Lease-in agreements

The Company entered into a contract with ST-2 Satellite Ventures Pte., Ltd. on March 12, 2010 to lease capacity on the ST-2 satellite. This lease term is for 15 years which should start from the official operation of ST-2 satellite and the total contract value is approximately \$6,000,000 thousand (SGD\$260,723 thousand), including a prepayment of \$3,067,711 thousand at the inception of the lease, and the rest of amount should be paid annually when ST-2 satellite starts its official operation. ST-2 satellite was launched in May 2011, and began its official operation in August 2011. As ST-2 satellite is in good operating condition, the useful life is extended for another 3 years and 3 months after evaluation in 2021. The Board of Directors of the Company approved to extend the lease period accordingly with the original contract terms in December 2021; therefore, the Company acquired right-of-use asset of \$1,124,780 thousand from the aforementioned lease extension.

The lease liabilities of ST-2 Satellite Ventures Pte., Ltd. as of balance sheet dates were as follows:

	December 31	
	2023	2022
Lease liabilities - current	\$ 197,278	\$ 193,805
Lease liabilities - noncurrent	1,602,633	1,760,815
	<u>\$ 1,799,911</u>	<u>\$ 1,954,620</u>

The interest expense recognized for the aforementioned lease liabilities were \$8,013 thousand and \$8,165 thousand for the years ended December 31, 2023 and 2022, respectively.

8) Others

The other financial assets of NCB as of balance sheet dates were as follows:

	December 31	2022
Other financial assets	\$ 1,000,000	\$ -

The interest income recognized for the aforementioned other financial assets was \$980 thousand for the year ended December 31, 2023.

c. Compensation of key management personnel

The compensation of directors and key management personnel was as follows:

	Year Ended December 31	2022
	2023	
Short-term employee benefits	\$ 76,777	\$ 65,846
Post-employment benefits	3,189	2,406
	<u>\$ 79,966</u>	<u>\$ 68,252</u>

The compensation of directors and key management personnel was mainly determined by the compensation committee having regard to the performances.

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Except for those disclosed in other notes, the Company's significant commitments and contingent liabilities as of December 31, 2023 were as follows:

- Acquisitions of telecommunications-related inventory and equipment of \$20,464,441 thousand.
- A commitment to contribute \$2,000,000 thousand to a Piping Fund administered by the Taipei City Government, of which \$1,000,000 thousand was contributed by the Company on August 15, 1996 (classified as other financial assets - noncurrent). If the fund is not sufficient, the Company will contribute the remaining \$1,000,000 thousand upon notification from the Taipei City Government.
- The Company committed that when its ownership interest in NCB is greater than 25% and NCB encounters financial difficulty or the capital adequacy ratio of NCB cannot meet the related regulation requirements, the Company will provide financial support to assist NCB in maintaining a healthy financial condition.
- The Company signed a contract, the ST-2 Satellite Succession Plan, with Singapore Telecommunications Limited, for a total transaction price of EUR 177,000 thousand and SGD 51,000 thousand. As of December 31, 2023, Chunghwa had paid the amount of EUR 50,445 thousand (classified as prepayments - noncurrent).

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The information of significant assets and liabilities denominated in foreign currencies was as follows:

	December 31, 2023		
	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 29,834	30.71	\$ 916,059
EUR	1,796	33.98	61,023
SGD	18,000	23.29	419,230
Non-monetary items			
Investments accounted for using equity method			
USD	61,609	30.71	1,891,697
HKD	194,957	3.929	765,986
JPY	717,647	0.217	155,873
VND	494,955,017	0.001	616,219
RMB	38,697	4.33	167,441
THB	135,916	0.902	122,556

Liabilities denominated in foreign currencies

Monetary items			
USD	27,491	30.71	844,107
EUR	19,080	33.98	648,349
SGD	79,750	23.29	1,857,376

	December 31, 2022		
	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
<u>Assets denominated in foreign currencies</u>			
Monetary items			
USD	\$ 25,272	30.71	\$ 776,107
EUR	2,252	32.72	73,685
Non-monetary items			
Investments accounted for using equity method			
USD	55,933	30.71	1,717,713
HKD	179,716	3.938	707,721
JPY	535,285	0.232	124,400
VND	515,206,133	0.001	662,040
RMB	36,961	4.408	162,922
THB	128,186	0.894	114,611

(Continued)

December 31, 2022

	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
Liabilities denominated in foreign currencies			
Monetary items			
USD	\$ 21,510	30.71	\$ 660,582
EUR	26,100	32.72	853,992
SGD	87,685	22.88	2,006,225
			(Concluded)

The unrealized foreign currency exchange gains and losses were gain of \$53,731 thousand and loss of \$301,817 thousand for the years ended December 31, 2023 and 2022, respectively. Due to the various foreign currency transactions of the Company, foreign exchange gains and losses cannot be disclosed by the respective significant foreign currency.

36. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the FSC for the Company:

- Financing provided: None.
- Endorsement/guarantee provided: Please see Table 1.
- Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 2.
- Marketable securities acquired or disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: Please see Table 3.
- Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital: Please see Table 4.
- Receivables from related parties amounting to \$100 million or 20% of the paid-in capital: Please see Table 5.
- Names, locations, and other information of investees on which the Company exercises significant influence (excluding investments in Mainland China): Please see Table 6.
- Derivative instruments transactions: Please see Notes 7, 19 and 32.
- Investments in Mainland China: Please see Table 7.
- Information of main stakeholders: Please see Table 8.

37. SEGMENT INFORMATION

In response to changes in the operating environment and new business challenges, the Company launched its organizational transformation and redesigned the operational decision-making processes and the performance assessment under the new structure. The aforementioned organizational transformation was effective from January 1, 2022. The Company redefined the reportable segments as "Consumer Business", "Enterprise Business", "International Business" and "Others". The reportable segments are managed separately because each segment represents a strategic business unit that serves different customers. Segment information is provided to the chief operating decision maker who allocates resources and assesses segment performance. The Company's measure of segment performance is mainly based on revenues and income before income tax.

Some operating segments have been aggregated into a single operating segment taking into account the following factors: (a) the type or class of customer for the telecommunications products and services are similar; (b) the nature of the telecommunications products and services are similar; and (c) the methods used to provide the services to the customers are similar.

The accounting policies of the operating segments are the same as those described in Note 3.

Segment Revenues and Operating Results

Analysis by reportable segment of revenues and operating results of continuing operations are as follows:

	<u>Year ended December 31, 2023</u>	Consumer Business	Enterprise Business	International Business	Others	Total
Revenues						
From external customers	\$ 116,399,812	\$ 64,827,781	\$ 6,353,106	\$ 1,148,846	\$ 188,729,545	
Intersegment revenues	179,769	-	155,200	-	334,969	
Segment revenues	<u>\$ 116,579,581</u>	<u>\$ 64,827,781</u>	<u>\$ 6,508,306</u>	<u>\$ 1,148,846</u>	<u>\$ 189,064,514</u>	
Intersegment elimination					(334,969)	
Consolidated revenues					<u>\$ 188,729,545</u>	
Segment income before income tax	<u>\$ 27,745,208</u>	<u>\$ 13,852,537</u>	<u>\$ 2,058,072</u>	<u>\$ 1,601,562</u>	<u>\$ 45,257,379</u>	
<u>Year ended December 31, 2022</u>						
Revenues						
From external customers	\$ 110,959,617	\$ 65,181,004	\$ 5,079,098	\$ 1,034,710	\$ 182,254,339	
Intersegment revenues	195,362	9,739	166,400	-	371,501	
Segment revenues	<u>\$ 111,154,979</u>	<u>\$ 65,190,743</u>	<u>\$ 5,245,498</u>	<u>\$ 1,034,710</u>	<u>\$ 182,625,840</u>	
Intersegment elimination					(371,501)	
Consolidated revenues					<u>\$ 182,254,339</u>	
Segment income before income tax	<u>\$ 27,314,209</u>	<u>\$ 15,217,660</u>	<u>\$ 1,645,274</u>	<u>\$ 731,822</u>	<u>\$ 44,908,965</u>	

Other Segment Information

Other information reviewed by the chief operating decision maker or regularly provided to the chief operating decision maker was as follows:

	Year ended December 31, 2023	Consumer Business	Enterprise Business	International Business	Others	Total
Share of profits of associates and joint ventures accounted for using equity method		\$ 168,137	\$ 863,947	\$ 522,142	\$ 119,511	\$ 1,673,737
Interest income		454	12,235	8,762	456,452	\$ 477,903
Interest expenses		\$ 166,169	\$ 80,239	\$ 8,166	\$ 872	\$ 255,446
Depreciation and amortization		\$ 32,845,218	\$ 10,143,162	\$ 1,236,429	\$ 232,407	\$ 44,457,216

(Continued)

(Continued)

Major Customers

As of December 31, 2023 and 2022, the Company did not have any single customer whose revenue exceeded 10% of the total revenues.

	Consumer Business	Enterprise Business	International Business	Others	Total
Impairment loss on property, plant and equipment	\$ 248,647	\$ 50,184	\$ 60	\$ -	\$ 298,831
Impairment loss on investment properties	\$ -	\$ -	\$ -	\$ 335,903	\$ 335,903
Year ended December 31, 2022					
Share of profits of associates and joint ventures accounted for using equity method	\$ 60,365	\$ 796,127	\$ 515,658	\$ 412,214	\$ 1,784,364
Interest income	\$ 137	\$ 8,285	\$ 2,676	\$ 180,834	\$ 191,932
Interest expenses	\$ 136,386	\$ 76,333	\$ 6,826	\$ 953	\$ 220,498
Depreciation and amortization	\$ 32,640,212	\$ 10,067,228	\$ 1,008,331	\$ 255,489	\$ 43,971,260
Reversal of impairment loss on investment properties	\$ -	\$ -	\$ -	\$ 107,467	\$ 107,467

(Concluded)

Main Products and Service Revenues

	Year Ended December 31	
	2023	2022
Consumer Business	\$ 58,407,553	\$ 55,175,520
Mobile services	42,611,757	42,771,843
Fixed-line services	13,752,346	11,738,414
Sales	1,628,156	1,273,840
Others	116,399,812	110,959,617
Enterprise Business	32,420,269	33,121,636
Fixed-line services	20,199,507	20,412,957
ICT business	9,586,815	9,465,830
Mobile services	2,621,190	2,180,581
Others	64,827,781	65,181,004
International Business	3,595,218	3,469,927
Fixed-line services	1,923,022	1,250,761
ICT business	834,866	358,320
Others	6,353,106	5,079,008
Others	1,148,846	1,034,710
	<u>\$ 188,729,545</u>	<u>\$ 182,254,339</u>

Geographic Information

The users of the Company's services are mainly from Taiwan, ROC. The revenues it derived outside Taiwan are mainly revenues from international long distance telephone and leased line services. The geographic information for revenues was as follows:

	Year Ended December 31	
	2023	2022
Taiwan, ROC	\$ 185,995,968	\$ 179,474,677
Overseas	<u>2,733,577</u>	<u>2,779,662</u>
	<u>\$ 188,729,545</u>	<u>\$ 182,254,339</u>

The Company does not have material noncurrent assets in foreign operations.

CHUNGHWA TELECOM CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
1	Senao International Co., Ltd.	Aval Technologies Co., Ltd. Win Technology Co., Ltd.	b b	\$ 641,463 641,463	\$ 300,000 200,000	\$ 300,000 200,000	\$ 300,000 200,000	\$ - -	4.68 3.12	\$ 3,207,316 3,207,316	Yes Yes	No No	No No	Notes 3 and 4 Notes 3 and 4

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the Company.
- Subsidiaries are numbered from "1".

Note 2: Relationships between the endorsement/guarantee provider and the guaranteed party:

- A company with which it does business.
- A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- Companies in the same industry provide among themselves jointly and severally guarantee for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The limits on endorsement or guarantee amount provided to each guaranteed party is up to 10% of the net assets value of the latest financial statements of Senao International Co., Ltd.

Note 4: The total amount of endorsement or guarantee that the Company is allowed to provide is up to 50% of the net assets value of the latest financial statements of Senao International Co., Ltd.

CHUNGHWA TELECOM CO., LTD.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares (Thousands/ Thousand Units)	Carrying Value (Note 1)	Percentage of Ownership	Fair Value	
Chunghwa Telecom Co., Ltd.	Stocks Taipei Financial Center Corp.	-	Financial assets at FVOCI	172,927	\$ 3,643,592	12	\$ 3,643,592	-
	KKCompany Technologies Inc.	-	Financial assets at FVOCI	2,762	292,416	2	292,416	-
	4 Gamers Entertainment Inc.	-	Financial assets at FVOCI	136	137,202	20	137,202	-
	Industrial Bank of Taiwan II Venture Capital Co., Ltd. (IBT II)	-	Financial assets at FVOCI	5,252	17,255	17	17,255	-
	Innovation Works Limited	-	Financial assets at FVOCI	1,000	5,294	2	5,294	-
	Taiwan mobile payment Co., Ltd.	-	Financial assets at FVOCI	1,200	4,362	2	4,362	-
	RPTI Intergroup International Ltd.	-	Financial assets at FVOCI	4,765	-	10	-	-
	Global Mobile Corp.	-	Financial assets at FVOCI	7,617	-	3	-	-
	Taiwania Capital Buffalo Fund Co., Ltd.	-	Financial assets at FVTPL - noncurrent	555,600	513,018	13	513,018	-
	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	-	Financial assets at FVTPL - noncurrent	20,000	190,519	9	190,519	-
Senao International Co., Ltd.	Innovation Works Development Fund, L.P.	-	Financial assets at FVTPL - noncurrent	-	73,279	4	73,279	-
	Limited partnership Taiwania Capital Buffalo Fund VI, L.P.	-	Financial assets at FVTPL - noncurrent	-	182,678	10	182,678	-
	Stocks N.T.U. Innovation Incubation Corporation	-	Financial assets at FVOCI	1,200	9,969	9	9,969	-
CHIEF Telecom Inc.	Stocks WPG Holdings Limited	-	Financial assets at FVOCI	2,102	98,793	-	98,793	Note 2
	WT Microelectronics Co., Ltd.	-	Financial assets at FVOCI	361	16,480	-	16,480	Note 2
	3 Link Information Service Co., Ltd.	-	Financial assets at FVOCI	374	1,147	10	1,147	-
	WPG Holdings Limited	-	Financial assets at FVTPL - current	9	421	-	421	Note 2
Chunghwa Investment Co., Ltd.	Stocks PChome Online Inc.	-	Financial assets at FVOCI	1,875	82,889	1	82,889	Note 2
	Boschdom Diginnovation Co., Ltd.	-	Financial assets at FVOCI	2,309	45,487	6	45,487	Note 2
	Tatung Technology Inc.	-	Financial assets at FVOCI	4,571	44,724	11	44,724	-
	ioNetworks Inc.	-	Financial assets at FVOCI	107	12,733	2	12,733	-
	iSing99 Inc.	-	Financial assets at FVOCI	10,000	-	7	-	-
	Powtec ElectroChemical Corporation	-	Financial assets at FVOCI	20,000	-	2	-	-
	Limited partnership Taiwania Capital Buffalo Fund V, L.P.	-	Financial assets at FVTPL - noncurrent	-	36,354	3	36,354	-
	Stocks TXOne Networks Inc.	-	Financial assets at FVTPL - noncurrent	91	15,548	-	15,548	-

Note 1: Showed at carrying amounts with fair value adjustments.

Note 2: Fair value was based on the closing price on the last trading day of the reporting period.

CHUNGHWA TELECOM CO., LTD.

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares (Thousands/ Thousand Units)	Amount	Shares (Thousands/ Thousand Units)	Amount	Shares (Thousands/ Thousand Units)	Amount	Carrying Value	Gain on Disposal	Shares (Thousands/ Thousand Units)	Amount
Chunghwa Telecom Co., Ltd	Stocks Next Commercial Bank Co., Ltd.	Investments accounted for using equity method	-	Associate	419,000	\$ 4,190,000 (Note 1)	154,385	\$ 1,543,847	110,742 (Note 2)	\$ -	\$ -	\$ -	462,643	\$ 5,733,847 (Note 1)

Note 1: Showing at their original investment amounts without adjustments for investment income or loss and other comprehensive income accounted for using equity method.

Note 2: The investee company reduced its capital to offset accumulated deficits.

TABLE 4

CHUNGHWA TELECOM CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes / Accounts Payable or Receivable Ending Balance (Note 2)	% to Total	
			Purchases/Sales (Note 1)	Amount	% to Total	Payment Terms	Unit Price			Payment Terms
Chungghwa Telecom Co., Ltd.	Senao International Co., Ltd. Aval Technologies Co., Ltd. CHIEF Telecom Inc. Chungghwa System Integration Co., Ltd. CHYP Multimedia Marketing & Communications Co., Ltd. Hongghwa International Co., Ltd. Dongghwa Telecom Co., Ltd. Chungghwa Telecom Global, Inc. CHT Security Co., Ltd. Chungghwa Telecom Singapore Pte., Ltd. International Integrated Systems, Inc. Senyoung Insurance Agent Co., Ltd. Next Commercial Bank Co., Ltd. Taiwan International Standard Electronics Co., Ltd. WiAdvance Technology Corporation Kingway tek Technology Co., Ltd.	Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Subsidiary Associate Associate Associate Subsidiary Associate Fellow subsidiary Subsidiary	Sales	\$ 4,419,423	2	30 days	\$	-	\$ 200,422	1
			Purchase	889,054	1	30-90 days	-	-	(892,561)	(6)
			Purchase	437,814	-	30 days	-	-	-	-
			Sales	483,027	-	30 days	-	-	60,653	-
			Purchase	1,405,769	1	30 days	-	-	(703,045)	(5)
			Purchase	188,904	-	30 days	-	-	(60,340)	-
			Sales	213,294	-	30-60 days	-	-	3,871	-
			Purchase	7,161,736	6	30-60 days	-	-	(1,241,480)	(8)
			Sales	171,988	-	30 days	-	-	40,200	-
			Purchase	537,297	-	90 days	-	-	(130,971)	(1)
			Sales	168,479	-	90 days	-	-	76,507	-
			Purchase	316,708	-	90 days	-	-	(69,710)	-
			Purchase	458,395	-	30 days	-	-	(101,083)	(1)
			Purchase	200,142	-	30 days	-	-	(198,429)	(1)
			Purchase	523,607	-	30 days	-	-	(144,623)	(1)
			Sales	144,448	-	90 days	-	-	36,881	-
			Senao International Co., Ltd.	WiAdvance Technology Corporation Kingway tek Technology Co., Ltd.	Associate	124,998	-	30-60 days	-	-
Purchase	881,589	1			30-90 days	-	-	(295,597)	(2)	
Purchase	105,550	-			60 days	-	-	(3,927)	-	
Purchase	118,737	-			30 days	-	-	(21,395)	-	
Sales	407,324	1			60 days	-	-	18,737	1	
CHIEF Telecom Inc.	So-net Entertainment Taiwan Limited	Purchase	191,608	1	30 days	-	-	(6,031)	-	
		Sales	143,085	5	30 days	-	-	24,361	11	
		Sales	103,983	-	30 days	-	-	858	-	
Chungghwa Precision Test Tech. Co., Ltd.	Youth Co., Ltd. Su Zhou Precision Test Tech. Ltd.	Sales	258,535	9	90 days	-	-	87,497	15	

Note 1: Purchases include costs to acquire services.

Note 2: Notes and accounts receivable did not include the amounts collected for others and other receivables.

Note 3: Transaction terms with related parties were determined in accordance with mutual agreements when there were no similar transactions with third parties. Other transactions with related parties were not significantly different from those with third parties.

CHUNGHWA TELECOM CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate (Note)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Chunghwa Telecom Co., Ltd.	Senao International Co., Ltd.	Subsidiary	\$ 369,162	10.74	\$ -	-	\$ 93,361	\$ -
Senao International Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	1,016,594	8.15	-	-	189,841	-
Chunghwa System Integration Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	703,045	3.47	-	-	382,623	-
Honghwa International Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	1,251,519	6.89	-	-	253,994	-
CHT Security Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	101,049	4.25	-	-	61,094	-
International Integrated Systems, Inc.	Chunghwa Telecom Co., Ltd.	Parent company	144,623	6.55	-	-	107,392	-
Donghwa Telecom Co., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	130,971	7.36	-	-	89,945	-
Chunghwa Telecom Singapore Pte., Ltd.	Chunghwa Telecom Co., Ltd.	Parent company	198,381	9.54	-	-	192,905	-
Chunghwa Precision Test Tech. Co., Ltd.	Su Zhou Precision Test Tech. Ltd.	Subsidiary	87,497	4.06	-	-	8,940	-

Note: Payments and receipts collected in trust for others are excluded from the accounts receivable in calculating the turnover rate.

CHUNGHWA TELECOM CO., LTD.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 YEAR ENDED DECEMBER 31, 2023
 (Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
Chungghwa Telecom Co., Ltd.	Senao International Co., Ltd.	Taiwan	Handset and peripherals retailer; sales of CHT mobile phone plans as an agent	\$ 1,065,813	\$ 1,065,813	71,773	28	\$ 705,677	\$ 190,662	Subsidiary (Note 3)
	Light Era Development Co., Ltd.	Taiwan	Planning and development of real estate and intelligent buildings, and property management	3,000,000	3,000,000	300,000	100	9,978	11,050	Subsidiary
	Dongghwa Telecom Co., Ltd.	Hong Kong	International private leased circuit, IP VPN service, and IP transit services	691,163	691,163	178,590	100	60,659	60,659	Subsidiary
	Chungghwa Telecom Singapore Pte., Ltd.	Singapore	International private leased circuit, IP VPN service, and IP transit services	574,112	574,112	26,383	100	219,513	219,585	Subsidiary
	Chungghwa System Integration Co., Ltd.	Taiwan	Providing system integration services and telecommunications equipment	838,506	838,506	60,000	100	37,870	7,052	Subsidiary
	CHIEF Telecom Inc.	Taiwan	Network integration, internet data center ("IDC"), communications integration and cloud application services	459,652	459,652	43,368	56	921,112	529,458	Subsidiary
	Chungghwa Investment Co., Ltd.	Taiwan	Investment	639,559	639,559	68,085	89	390	503	Subsidiary
	Prime Asia Investments Group Ltd.	British Virgin Islands	Investment	385,274	385,274	1	100	7,652	7,652	Subsidiary
	Hongghwa International Co., Ltd.	Taiwan	Telecommunication engineering, sales agent of mobile phone plan application and other business services, etc.	180,000	180,000	18,000	100	473,167	461,064	Subsidiary (Note 3)
	CHYP Multimedia Marketing & Communications Co., Ltd.	Taiwan	Digital information supply services and advertisement services	150,000	150,000	15,000	100	23,305	23,676	Subsidiary
	Chungghwa Telecom Vietnam Co., Ltd.	Vietnam	Intelligent energy saving solutions, international circuit, and information and communication technology ("ICT") services	148,275	148,275	-	100	(27,098)	(27,098)	Subsidiary
	Chungghwa Telecom Global, Inc.	United States	International private leased circuit, internet services, and transit services	70,429	70,429	6,000	100	113,316	113,392	Subsidiary
	CHT Security Co., Ltd.	Taiwan	Computing equipment installation, wholesale of computing and business machinery equipment and software, management consulting services, data processing services, digital information supply services and internet identity services	240,000	240,000	24,000	69	269,509	181,426	Subsidiary
	Chungghwa Telecom (Thailand) Co., Ltd.	Thailand	International private leased circuit, IP VPN service, ICT and cloud VAS services	119,624	119,624	1,300	100	6,961	6,961	Subsidiary
	Spring House Entertainment Tech. Inc.	Taiwan	Software design services, internet contents production and play, and motion picture production and distribution	62,209	62,209	8,251	56	37,740	21,150	Subsidiary
	Chungghwa leading Photonics Tech Co., Ltd.	Taiwan	Production and sale of electronic components and finished products	70,500	70,500	7,050	75	42,509	31,732	Subsidiary
	Smartfun Digital Co., Ltd.	Taiwan	Providing diversified family education digital services	65,000	65,000	6,500	65	17,938	11,945	Subsidiary
	Chungghwa Telecom Japan Co., Ltd.	Japan	International private leased circuit, IP VPN service, and IP transit services	17,291	17,291	1	100	40,503	40,503	Subsidiary
	Chungghwa Sochamp Technology Inc.	Taiwan	Design, development and production of Automatic License Plate Recognition software and hardware	20,400	20,400	2,040	37	(13,324)	(5,505)	Subsidiary
	International Integrated Systems, Inc.	Taiwan	IT solution provider, IT application consultation, system integration and package solution	517,423	517,423	37,211	51	168,655	95,518	Subsidiary
	Viettel-CHT Co., Ltd.	Vietnam	IDC services	288,327	288,327	-	30	335,738	100,722	Associate

(Continued)

CHUNGHWA TELECOM CO., LTD.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
Senao International Co., Ltd.	Taiwan International Standard Electronics Co., Ltd.	Taiwan	Manufacturing, selling, designing, and maintaining of telecommunications systems and equipment	\$ 164,000	\$ 164,000	1,760	40	\$ 197,896	\$ 86,631	Associate
	KKBOX Taiwan Co., Ltd.	Taiwan	Providing of music on-line, software, electronic information, and advertisement services	67,025	67,025	4,438	30	(34,743)	(10,423)	Associate
	So-net Entertainment Taiwan Limited	Taiwan	Online service and sale of computer hardware	120,008	120,008	9,429	30	(5,609)	(1,683)	Associate
	KingwayTek Technology Co., Ltd.	Taiwan	Design and sale of digital map, technical support for computer peripherals device, design and development of system programming projects	66,684	66,684	11,563	23	60,948	13,993	Associate
	Taiwan International Ports Logistics Corporation	Taiwan	Import and export storage, logistic warehouse, and ocean shipping service	80,000	80,000	8,000	27	129,253	34,470	Associate
	Chungghwa PChome Fund I Co., Ltd.	Taiwan	Investment, venture capital, investment advisor, management consultant and other consultancy service	200,000	200,000	20,000	50	(22,272)	(11,136)	Associate
	Cornerstone Ventures Co., Ltd.	Taiwan	Investment, venture capital, investment advisor, management consultant and other consultancy service	4,900	4,900	490	49	1,492	731	Associate
	Next Commercial Bank Co., Ltd.	Taiwan	Investment banking business	5,733,847	4,190,000	462,643	46	(968,614)	(403,264)	Associate
	Chungghwa SEA Holdings	Taiwan	Investment business	10,200	10,200	1,020	51	(420)	(214)	Joint venture
	WiAdvance Technology Corporation	Taiwan	Software solution integration	273,800	273,800	3,700	19	(50,275)	(16,140)	Associate
Senao International Co., Ltd.	Senao Networks, Inc.	Taiwan	Telecommunication facilities manufactures and sales	202,758	202,758	16,579	34	828,373	279,930	Associate
	Senao International (Samoa) Holding Ltd.	Samoa Islands	International investment	-	2,046,143	-	-	506	506	Subsidiary (Note 5)
	Youth Co., Ltd.	Taiwan	Sale of information and communication technologies products	427,850	427,850	14,752	96	(2,969)	(10,953)	Subsidiary
	Aval Technologies Co., Ltd.	Taiwan	Sale of information and communication technologies products	89,550	89,550	12,555	100	7,898	7,901	Subsidiary
	Senyoung Insurance Agent Co., Ltd.	Taiwan	Property and liability insurance agency	59,000	59,000	8,909	100	26,433	26,433	Subsidiary
	Unigate Telecom Inc.	Taiwan	Telecommunications and internet service	2,000	2,000	200	100	120	120	Subsidiary
	Chief International Corp.	Samoa Islands	Telecommunications and internet service	6,068	6,068	200	100	10,085	10,085	Subsidiary
	ST-2 Satellite Ventures Pte., Ltd.	Singapore	Operation of ST-2 telecommunications satellite	21,309	21,309	943	38	483,704	184,438	Associate
	CHT Infinity Singapore Pte. Ltd.	Singapore	Investment business	55,720	55,720	2,000	40	(5,355)	(2,142)	Associate
	Chungghwa Precision Test Tech. Co., Ltd.	Taiwan	Production and sale of semiconductor testing components and printed circuit board	178,608	178,608	11,230	34	32,601	11,166	Subsidiary
Chungghwa Telecom Singapore Pte., Ltd.	CHIEF Telecom Inc.	Taiwan	Network integration, internet data center ("IDC"), communications integration and cloud application services	19,064	19,064	2,286	3	921,112	27,040	Associate
	Senao International Co., Ltd.	Taiwan	Selling and maintaining mobile phones and its peripheral products	49,731	49,731	1,001	-	45,607	2,735	Associate
	AgriTalk Technology Inc.	Taiwan	Providing smart agricultural solutions	65,175	65,175	3,300	29	(14,784)	(3,940)	Associate
	Imediac Co., Ltd.	Taiwan	scientific-agricultural product, biological inhibitor, and biochips	59,467	48,000	1,189	7	(64,615)	(5,495)	Associate

(Continued)

CHUNGHWA TELECOM CO., LTD.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEs IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023		Net Income (Loss) of the Investee	Recognized Gain (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage of Ownership (%)			
Chungghwa Precision Test Tech. Co., Ltd.	Chungghwa Precision Test Tech USA Corporation	United States	Design and after-sale services of semiconductor testing components and printed circuit board	\$ 74,192	\$ 74,192	2,600	100	\$ 1,561	\$ 1,561	Subsidiary
	CHPT Japan Co., Ltd.	Japan	Related services of electronic parts, machinery processed products and printed circuit board	2,008	2,008	1	100	113	113	Subsidiary
	Chungghwa Precision Test Tech. International, Ltd.	Samoa Islands	Wholesale and retail of electronic materials, and investment	173,649	173,649	5,700	100	727	1,445	Subsidiary
	TestPro Investment Co., Ltd.	Taiwan	Investment	135,000	135,000	13,500	100	(35,024)	(34,392)	Subsidiary
TestPro Investment Co., Ltd.	NavCore Tech. Co., Ltd.	Taiwan	Sale and manufacturing of smart equipment, smart factory software and hardware integration and technical consulting service	108,500	108,500	10,850	54	(64,672)	(35,085)	Subsidiary
Prime Asia Investments Group, Ltd.	Chungghwa Hsingta Co., Ltd.	Hong Kong	Investment	375,274	375,274	1	100	7,632	7,632	Subsidiary
Senao International (Samoa) Holding Ltd.	Senao International HK Limited	Hong Kong	International investment	-	2,060,467	-	-	-	-	Subsidiary (Note 6)
Youyi Co., Ltd.	ISPOOT Co., Ltd.	Taiwan	Sale of information and communication technologies products	53,021	53,021	-	100	1,117	925	Subsidiary
	Youyi Co., Ltd.	Taiwan	Maintenance of information and communication technologies products	-	21,354	-	-	(4,081)	(4,236)	Subsidiary (Note 7)
Aval Technologies Co., Ltd.	Win Technology Co., Ltd.	Taiwan	Sale of information and communication technologies products	29,550	29,550	4,418	100	3,440	3,440	Subsidiary
Senyoung Insurance Agent Co., Ltd.	SenaoLife Insurance Agent Co., Ltd.	Taiwan	Life insurance services	-	29,500	-	-	(2,013)	(2,013)	Subsidiary (Note 8)
CHYP Multimedia Marketing & Communications Co., Ltd	Click Force Marketing Company	Taiwan	Advertisement services	44,607	44,607	1,715	49	10,371	5,126	Associate
International Integrated Systems, Inc.	Infoexplorer International Co., Ltd.	Samoa	Investment	-	24,806	-	-	1,178	1,178	Subsidiary (Note 9)
	Unitronics Technology Corp.	Taiwan	Development and maintenance of information system	55,610	55,569	5,067	100	(4,340)	(4,341)	Subsidiary
Infoexplorer International Co., Ltd.	International Integrated Systems (Hong Kong) Limited	Hong Kong	Investment and engaging in technical consulting service	-	24,336	-	-	24	24	Subsidiary (Note 10)
CHT Security Co., Ltd.	Baohwa Trust Co., Ltd.	Taiwan	VR integration and AIoT security services	20,000	20,000	2,000	25	(21,828)	(8,230)	Associate

Note 1: The amounts were based on audited financial statements.

Note 2: Recognized gain (loss) of investees includes amortization of differences between the investment cost and net value and elimination of unrealized transactions.

Note 3: Recognized gain (loss) and carrying value of the investees did not include the adjustment of the difference between the accounting treatment on standalone basis and consolidated basis as a result of the application of IFRS 15.

Note 4: Investments in mainland China are included in Table 6.

Note 5: SIS completed its liquidation in September 2023.

Note 6: SHHK completed its liquidation in July 2023.

Note 7: Youyi Co., Ltd. completed its liquidation in November 2023.

Note 8: The merger between SENYOUNG and SenaoLife was completed on May 1, 2023, the merger completion date, with SENYOUNG being the surviving company.

Note 9: IESA completed its liquidation in September 2023.

Note 10: IEHK completed its liquidation in June 2023.

(Concluded)

CHUNGHWA TELECOM CO., LTD.

INVESTMENTS IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

Investee	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023	Note
					Outflow	Inflow							
Senao International Trading (Shanghai) Co., Ltd.	Sale of information and communication technologies products	\$ 955,838	2	\$ 955,838	\$ -	\$ 34,279	\$ 921,559	\$ -	100	\$ -	\$ -	\$ -	Note 7
Chunghwa Telecom (China) Co., Ltd.	Integrated information and communication solution services for enterprise clients, and intelligent energy network service	177,176	2	177,176	-	-	177,176	-	100	-	-	-	Note 8
Jiangsu Zhenghua Information Technology Company, LLC	Providing intelligent energy saving solution and intelligent buildings services	189,410	2	142,057	-	-	142,057	-	75	-	-	-	Note 9
Shanghai Taihua Electronic Technology Limited	Design of printed circuit board and related consultation service	51,233	2	51,233	-	-	51,233	(1,026)	100	(1,026)	8,070	-	
Su Zhou Precision Test Tech. Ltd.	Assembly processed of circuit board, design of printed circuit board and related consultation service	119,199	2	119,199	-	-	119,199	1,649	100	1,649	161,792	-	
Shanghai Chief Telecom Co., Ltd.	Telecommunications and internet service	10,150	1	4,973	-	-	4,973	946	49	464	9,349	5,418	

(Continued)

Investee	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
Chunghwa Telecom Co., Ltd. (Note 3)	\$ 319,233	\$ 319,233	\$236,942,604
SENAO and its subsidiaries (Note 4)	921,559	2,013,579	3,855,121
Chunghwa Precision Test Tech. Co., Ltd. and its subsidiaries (Note 5)	170,432	216,185	4,544,114
CHIEF Telecom Inc. and its subsidiaries (Note 6)	4,973	4,973	2,169,180

Note 1: Investments are divided into three categories as follows:

- a. Direct investment.
- b. Investments through a holding company registered in a third region.
- c. Others.

Note 2: The amounts were calculated based on the investee's reviewed financial statements.

Note 3: Chunghwa Telecom Co., Ltd. was calculated based on the consolidated net assets value of Chunghwa Telecom Co., Ltd.

Note 4: Senao International Co., Ltd. and its subsidiaries were calculated based on the consolidated net assets value of Senao International Co., Ltd.

Note 5: Chunghwa Precision Test Tech. Co., Ltd. and its subsidiaries were calculated based on the consolidated net assets value of Chunghwa Precision Test Tech. Co., Ltd.

Note 6: CHIEF Telecom Inc. and its subsidiaries were calculated based on the consolidated net assets value of CHIEF Telecom Inc.

Note 7: Senao International Trading (Shanghai) Co., Ltd. completed its liquidation in April 2021.

Note 8: Chunghwa Telecom (China) Co., Ltd. completed its liquidation in October 2022.

Note 9: Jiangsu Zhenhua Information Technology Company, LLC. completed its liquidation in December 2018.

(Concluded)

TABLE 8

CHUNGHWA TELECOM CO., LTD.
INFORMATION OF MAJOR STOCKHOLDERS
DECEMBER 31, 2023

Name of Major Stockholders	Shares	
	Number of Shares	Percentage of Ownership (%)
Ministry of Transportation and Communications	2,737,718,976	35.29

Note: This table presents information provided by the Taiwan Depository & Clearing Corporation on stockholders holding greater than 5% of Chungghwa's dematerialized securities that have completed the process of registration and delivery by book-entry transfer as of the last business day for the current quarter.

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STATEMENT 1

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Period	Annual Interest Rate / Earnings Rate	Amount
Cash			
Cash on hand			\$ 136,439
Bank deposits			341,821
Checking deposits			<u>2,599,742</u>
Demand deposits			<u>3,078,002</u>
Cash equivalents			
Commercial paper			
China Bills Finance Corporation	2023.12.06~2024.01.29	1.33%	2,622,967
Grand Bills Finance Corporation	2023.12.06~2024.01.26	1.31%~1.33%	2,566,940
Taiwan Cooperative Bills Finance Corporation	2023.12.08~2024.01.26	1.33%	1,606,597
Dah Chung Bills Finance Corporation	2023.12.13~2024.01.26	1.33%	1,598,016
Mega Bills Finance Co., Ltd.	2023.12.27~2024.01.29	1.33%	1,356,278
Taishin International Bank Co., Ltd	2023.12.04~2024.01.12	1.32%~1.33%	1,045,834
Taiwan Finance Corporation International Bills Finance Corporation	2023.12.29~2024.01.26	1.33%	988,256
CTBC Bank Co., Ltd.	2023.12.13~2024.01.12	1.33%	798,181
Ta Ching Bills Finance Corporation	2023.12.08~2024.01.08	1.33%	678,898
	2023.12.04~2024.01.02	1.32%	<u>518,973</u>
Negotiable certificates of deposit			<u>13,780,940</u>
Stimulus Vouchers	2023.10.27~2024.01.19	1.38%	<u>5,900,000</u>
			<u>280</u>
			<u>19,681,220</u>
			<u>\$ 22,759,222</u>

Note: Including USD6,613 thousand @30.71 and EUR1,796 thousand @33.98.

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-NONCURRENT

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Balance, December 31, 2023		Note
	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount	Shares (In Thousand)	Percentage of Ownership (%)	Amount
Financial assets at fair value through profit or loss									
Taiwania Capital Buffalo Fund Co., Ltd.	555,600	\$ 567,203	-	\$ -	-	\$ 54,185	555,600	12.90	\$ 513,018
TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	20,000	191,109	-	-	-	590	20,000	9.17	190,519
Innovation Works Development Fund, L.P.	-	102,648	-	-	-	29,369	-	4.44	73,279
Taiwania Capital Buffalo Fund VI, L.P.	-	93,114	-	100,000	-	10,436	-	10.00	182,678
Film and drama investing agreements	-	24,122	-	33,171	-	32,988	-	-	24,305
		<u>\$ 978,196</u>		<u>\$ 133,171</u>		<u>\$ 127,568</u>			<u>\$ 983,799</u>

Note 1: Decrease in investment was fair value adjustments.

Note 2: Additions in investment were the investment in a new company.

Note 3: Decrease in investment was cash refund from capital reduction.

STATEMENT 3

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF TRADE NOTES AND ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Mobile broadband services revenue	\$ 7,532,031
Project services revenue	4,289,215
Leased line services revenue	3,186,614
Internet and value-added services revenue	2,354,593
Local telephone services revenue	1,820,789
Others (Note)	<u>3,397,514</u>
	22,580,756
Less: Loss allowance	<u>(1,078,773)</u>
	<u>\$ 21,501,983</u>

Note: The amount of individual item included in others does not exceed 5% of the account balance.

STATEMENT 4

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Market Price (Note)
Merchandise	\$ 1,649,839	\$ 1,960,323
Project in process	<u>3,906,552</u>	<u>6,370,362</u>
	<u>\$ 5,556,391</u>	<u>\$ 8,330,685</u>

Note: Amount of net realizable value.

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME-NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Balance, December 31, 2023		Note
	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount	Shares (In Thousand)	Percentage of Ownership (%)	Amount
Financial assets at fair value through other comprehensive income									
Non-listed stocks									
Taipei Financial Center Corp.	172,927	\$ 3,008,391	-	\$ 635,201	-	\$ -	172,927	11.76	\$ 3,643,592
KKCompany Technologies Inc.	-	-	2,762	292,416	-	-	2,762	1.68	292,416
4 Gamers Entertainment Inc.	136	115,416	-	21,786	-	-	136	19.93	137,202
Industrial Bank of Taiwan II Venture Capital Co., Ltd. (IBT II)	5,252	13,412	-	3,843	-	-	5,252	16.67	17,255
Innovation Works Limited	1,000	2,401	-	6,219	-	3,326	1,000	1.93	5,294
Taiwan mobile payment Co., Ltd.	1,200	4,246	-	116	-	-	1,200	2.00	4,362
Global Mobile Corp.	7,617	-	-	-	-	-	7,617	2.76	-
RPTI Intergruop International Ltd.	4,765	-	-	-	-	-	4,765	10.19	-
		<u>\$ 3,143,866</u>		<u>\$ 959,581</u>		<u>\$ 3,326</u>			<u>\$ 4,100,121</u>

Note 1: Change in investment was fair value adjustments.

Note 2: Addition in investment was fair value adjustments.

Note 3: Decrease in investment was cash refund from capital reduction.

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investee Company	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Increase (Decrease) in Using the Equity Method	Balance, December 31, 2023		Market Value/Net Asset Value	Note
	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount	Shares (In Thousand)	Amount		Shares (In Thousand)	Percentage of Ownership (%)	Amount	
Investments accounted for using equity method											
Subsidiaries											
Listed stocks											
Senao International Co., Ltd.	71,773	\$ 56,695	-	\$ -	-	-	\$ 82,230	71,773	28	\$ (18,976)	Notes 2 and 3
CHIEF Telecom Inc.	39,426	1,983,440	3,942	-	-	-	532,513	43,368	56	2,161,121	Notes 2, 3 and 4
Non-listed stocks											
Light Era Development Co., Ltd.	300,000	3,839,742	-	-	-	-	11,050	300,000	100	3,831,897	Notes 1 and 3
Chungghwa Investment Co., Ltd.	68,085	3,176,735	-	-	-	-	(25,738)	68,085	89	3,055,678	Notes 1 and 3
Chungghwa Telecom Singapore Pte., Ltd.	26,383	1,120,634	-	-	-	-	213,321	26,383	100	1,182,985	Notes 1 and 3
Dongghwa Telecom Co., Ltd.	178,590	707,721	-	-	-	-	58,265	178,590	100	765,986	Note 1
Hongghwa International Co., Ltd.	18,000	730,084	-	-	-	-	459,413	18,000	100	741,619	Notes 1 and 3
Chungghwa Telecom Global, Inc.	6,000	597,080	-	-	-	-	111,631	6,000	100	708,711	Note 1
Chungghwa System Integration Co., Ltd.	60,000	718,130	-	-	-	-	7,226	60,000	100	694,245	Notes 1 and 3
International Integrated Systems, Inc.	37,211	642,709	-	-	-	-	94,778	37,211	51	663,066	Notes 1 and 3
CHT Security Co., Ltd.	24,000	405,032	-	-	-	-	186,671	24,000	69	528,325	Notes 1 and 3
CHYP Multimedia Marketing & Communications Co., Ltd.	15,000	204,188	-	-	-	-	23,676	15,000	100	207,797	Notes 1 and 3
Chungghwa Leading Photonics Tech Co., Ltd.	7,050	150,071	-	-	-	-	31,657	7,050	75	167,628	Notes 1 and 3
Prime Asia Investments Group Ltd.	1	162,922	-	-	-	-	4,519	1	100	167,441	Note 1
Spring House Entertainment Tech. Inc.	8,251	158,406	-	-	-	-	21,238	8,251	56	164,793	Notes 1 and 3
Chungghwa Telecom Japan Co., Ltd.	1	124,400	-	-	-	-	31,473	1	100	155,873	Note 1
Chungghwa Telecom (Thailand) Co., Ltd.	1,300	114,611	-	-	-	-	7,945	1,300	100	122,556	Note 1
Smartfun Digital Co., Ltd.	6,500	81,764	-	-	-	-	11,945	6,500	65	82,314	Notes 1 and 3
Chungghwa Telecom Vietnam Co., Ltd.	-	103,508	-	-	-	-	(29,467)	-	100	74,041	Note 1
Chungghwa Sochiamp Technology Inc.	2,040	(2,217)	-	-	-	-	(5,505)	2,040	37	(7,722)	Note 1
		15,075,655		1,517,278		-	1,828,841			15,387,218	
Associates											
Listed stocks											
Kingway/Tek Technology Co., Ltd.	10,512	267,125	1,051	-	-	-	12,317	11,563	23	266,407	Notes 2, 3 and 4
Non-listed stocks											
Next Commercial Bank Co., Ltd.	419,000	3,173,309	154,385	1,543,847	110,742	-	(423,818)	462,643	46	4,293,338	Notes 1, 5 and 6
Vietel-CHT Co., Ltd.	-	558,532	-	-	-	-	83,303	-	30	542,178	Notes 1 and 3
Taiwan International Standard Electronics Co., Ltd.	1,760	296,501	-	-	-	-	94,678	1,760	40	312,800	Notes 1 and 3
Chungghwa PChome Fund I Co., Ltd.	20,000	277,776	-	-	-	-	(11,136)	20,000	50	257,657	Notes 1 and 3
So-net Entertainment Taiwan Limited	9,429	228,184	-	-	-	-	(2,487)	9,429	30	225,697	Note 1
WiAdvance Technology Corporation	3,700	227,868	-	-	-	-	(15,767)	3,700	19	212,101	Notes 1 and 3
KKBOX Taiwan Co., Ltd.	4,438	173,634	-	-	-	-	(9,635)	4,438	30	163,999	Note 1
Taiwan International Ports Logistics Corporation	8,000	101,078	-	-	-	-	34,470	8,000	27	121,948	Notes 1 and 3
Cornerstone Ventures Co., Ltd.	490	6,743	-	-	-	-	731	490	49	7,474	Note 1
		5,310,750		1,543,847		-	(237,344)			6,403,599	
Joint Ventures											
Non-listed stocks											
Chungghwa SEA Holdings	1,020	9,677	-	-	-	-	(214)	1,020	51	9,463	Note 1
		20,396,082		1,543,847		-	1,591,283			21,800,280	

Note 1: The amounts of net asset value were based on audited financial statements.

Note 2: Fair value was based on the closing price on the last trading day of the reporting period.

Note 3: Decrease in investment was cash dividends received.

Note 4: Additions in shares of investment was stock dividends received.

Note 5: Decrease in shares of investment was the investee company reduced its capital to offset accumulated deficits.

Note 6: Increase in investment was participating in the capital increase of investee company.

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF TRADE NOTES AND ACCOUNTS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Payable of spare parts for equipment	\$ 3,161,697
Payable of products	674,785
Others (Note)	<u>6,718,315</u>
	<u>\$10,554,797</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

STATEMENT 7

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Cost	Land and Buildings (Handsets Base Stations)	Land and Buildings (Others)	Equipment	Total
Balance on January 1, 2023	\$ 17,661,233	\$ 1,957,919	\$ 4,113,681	\$ 23,732,833
Additions	3,495,053	187,482	30,361	3,712,896
Decreases	<u>(492,811)</u>	<u>(89,539)</u>	<u>(13,546)</u>	<u>(595,896)</u>
Balance on December 31, 2023	<u>\$ 20,663,475</u>	<u>\$ 2,055,862</u>	<u>\$ 4,130,496</u>	<u>\$ 26,849,833</u>
Accumulated depreciation and impairment				
Balance on January 1, 2023	\$ 10,484,388	\$ 789,606	\$ 1,925,820	\$ 13,199,814
Depreciation expenses	2,940,005	370,565	332,309	3,642,879
Decreases	<u>(342,324)</u>	<u>(85,781)</u>	<u>(13,492)</u>	<u>(441,597)</u>
Balance on December 31, 2023	<u>\$ 13,082,069</u>	<u>\$ 1,074,390</u>	<u>\$ 2,244,637</u>	<u>\$ 16,401,096</u>
Balance on January 1, 2023, net	<u>\$ 7,176,845</u>	<u>\$ 1,168,313</u>	<u>\$ 2,187,861</u>	<u>\$ 10,533,019</u>
Balance on December 31, 2023, net	<u>\$ 7,581,406</u>	<u>\$ 981,472</u>	<u>\$ 1,885,859</u>	<u>\$ 10,448,737</u>

CHUNGHWA TELECOM CO., LTD.
**STATEMENT OF BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Bond Name	Trustee	Issuance Period	Repayment of the Principal and Interest Payment Date	Coupon Rate (%)	Total Amount	Repayments Made	Balance at December 31, 2023	Balance of unamortized discount	Carrying Value	Guarantee
Unsecured domestic bonds	Bank of Taiwan	2020.07~2025.07	Interest payable in July annually and one-time repayment upon maturity	0.50	\$ 8,800,000	\$ -	\$ 8,800,000	\$ (2,985)	\$ 8,797,015	None
	Bank of Taiwan	2020.07~2027.07	Interest payable in July annually and one-time repayment upon maturity	0.54	7,500,000	-	7,500,000	(4,104)	7,495,896	None
	Bank of Taiwan	2020.07~2030.07	Interest payable in July annually and one-time repayment upon maturity	0.59	3,700,000	-	3,700,000	(2,606)	3,697,394	None
	Bank of Taiwan	2021.04~2026.04	Interest payable in April annually and one-time repayment upon maturity	0.42	1,900,000	-	1,900,000	(982)	1,899,018	None
	Bank of Taiwan	2021.04~2028.04	Interest payable in April annually and one-time repayment upon maturity	0.46	4,100,000	-	4,100,000	(2,808)	4,097,192	None
	Bank of Taiwan	2021.04~2031.04	Interest payable in April annually and one-time repayment upon maturity	0.50	1,000,000	-	1,000,000	(814)	999,186	None
	Bank of Taiwan	2022.03~2027.03	Interest payable in March annually and one-time repayment upon maturity	0.69	3,500,000	-	3,500,000	(2,935)	3,497,065	None
					<u>\$ 30,500,000</u>	<u>\$ -</u>	<u>\$ 30,500,000</u>	<u>\$ (17,234)</u>	<u>\$ 30,482,766</u>	

STATEMENT 10

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Period	Discount Rate (%)	Amount
Land and buildings			
Handsets base stations	1~20 years	0.37~1.84	\$ 7,310,876
Others	1~30 years	0.37~1.88	1,005,324
Equipment	1~8 years	0.37~1.42	<u>1,870,810</u>
			10,187,010
Less: Lease Liabilities-current			<u>(3,127,254)</u>
Lease Liabilities-noncurrent			<u>\$ 7,059,756</u>

STATEMENT 11

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Depreciation	\$ 30,379,815
Cost of products	17,208,346
Amortization	12,618,172
Salaries	9,209,159
Repair, maintenance and warranty expenses	6,491,309
Compensation	5,975,547
Others (Note)	<u>36,223,918</u>
	<u>\$ 118,106,266</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

STATEMENT 12

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Marketing	General and Administrative	Research and Development	Expected Credit Loss	Total
Salaries	\$ 5,674,812	\$ 1,516,762	\$ 1,136,057	\$ -	\$ 8,327,631
Compensation	3,777,940	995,399	754,993	-	5,528,332
Professional service fee	2,303,203	401,242	371,503	-	3,075,948
Welfare fee	1,136,710	278,030	206,090	-	1,620,830
Depreciation	731,068	489,611	128,845	-	1,349,524
Marketing and promotion expenses	1,014,886	-	-	-	1,014,886
Expected credit loss	-	-	-	131,417	131,417
Others (Note)	3,550,431	1,649,344	304,742	-	5,504,517
	<u>\$ 18,189,050</u>	<u>\$ 5,330,388</u>	<u>\$ 2,902,230</u>	<u>\$ 131,417</u>	<u>\$ 26,553,085</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

STATEMENT 13

CHUNGHWA TELECOM CO., LTD.

STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Operating Costs	Classified as Operating Expenses
Employee benefit expenses				
Salaries	\$ 9,209,159	\$ 8,327,631	\$ 17,536,790	\$ 8,505,774
Insurance	1,084,665	950,447	2,035,112	910,003
Pension	747,241	679,524	1,426,765	686,134
Remuneration to directors	-	45,475	-	45,018
Others	6,782,602	6,301,461	6,665,712	6,005,635
	<u>\$ 17,823,667</u>	<u>\$ 16,304,538</u>	<u>\$ 34,128,205</u>	<u>\$ 16,152,564</u>
Depreciation	<u>\$ 30,379,815</u>	<u>\$ 1,349,524</u>	<u>\$ 31,729,339</u>	<u>\$ 1,356,228</u>
Amortization	<u>\$ 12,618,172</u>	<u>\$ 109,705</u>	<u>\$ 12,727,877</u>	<u>\$ 112,862</u>
			<u>\$ 30,281,487</u>	<u>\$ 31,637,715</u>
			<u>\$ 12,220,683</u>	<u>\$ 12,333,545</u>

Note 1: The average numbers of the Company's employees were 19,922 and 19,882 including 10 non-employee directors in 2023 and 2022, respectively.

Note 2: The average employee benefits expense were \$1,712 thousand and \$1,724 thousand for the years ended December 31, 2023 and 2022, respectively. (Which refers to [total employee benefits-total directors' remuneration] divided by [number of employees-number of non-employee directors].)

Note 3: The average salary expenses were \$881 thousand and \$913 thousand for the years ended December 31, 2023 and 2022, respectively. (Which refers to [salary expenses] divided by [number of employees-number of non-employee directors]). The change of average salary expenses is approximately 3.5%.

Note 4: The Company does not have supervisors; therefore, there is no remuneration to supervisors.

Note 5: The remuneration policies for directors, management personnel, and employees were as follows:

- a. General directors and independent directors:
 - (i) Fixed remuneration is based on monthly basis resolved by the Board of Directors.
 - (ii) Floating remuneration is based on distribution stated in the Company's Articles of Incorporation. Please refer to Note 27(7) for details. Independent directors are excluded from the aforementioned distribution.
- b. The remuneration to management personnel is based on the executive performance management and guidelines which are linked to the Company's performance, business unit performance and personal performance. In addition, the result of ESG sustainable development is taken into consideration for the floating remuneration.
- c. Compensation to employees is based on the Company's salary guidance.
- d. The remuneration to directors and management personnel are evaluated regularly and determined by the compensation committee of the Company.

Note 6: The Company's salary expenses refer to recurring grants such as base salary, job premiums, and overtime pay, etc.

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永遠走在最前面 Always Ahead



中華電信股份有限公司

董事長 郭水義



總經理 林昭陽



This English-version annual report is a summary translation of the Chinese version.
If there is any discrepancy between the English and Chinese version, the Chinese version shall prevail.