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## **Chunghwa Telecom Co., Ltd.**

### **2018 Annual General Meeting Minutes**

**I. Time:** June 15, 2018, at 9:00 a.m.

**II. Venue:** No. 168, Minzu Road, Banchiao District, New Taipei City, Taiwan, R.O.C.  
(Chunghwa Telecom Training Institute)

**III. Number of shares represented by shareholders present:** Shares represented by the shareholders in attendance or by proxies totaled 6,225,087,442 (including the 6,203,646,090 shares represented by the shareholders exercising voting rights through e-voting), accounting for 80.24% of the total shares issued by the Company, i.e. 7,757,446,545 shares.

**IV. Chairman:** Yu Cheng, Chairman and CEO                      Minute taker: Hsiu-Chuan Lee

**Directors:** Yu Cheng, Chi-Mao Sheih, Lo-Yu Yen (independent director), Shin-Yi Chang, Yi-Bing Lin, Wei-Ming Chang, Chin-Tsai Pan, JenRan Chen (independent director)

**Attendees:** Chih-Poung Liou, Formosan Brothers Attorneys-at-Law  
Su-Yin Liu, Formosan Brothers Attorneys-at-Law  
Ching Pin Shih, CPA, Deloitte & Touche Taiwan

**V. Chairman's address:** (omitted)

#### **VI. Report Items**

1. The Company's 2017 business report (Exhibit 1 of the Minutes).
2. 2017 audit committee's audit report concerning the Company's financial statements (Exhibit 2 of the Minutes).
3. Report on 2017 compensation distribution to directors and employees (Exhibit 3 of the Minutes)
4. Report on enacting Corporate Social Responsibility Best Practice Principles (Exhibit 4 of the Minutes)

Chairman: Each shareholder is hereby informed of the said reports.

#### Summary of Shareholders' Statements:

Shareholders (Account No.: 41207/ 47650/ 8009012/ 656118/ 42213/ 38175/ 48262/ 652216/ 47975/ 561092/ 40516/ 105273/ 45174/ 48837/ 257089/ 88071/ 635009/ 89891/ 28139/ 13421/ 210165/ 36977/ 39267/ 40638/ 38209) made statements about:

The safety of the AGM venue; the bad debt in ICT projects for corporate customers; the rights and interests of employees affected by the 499 special promotion; the operation problem of MOD business; employees are unable to apply overtime through the HRM system six months before retirement; help to strive for the combination of working years served under Government Employee Insurance and Labor Insurance; the Company should negotiate with minor labor unions, the slow speed of FTTx; the implementation of workplace safety.

The Chairman and the persons designated by the Chairman responded to the above statements made by the said shareholders.

## **VII. Matters for Ratification**

### **1. Ratification of 2017 business report and financial statements (Proposed by the Board of Directors)**

#### Explanation:

- 1) The Company's 2017 financial statements (including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, please refer to Exhibit 6-9 and Exhibit 11-14 of the Minutes) have been audited by Hung Peng Lin and Ching Pin Shih of Deloitte & Touche, who have issued unqualified opinions in their audit reports (please refer to Exhibit 5 and Exhibit 10 of the Minutes). The financial statements and the business report (please refer to Exhibit 1 of the Minutes) were provided to the Audit Committee for audit. The Audit Committee found no unconformities and submitted their audit report (please refer to Exhibit 2 of the Minutes).
- 2) This proposal has been approved by the 11th meeting of the 8th Board of Directors on March 13, 2018.
- 3) The aforementioned statements and report are submitted to the annual general meeting for ratification.

#### Summary of Shareholder Statement:

Shareholders (Account No. 41207/ 47650/ 36977/ 38175/ 656118/ 40638) made statements about:

The independent directors' duties and functionalities; the impact and solution for bad debt; the dispute between the Data Communications Business Group of the Company and the employees; the Collective Agreement between the Company and the Union; the salary of the employee who also take the supervisor's responsibility, etc.

The Chairman and the persons designated by the Chairman responded to the above statements made by the said shareholders.

Resolution: voting results: 5,882,260,476 “for” votes, representing 94.49% of the shares present at the time of voting; 1,183,804 “against” votes; 341,643,162 “abstain/non-vote” votes; 0 “invalid” vote; the proposal proposed by the Board of Directors was ratified upon voting.

In accordance with Article 12 of "Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd", Shareholder Mr. Yu (Account No. 36977) requested further voting since there was no amendment to this proposal. The Lawyer elaborated that there was not necessary to do further voting under correct interpretation of Article 12. Besides, the dispute raised by the shareholder would be listed on the AGM minutes. Therefore, the Chairman determined that the proposal proposed by the Board of Directors was approved.

## **2. Ratification of 2017 earnings distribution proposal (Proposed by the Board of Directors)**

### Explanation:

- 1) The Company's 2017 financial statements have been finalized, and earnings shall be distributed as stipulated in the 2017 Earnings Distribution Proposal on the Exhibit 15. It is proposed that shareholders be issued cash dividends of NT\$37,204,713,630. Common stock shareholders will receive cash dividends of NT\$4.796 per share based on their number of shares held as recorded on the ex-dividend base day (specified below). The aforementioned cash dividends will be distributed to shareholders from the 2017 earnings as a priority.
- 2) Each shareholder's cash dividend shall be issued to the rounded-down full NT dollar (fractional amount ignored). After which, the Chairman shall be authorized to distribute or reallocate any remaining amount. The ex-dividend base date shall be July 29, 2018.
- 3) Should the Company's capital position change in the future, requiring adjustments in the cash distribution ratio, the Chairman shall be authorized to decide the change in the cash distribution ratio.
- 4) This proposal has been resolved by the 11th meeting of the 8th Board of Directors on March 13, 2018 and is hereby submitted to the Annual General Meeting of Shareholders for approval.

### Summary of Shareholder Statement:

Shareholders (Account No. 41207/ 36977/ 32400/ 40638) made statements about:

Employees' bonus can't be affected by the fine imposed by labor administration bureau; the solution for bad debt; the disclosure of the investment's P&L on MOD and Taipei-101; the controlling mechanism for the invested companies of Senao International Co., Ltd.; the suggestion to increase dividend payout ratio, etc..

The Chairman and the persons designated by the Chairman responded to the above statements made by the said shareholders.

### The amended proposal by shareholders:

Proposal 1: Shareholder Mr. Chen (Account No. 32400) proposed to increase the cash dividend distribution to NT\$5.01 per share.

Resolution: voting results: 5,890,363,909 “for” votes, representing 94.62% of the shares present at the time of voting; 1,406,771 “against” votes; 333,316,762 “abstain/non-vote” votes; 0 “invalid” votes; the proposal proposed by the Board of Directors was ratified upon voting.

## **VIII. Matters for Discussion**

### **The amendment to the Articles of Incorporation (Proposed by the Board of Directors)**

#### Explanation:

1. The proposed amendment to the Articles of Incorporation is to amend Article 2, which is summarized below:
  - (1) As the last digit of the code of business items of "Television Program Production Business", "Broadcasting and Television Program Launch Business", "Broadcasting and Television Advertising Business" and "Production, Licensed Recording and Supply of Videotape Program Business" has been changed from "1" to "0" as announced by the Ministry of Economic Affairs, the codes of business items of Subparagraphs 43 to 46 of Paragraph 1 shall be amended accordingly.
  - (2) To increase the product revenue of Information and Communication Technology (ICT), the business items "Traffic Signals Installment and Construction Business" (E603080), "Traffic Labels Construction Business" (EZ06010), "Medical Device Wholesale Business" (F108031) and "Medical Device Retail Business" (F208031) are added as Subparagraphs 50 to 53 of Paragraph 1. The numbering of current Subparagraph 50 is thus renumbered to Subparagraph 54 accordingly.
2. The Comparison Table of the proposed amendments to Article 2 of the Articles of Incorporation of Chunghwa Telecom Co., Ltd. is attached. (Exhibit 16 of the Minutes)
3. This proposal has been resolved by the 11th meeting of the 8th Board of Directors on March 13, 2018 and is hereby submitted for resolution by the Annual General Meeting of Shareholders.

#### Summary of Shareholders' Statements:

Shareholder Mr. Chu (Account No. 41207) and Mr. Yu (Account No. 36977) made statements about:  
Request for the company to review and revise the business items again; the leasing of the advertising spaces on the external walls of the Company's premises.

The Chairman and the persons designated by the Chairman responded to the above statements made by the said shareholders.

Resolution: voting results: 5,888,990,902 “for” votes, representing 94.60% of the shares present at the time of voting; 1,279,735 “against” votes; 334,816,805 “abstain/non-vote” votes; 0

“invalid“ vote; the proposal proposed by the Board of Directors was approved upon voting.

## IX. Elections

### Supplementary election of the Company's independent director of 8th board of directors (Proposed by the Board of Directors)

#### Explanation:

1. Thirteen directors (including five independent directors) were elected at the 2016 annual general meeting, among whom one independent director resigned. It is proposed to hold a supplementary election for independent director of 8th board of directors at the 2018 AGM in accordance with the Company Act and the Articles of Incorporation, for a term beginning on June 15, 2018 and ending on June 23, 2019.
2. The Company adopts the candidate nomination system in the election of directors and conducts the nomination according to Article 192-1 of the Company Act. The matters regarding professional qualifications, restrictions on shareholding and on concurrent post, affirmation of independence, and other matters for compliance with respect to independent directors, the Company has executed in accordance with relevant regulations governed by the securities authorities. The list of independent director candidates has been reviewed and approved by the 12th meeting of the 8th Board of Directors on May 3, 2018 as follows:

Category	Name	Education	Selected Positions	Title	Shareholding (Unit: Share)
Independent Director	Chung-Chin Lu	PhD, Department of Electrical Engineering, University of Southern California, USA	Chair, Department of Electrical Engineering, National Tsing Hua University	Professor, Department of Electrical Engineering, National Tsing Hua University	0

3. For the Directors Election Regulations of Chunghwa Telecom Co., Ltd., please refer to page 67~69 of 2017 AGM handbook.
4. Please vote.

#### Summary of Shareholder Statement:

Shareholder Mr. Chu (Account No. 41207) and Mr. Yu (Account No. 36977) made statements about:  
The duties and functionalities of independent directors.

One independent director (Lo-Yu Yen) responded to the above statements made by the said shareholders.

Election results:

The 8th term elected independent directors of the supplementary election and the votes the candidate received are as follows:

Account No. / ID No.	Name	Votes ( e-voting included )
S1232XXXXX	Chung-Chin Lu	4,374,704,058

**X. Other business and special motions**

The inquiries and suggestions made by shareholders totaled 105, and the summary of which is as follows:

1. Regarding the operation of the Company: to investigate the problems in ICT projects and punish the people responsible ; the time range for clock-in/clock-out should be identical among all the business groups within the Company; the numbers of secondary supervisors shouldn't be limited; MOD operation problems; to establish the procedures for products to be added in/removed from the shelf; budgets for renewing equipment; to review the 499 special promotion; to investigate the problems in bad debt and punish the people responsible; to increase outsourcing manpower; vertical integration for network products; to build the social housing and the employees of the Company are given the priority to purchase; the expenses of AGM; the business corporation with Chunghwa Post Co., Ltd.; people assigned to invested companies as supervisors; to improve the communication quality of Taipei-101; the disclosure of the misconduct information received by independent directors via whistle-blowers, etc. (20 suggestions)
2. Regarding the employees' rights and benefits: the overtime pay for 499 special promotion; to solve the manpower shortage of the customer service center; the subsidies for employees who substitute as supervisors; the contribution ratio from the employee should increase to 15% under Labor Pension New System; to refuse to deal with the cases provided by the anonymous whistle-blowers; to revise the regulation of special leave ; to assist employees work location transfer; the travel subsidies; performance assessment on the employees; to offer early/delayed retirement program; employees' bonus shouldn't be affected by the Company's operating loss caused by some government's policies; employees' promotion; the driving subsidies; "ratio of employees' compensation to profit" should be revised to 5%; to assist employees in the combination of working years served under Government Employee Insurance and Labor Insurance after the company's privatization for those unqualified for retirement annuity due to

insufficient years served under Labor Insurance; the dispute between the Company and the employees; the issues (promoting employees under exceptional procedures; deployment of manpower; and etc.) should be negotiated with the union in advance; parties of collective bargaining for Collective Agreement, etc. (33 suggestions)

3. Some shareholders suggested : the management should be replaced; the procedures for dealing with shareholders inquiries/ suggestions, etc. (42 suggestions)
4. Others: to provide retired employees the same special tariff packages as those provided to current employees; the fairness of the procedures of recruiting the employees of Honghwa into the Company; to hire as priority the retired employees' families and relatives; when reviewing the qualification of the candidates of independent directors, the Company should confirm that if the candidates got approval from the schools they worked for ; the quality of lunchbox in AGM; to list "Telecom Training Institute" as a monument; to execute thoroughly the policies stated on the annual report, etc. (10 suggestions)

**XI. The meeting was adjourned at 17:21 p.m. of the same day.**

## Report Items

### I. The Company's 2017 business report

Dear shareholders,

In 2017, Chunghwa Telecom continued to solidify the fundamentals of each business line to improve our foundation for future business growth while actively exploring emerging business opportunities despite price pressure from peers in both the broadband and mobile markets, which increased industry competition. On the mobile side, we now own the largest 4G bandwidth as well as continuous blocks after the 4G spectrum auction in November 2017. Leveraging 180MHz, the largest bandwidth for a single operator in Taiwan, we can offer high-speed mobile broadband service with Multi-CA (Carrier Aggregation) technology. Besides, to prepare for new opportunities in the era of IoT (Internet of Things), we actively collaborated with strategic partners to cultivate innovative IoT-related applications and services on our IoT Smart Platform. Together with our competitive edge in cloud resources, we are confident in forming the leading IoT ecosystem in Taiwan. Furthermore, we also made efforts to capitalize on the digital convergence trend by strengthening our MOD (Multimedia on Demand) service. The broadcasting of the 29<sup>th</sup> Summer Universiade in 4K quality was well-received, and the innovation of carrying OTT (over-the-top) service on our MOD platform was another milestone of realizing digital convergence.

The continuing growth of subscribers in our different business lines is a testament to the quality of our service. By the end of 2017, the total number of mobile internet subscribers reached 8.3 million while the total number of 4G subscribers exceeded 8.0 million. Broadband users reached 4.47 million, 1.28 million of whom signed up for a connection speed of 100Mbps or higher. We are also excited about the significant breakthrough of MOD subscriptions, which exceeded 1.6 million in 2017 due to our continued efforts in enriching content and strengthening mechanics.

We continued to optimize our network infrastructure, aiming to navigate the digital economy with our cutting-edge technology. In anticipation of strong demand from international content providers and the financial industry, our world-class cloud data center in Banqiao, New Taipei City, has been fully occupied and started second phase of installation in 2017. Moreover, Chunghwa Telecom established its 5G trial network and introduced a Pre-5G core network to pave the way for 5G commercialization. We aim to combine this infrastructure with our IoT Smart Platform, AI (Artificial Intelligence) capabilities, and big data analyses to establish a leading position in the emerging digital businesses.

#### Financial Results

Chunghwa Telecom's consolidated revenue for the full year of 2017 was NT\$227.51 billion, representing a decrease of 1.1% as compared to the prior year, mainly due to the decrease of voice revenue that resulted from VoIP substitution and market competition. However, mobile value-added services experienced healthy growth in 2017 driven by mobile internet subscriber expansion and continuous 4G mobile broadband development. Furthermore, the

increase in handset sales and the healthy growth of ICT solutions sales to enterprise customers also accounted for a significant portion of our total revenue.

Consolidated costs and expenses for the full year of 2017 was NT\$180.71 billion, representing a decrease of 0.4% as compared to the prior year, mainly due to the decreases in interconnection and depreciation expenses offset the increase of ICT project costs and cost of goods sold. CAPEX spending for 2017 was mainly used for construction to support business growth and consolidate our market position, including expanding fiber coverage and enhancing carrier aggregation to boost mobile broadband speeds. Moreover, we optimized our investment review process and effectively negotiated with vendors during procurement. As a result of the successful execution of our business strategies and effective cost control initiatives, CAPEX spending was NT\$26.9 billion, and net income attributable to stockholders of the parent company was NT\$38.87 billion, or NT\$5.01 per share.

In 2017, our overall net reinvestment income was NT\$1.7 billion. We are pleased with the successful listing of Chief Telecom Co., Ltd., our strategic investment company focused on Internet Data Center solutions, on the Taipei Exchange Emerging Stock Board in June 2017. It is scheduled to be listed and publicly traded on the Taipei Exchange Mainboard in 2018, and it will continue to consolidate its leading brand in the Type II industry. In addition, our subsidiary CHT Security Co., Ltd, established at the end of 2017, started operations in January 2018 to provide industry-leading total information security solutions at home and abroad. We also upgraded our branch office in Thailand to a subsidiary company in March 2017 to further enhance our local presence, southbound business development and investment capacity. Going forward, we will continue to prudentially develop our strategic overseas investments to consolidate core businesses as well as to accelerating the development of an innovative digital business, especially in the ASEAN market.

### **Enhance mobile broadband quality to ensure a leading market position**

At the end of 2017, we continued to enjoy a leading position in the mobile market with an encouraging 36.5% subscriber market share and a 37.2% revenue market share. However, given the increasingly saturated 4G market and price promotions from competitors, we experienced a small subscriber loss due to price competitions. We therefore further solidified our subscriber base to ensure revenue through different channels. One was to re-allocate subsidy resources to guide mobile subscribers toward higher-end plans to drive up our product margin. Moreover, to respond to market competition, we rolled out multi-dimensional price promotion plans in our internet stores to cater to price sensitive customers as well as to create a more complete price structure.

In 2017, we invested in infrastructure construction to further enhance our mobile broadband quality. By the end of the year, we had the leading number of base stations in Taiwan, and became the first operator in Taiwan to reach 100% nationwide 4G coverage. We also took the lead in introducing U900 technology and now provide the largest degree of voice coverage in Taiwan. Moreover, we acquired the most bandwidth in the spectrum auction in November, and thus we are currently the only operator with three consecutive 20MHz spectrums on the 1800MHZ, 2100MHz and 2600MHz spectrums. Coupled with our leading 4CA (Carrier Aggregation) and 5CC (Component Carrier) exclusive services, our customers are now able to enjoy high speed mobile broadband services in crowded business districts and areas along

the High Speed Railway.

We consistently promoted “Hami VAS Bundles” to offer high quality services including music, TV, movies, games, and OTT at reasonable prices. We further enhanced Hami Wallet, our mobile payment service, by collaborating with the convenient store chain and e-ticket service providers to offer mobile payment services. In 2017, overall mobile value-added service revenue increased 4.2% year over year. Revenue from micro-payments increased 18.4% as well due to the development of the mobile payment business.

### **Acquire digital convergence opportunities with network advantages**

We successfully narrowed the subscriber loss year by year even though broadband market is even increasingly competitive. In 2017, cable operators aggressively rolled out broadband and TV bundled plans to grab market share, and even the ever lower plans in certain competitive areas. We further addressed our higher speed fiber broadband services to make differentiation, which is effective. We are encouraged to see the overall broadband subscriber loss has been mitigated, and the number of our users signing up for connection speeds of 100Mbps or higher grew 9.5% year over year to the total amount of 1.28 million.

Moreover, we further addressed our product advantages, such as the nationwide CHT Wi-Fi hotspots and the value-added offerings of Home Wi-Fi, cyber security and MOD service, to surpass competitors by holding an impressive lead. In 2017, we bundled broadband and MOD services to meet customers’ demand of home amusement and connections. We also highly emphasized the improvement of MOD business by facilitating the overall TV operational environment and created single channel subscription mechanism to encourage user-centric viewing. Our content, including international sport games, popular channels and dramas, continued to be in customers’ favor. We are pleased that SVOD subscription successfully exceeded 1 million, and Movie 199 package become the flagship product in Pay-TV industry due to its largest subscription base. Our all-out efforts led in a brilliant return of a 20.3% year-over-year growth of subscription and a 8.3% accumulated growth of annual revenue.

### **Sustain a digital economy with ICT capabilities**

Rapidly advancing technologies have pushed telecom operators all over the world to face the inevitable impact of new technology and business models. At Chunghwa Telecom, we proactively capture opportunities that arise from market challenges. This year, as we positioned ourselves to be the engine of the digital economy, we focused on driving growth in our ICT business and establishing our broadband network as the backbone of the development of the domestic digital economy.

We proactively developed ICT solutions based on our existing foundational advantages in IDC (Internet Data Center), undersea cables, CDN (Content Delivery Network), and abundant research ability in AI and big data analysis. In 2017, revenue from information security, IDC, IoT, cloud computing, smart security, smart buildings, and smart green energy all continued growing. IDC and IoT business, the two significant driving forces, brought about 18.0% and 23.3% annual growth in revenue respectively. As of the end of 2017, consolidated ICT service revenue accounted for 10% of our total revenue.

To accelerate IoT development, we actively teamed up with partners to build a complete IoT ecosystem in Taiwan. In 2017, content providers and IoT developers were able to develop and transmit their applications on our IoT Smart Platform, which featured capabilities including communications connectivity, AI, big data analysis, and information security. Moreover, our information security service, which includes an anti-hacker service and mobile information security service, grew as well, with revenues increasing 6.7% year over year in 2017. Our DDoS (Distributed Denial of Service) service revenue grew significantly at 177% year over year due to the increasing demand from corporations eager to resist cyber-attack threats. In 2017, we successfully assisted financial institutions that suffered from serious hacker attacks to enhance financial security by establishing information security protection frameworks capable of conducting activities including financial security assessments, information security health assessments, SOC (Security Operation Center) monitoring and management, and digital forensics. Given vigorous demand and our superior products, we founded a subsidiary in late 2017 to further boost the business by serving clients on a network neutral basis.

Going forward, we will consistently pursue the standardization of our products to enhance ICT project margins and drive long-term ICT growth.

## **R&D and Achievements**

In 2017, Chunghwa Telecom's research and development efforts covered the seven areas of Intelligent Broadband Networking, Intelligent Business, Cloud Computing, Information Security Applications, Big Data, Internet of Things, and Convergence Services. Key developments include:

- 1) Intelligent Broadband networking : the world's premiere posed LWA solution, the first domestic posed NB-IoT end-to-end application experiment network, SDN solution, Telecom Cloud Test-bed;
- 2) Intelligent Business : Fixed-Line Order and Billing Management System with New Generation Architecture, Mobile Order and Billing Management System, Business Customer Relationship Management System, e-Shop Customer Self-Services Website, Call Center Application System, Customer Self-Services App;
- 3) Cloud Computing : Software-defined Data Center Solution, ICT Integrated Management solution;
- 4) Information Security Application : Digital Identity Solution, Enterprise Security Solution;
- 5) Big Data : Big data customer journey processing, analysis and application solution;
- 6) Internet of Things : IoT Service Platform, Smart City Solution, Intelligent Manufacturing Solution, Health Cloud Service, Travel Time Prediction Service, Distributed Image Recognition System;
- 7) Convergence Services : Unified MOD Service Platform, Mobile Payment Techniques and Hami wallet, AI Technologies and Application Platform, Value-added Communication Services, Convergent Messaging and Content Services.

- 8) Layout of core competencies : In 2017, we applied for 174 patents and obtained 188. In addition, we won 32 important awards.

### **High Standards of Corporate Social Responsibility**

Chunghwa Telecom is fully committed to corporate social responsibility. We continue to utilize our information and communication technologies to create a positive influence by helping Taiwanese businesses realize sustainable operations. We devote ourselves to supporting the minority in remote areas and promoting long-term CSR programs such as “Read with You - Community Network Tutoring” and “EYE Social Innovative Call Center.”

We also make our best effort to safeguard Taiwan. Whenever heavy rainfall strikes and causes damage, we immediately send people and resources into disaster areas for emergency repair. We further offered monthly fee discounts for affected subscribers.

“Always Ahead” is not only our brand spirit but also the mission and vision that leads our corporate social responsibility initiatives. In 2017, Chunghwa Telecom was the first telecom operator in Taiwan to produce a Corporate Social Responsibility Report in accordance with Global Reporting Initiative Standards. Moreover, our 8<sup>th</sup> Board Meeting approved the “Corporate Social Responsibility Best-Practice Principles for Chunghwa Telecom Co., Ltd.” to establish a set of fundamental guidelines that bridges our operating activities and CSR initiatives to achieve sustainability. Meanwhile, as more and more organizations advocate a low carbon economy, we joined the CDP (Carbon Disclosure Project) with our supply chain, committing to a future with lower carbon emission.

Chunghwa Telecom’s CSR initiatives reveal our past ten years of progressive energy. We will continue to leverage our professional knowledge and forward-looking spirit to fulfill the vision of being the most valuable and trusted information and communication company in Taiwan.

### **Awards**

Chunghwa Telecom has been a well-known household brand due to our nationwide infrastructure and service centers. In order to fulfill our brand commitment, “Always Ahead,” we have always acted in accordance with the highest corporate governance standards. Our focus on customer needs and satisfaction has generated additional value for shareholders. Our efforts have been recognized and endorsed by many international and domestic awards.

In 2017, Chunghwa Telecom was the only winner in Taiwan’s telecom industry to receive the “Brand of the Year” award from the World Brand forum, an honor we won for the third consecutive year. In the “Global 500 2017” from the globally renowned brand valuation consultant, Brand Finance, Chunghwa Telecom, one of the few Taiwanese companies that entered the ranking, placed 475<sup>th</sup> among the world’s top 500 brands. Chunghwa Telecom was also included in the DJSI Emerging Markets Index for the sixth consecutive year, reflecting the fact that our sustainability has been recognized by international investors. In addition, we received the “Trusted Brands” Platinum Award in the telecom category from Reader's Digest for the 13th year in a row as well as 1<sup>st</sup> place in Business Today’s Best Brand Award for the telecommunications sector, which demonstrate customers' trust in our innovative and

compassionate services. Business Weekly also awarded us 1<sup>st</sup> place for “Taiwan Top 100 Brand” in the telecommunications category and 3<sup>rd</sup> place for “Original Brand” in 2017. Furthermore, we received the Platinum Corporate Award for five consecutive years from The Asset magazine, which reflects our achievements in earnings, management, governance, social and environmental responsibility, and investor relations.

These are the highlights from a long list of awards that recognize our efforts in business development, customer service, and social responsibility. We are encouraged by these endorsements of our achievements and will continue to perform and deliver for all of our stakeholders.

## **Future Outlook**

Network quality is our strongest advantage and the foundation of our business. Going forward, the overall enhancement and maintenance of our mobile broadband network, fiber network, and undersea cables is one of our priorities. Coupled with our deployment of Next Generation Network technology, we are confident that we can provide high-quality, diversified cross-platform digital convergence services in addition to existing quality mobile broadband and fixed-line broadband services, value-added products, and ICT solutions. Our proactive marketing strategy will focus on designing competitive promotion plans and integrating service centers and internet stores to optimize the customer experience, which we believe will ultimately improve contribution per user and overall profit.

Speaking of leading an innovative digital economy, we aim to transform our services and internal management with a customer-centered mindset. In our core business, we will focus on channel restructuring and enterprise customer development to enhance user experience. In our video services, we will continue to integrate MOD and Hami Video/OTT services, acquire popular content and promote multi-screen applications. We aim to position ourselves as the smart home hub in customers’ living spaces while offering high-standard entertainment services. This is how we differentiate our services and provide value to customers.

Envisioning digital business opportunities, Chunghwa Telecom consistently invests in R&D and talent acquisition, especially in emerging fields like IoT, big data, Fintech, AR (Augmented Reality), and AI. Our outstanding platforms are key fundamentals that we can leverage to team up with partners to build an ecosystem for developing innovative ICT services. We will also leverage opportunities from the national “Asia Silicon Valley Project” and Taiwan’s southbound policy to extend services and acquire enterprise customers in overseas markets. We are dedicated to implementing strategies to lead the digital economy and innovations in industry, and remain committed to delivering additional value to our shareholders, customers, employees, and society at large.

Yu Cheng, Chairman and CEO

Chi-Mao Sheih, President

Shu-Ling Chen, Accounting Officer

March 13, 2018

## Exhibit 2

### **II. 2017 audit committee's audit report concerning the Company's financial statements**

The Board of Directors compiled the Company's 2017 business report, financial statements (including consolidated and parent only financial statements), and proposal of earnings distribution. The independent auditors Hung Peng Lin and Ching Pin Shih of Deloitte & Touche have audited the financial statements and issued audit reports relating to the financial statements. The Audit Committee audited the aforementioned business report, financial statements, and proposal of earnings distribution and found no unconformities. As such, the Audit Committee issued this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please examine.

Chunghwa Telecom Co., Ltd.

Lo-Yu Yen  
Chairman of the Audit Committee

March 13, 2018

## Exhibit 3

### III. Report on 2017 compensation distribution to directors and employees

1. The 2017 compensation distribution to directors and employees was approved by the 11th meeting of the 8th Board of Directors on March 13, 2018.
2. The 2017 compensation distribution to directors and employees:

Item		NT\$
Net income		38,873,905,099
Profit	(A)	47,941,237,496
Ratio of Directors' compensation to profit	(B)	0.085%
Directors' compensation	(C)=(A)*(B)	40,750,052
Ratio of Employees' compensation to profit	(D)	3.3291%
Employees' compensation	(E)=(A)*(D)	1,596,011,737

### IV. Report on enacting Corporate Social Responsibility Best-Practice Principles

1. The “Corporate Social Responsibility Best-Practice Principles for Chunghwa Telecom Co., Ltd.” was approved by the 8th Board of Directors on August 8, 2017.
2. The Principles have a total of 32 articles, and important contents are as follows:
  - (1) Chapter One (General Provisions): the sources of law, the objectives of establishing the Principles, the scope, key points, the principles of practice, and the powers and responsibilities of the board of directors and shareholders' meetings (Articles 1 to 5).
  - (2) Chapter Two (Implementing Sound Corporate Governance): improving corporate governance practices, enhancing directors and board of directors’ duties, organizing education and promotion, adopting reasonable remuneration policies and performance appraisal, and establishing an specific area for interested parties on our official website (Articles 6 to 10).
  - (3) Chapter Three (Fostering a Sustainable Environment): proclaiming the philosophy of developing a sustainable environmental and sustainable use of resources, and establishing management systems, dedicated units, operational sustainability, water resources management, greenhouse gas inventory and carbon reduction plan (Articles 11 to 17).
  - (4) Chapter Four (Fulfilling Public Interest): setting human rights protection mechanism, providing information of labor rights and laws, providing safe and healthy working environments and employee career development, reflecting performance in employee remuneration, communicating and consulting with employees, the transparency and security of information of product and service, ensuring the quality of product and service, protecting consumers’ rights, establishing supplier management and participating in events relating to community development (Articles 18 to 28).
  - (5) Chapter Five (Enhancing CSR Information Disclosure): strengthening the disclosure of information of corporate social responsibility and preparing corporate social responsibility reports (Articles 29 to 30).
  - (6) Chapter Six (Additional Rules): examining corporate social responsibility framework for improvements, revisions and implementation (Articles 31 to 32).
3. For the Corporate Social Responsibility Best-Practice Principles for Chunghwa Telecom Co., Ltd., please refer to page 60~66 of this handbook.

### 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, 2017 and 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2017 and 2016, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2017. 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 descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2017 are as follows:

#### Revenue Recognition on Mobile Services

Key audit matter:

As disclosed in Note 44 to the consolidated financial statements, mobile service revenue is the Company's one source of main revenues and is also an important indicator for the public to evaluate competitiveness and growth potential of telecommunications companies. The calculation of the Company's mobile services revenue highly relies on an automated computer environment in which the systems are complex due to combinations of the various mobile service price plans and process large volumes of data. Consequently, whether mobile services revenue is appropriately recognized is considered as one of the key audit matters.

Corresponding audit procedures:

We tested the information systems relevant to the mobile services revenue and the mobile services revenue process from call records, rate calculations, and billing procedures to accounting information system so as to understand the Company's revenue recognition process and perform procedures to test the design and operating effectiveness of the related internal controls.

Moreover, we performed the following audit procedures on a sample basis: (1) inspected mobile service customers' contracts; (2) performed live call testing and re-calculated the call records on the basis of corresponding price plans; (3) checked that the calculations of call records agreed with customers' bills; and (4) checked that the amounts transferred from the mobile service system agreed with the accounting information system.

#### Revenue Recognition on Project Business

Key audit matter:

The project business mainly provides customers with combinations of one or more equipment and/or services. When the Company provides a project business, part of the obligations or service may likely be outsourced to third parties. Hence, the judgment on whether the Company is acting as a principal or an agent is required in order to determine if revenue should be reported gross as principal versus net as agent. Please refer to Notes 3 and 4 to the consolidated financial statements for the details. Due to highly customized nature of the project business, whether project revenue is recognized appropriately is considered as one of the key audit matters.

Corresponding audit procedures:

We understood and tested the Company's design and operating effectiveness of the project revenue's internal controls, including, but not limited to, the authorized personnel's exercise of judgment on whether the Company is acting as a principal or an agent, and then recognize revenue gross or net accordingly.

Moreover, we performed the following audit procedures on a sample basis: (1) inspected project contracts; (2) reviewed evaluation forms prepared by authorized personnel on whether the Company is acting as a principal or an agent; (3) re-calculated the project revenue and checked that they agreed with the accounting records; (4) obtained confirmations; and (5) checked the source documents and tested the amounts received.

#### **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, 2017 and 2016 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 the 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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 appropriate audit evidence regarding the financial information of the 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, 2017 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 audit resulting in this independent auditors' report are Mr. Hung Peng Lin and Mr. Ching Pin Shih.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2018

#### 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.*

**CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES**
**Exhibit 6**
**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2017 and 2016  
(In Thousands of New Taiwan Dollars)**

ASSETS	2017		2016	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 3 and 6)	\$ 28,824,935	7	\$ 31,100,342	7
Financial assets at fair value through profit or loss (Notes 3 and 7)	-	-	217	-
Held-to-maturity financial assets (Notes 3 and 9)	-	-	2,139,892	-
Trade notes and accounts receivable, net (Notes 3, 4 and 10)	31,941,094	7	31,022,488	7
Receivables from related parties (Note 39)	49,367	-	13,799	-
Inventories (Notes 3, 4, 11 and 40)	8,839,615	2	7,422,774	2
Prepayments (Notes 12 and 39)	2,188,173	-	2,978,462	1
Other current monetary assets (Notes 13 and 28)	5,308,060	1	4,820,424	1
Other current assets (Notes 20, 32 and 40)	<u>2,182,758</u>	-	<u>2,121,777</u>	-
Total current assets	<u>79,334,002</u>	<u>17</u>	<u>81,620,175</u>	<u>18</u>
<b>NONCURRENT ASSETS</b>				
Available-for-sale financial assets (Notes 3 and 8)	3,125,086	1	2,521,027	1
Financial assets carried at cost (Notes 3 and 14)	2,625,785	1	2,242,820	-
Investments accounted for using equity method (Notes 3 and 16)	2,546,374	-	2,602,859	1
Property, plant and equipment (Notes 3, 4, 17, 39 and 40)	288,707,910	64	291,169,760	65
Investment properties (Notes 3, 4 and 18)	8,047,793	2	8,114,533	2
Intangible assets (Notes 3, 4 and 19)	54,883,268	12	47,353,424	11
Deferred income tax assets (Notes 3 and 32)	2,730,093	1	2,322,226	-
Net defined benefit assets (Notes 3, 4 and 28)	12,979	-	918,636	-
Prepayments (Notes 12 and 39)	3,573,345	1	3,241,060	1
Other noncurrent assets (Notes 20 and 40)	<u>5,536,487</u>	<u>1</u>	<u>5,025,985</u>	<u>1</u>
Total noncurrent assets	<u>371,789,120</u>	<u>83</u>	<u>365,512,330</u>	<u>82</u>
<b>TOTAL</b>	<u>\$ 451,123,122</u>	<u>100</u>	<u>\$ 447,132,505</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (Notes 22 and 40)	\$ 70,000	-	\$ 138,000	-
Financial liabilities at fair value through profit or loss (Notes 3 and 7)	578	-	1,356	-
Hedging derivative financial liabilities (Notes 3 and 21)	850	-	586	-
Trade notes and accounts payable (Note 24)	19,395,889	4	18,809,664	5
Payables to related parties (Note 39)	684,185	-	762,073	-
Current tax liabilities (Notes 3 and 32)	4,725,698	1	2,467,551	1
Other payables (Note 25)	25,001,401	6	26,418,336	6
Provisions (Notes 3 and 26)	188,744	-	118,872	-
Advance receipts (Note 27)	8,841,858	2	10,059,321	2
Other current liabilities	<u>1,081,156</u>	-	<u>1,329,836</u>	-
Total current liabilities	<u>59,990,359</u>	<u>13</u>	<u>60,105,595</u>	<u>14</u>
<b>NONCURRENT LIABILITIES</b>				
Long-term loans (Notes 23 and 40)	1,600,000	-	1,600,000	-
Deferred income tax liabilities (Notes 3 and 32)	1,429,592	-	1,464,220	-
Provisions (Notes 3 and 26)	78,513	-	65,942	-
Customers' deposits (Note 39)	4,671,441	1	4,609,580	1
Net defined benefit liabilities (Notes 3, 4 and 28)	2,703,569	1	1,536,814	-
Deferred revenue (Note 3)	3,612,391	1	3,546,192	1
Other noncurrent liabilities	<u>3,457,677</u>	<u>1</u>	<u>3,004,492</u>	<u>1</u>
Total noncurrent liabilities	<u>17,553,183</u>	<u>4</u>	<u>15,827,240</u>	<u>3</u>
Total liabilities	<u>77,543,542</u>	<u>17</u>	<u>75,932,835</u>	<u>17</u>
<b>EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT (Notes 15 and 29)</b>				
Common stocks	<u>77,574,465</u>	<u>17</u>	<u>77,574,465</u>	<u>17</u>
Additional paid-in capital	<u>169,466,883</u>	<u>38</u>	<u>168,542,486</u>	<u>38</u>
Retained earnings				
Legal reserve	77,574,465	17	77,574,465	17
Special reserve	2,680,823	1	2,675,419	1
Unappropriated earnings	<u>37,202,683</u>	<u>8</u>	<u>38,342,317</u>	<u>9</u>
Total retained earnings	<u>117,457,971</u>	<u>26</u>	<u>118,592,201</u>	<u>27</u>
Other adjustments	<u>382,666</u>	-	<u>(5,404)</u>	-
Total equity attributable to stockholders of the parent	364,881,985	81	364,703,748	82
<b>NONCONTROLLING INTERESTS (Notes 15 and 29)</b>	<u>8,697,595</u>	<u>2</u>	<u>6,495,922</u>	<u>1</u>
Total equity	<u>373,579,580</u>	<u>83</u>	<u>371,199,670</u>	<u>83</u>
<b>TOTAL</b>	<u>\$ 451,123,122</u>	<u>100</u>	<u>\$ 447,132,505</u>	<u>100</u>

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

## Exhibit 7

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

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2017 and 2016

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
REVENUES (Notes 30, 39 and 44)	\$ 227,514,183	100	\$ 229,991,428	100
OPERATING COSTS (Notes 11, 28, 31, 39 and 44)	<u>146,837,483</u>	<u>65</u>	<u>147,551,794</u>	<u>64</u>
GROSS PROFIT	<u>80,676,700</u>	<u>35</u>	<u>82,439,634</u>	<u>36</u>
OPERATING EXPENSES (Notes 28, 31, 39 and 44)				
Marketing	25,356,999	11	25,515,844	11
General and administrative	4,626,423	2	4,536,958	2
Research and development	<u>3,885,920</u>	<u>2</u>	<u>3,784,905</u>	<u>2</u>
Total operating expenses	<u>33,869,342</u>	<u>15</u>	<u>33,837,707</u>	<u>15</u>
OTHER INCOME AND EXPENSES (Notes 17, 18, 19, 31 and 44)	<u>(104,381)</u>	<u>-</u>	<u>(496,649)</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>46,702,977</u>	<u>20</u>	<u>48,105,278</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 44)	205,448	-	188,851	-
Other income (Notes 31 and 39)	835,465	-	1,072,106	-
Other gains and losses (Notes 31 and 39)	(132,158)	-	(446,540)	-
Interest expenses (Note 44)	(21,913)	-	(19,808)	-
Share of profits of associates and joint ventures accounted for using equity method (Notes 16 and 44)	<u>407,243</u>	<u>-</u>	<u>482,660</u>	<u>-</u>
Total non-operating income and expenses	<u>1,294,085</u>	<u>-</u>	<u>1,277,269</u>	<u>-</u>
INCOME BEFORE INCOME TAX	47,997,062	20	49,382,547	21
INCOME TAX EXPENSE (Notes 3 and 32)	<u>7,954,461</u>	<u>2</u>	<u>8,152,562</u>	<u>3</u>
NET INCOME	<u>40,042,601</u>	<u>18</u>	<u>41,229,985</u>	<u>18</u>
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans (Note 28)	(2,023,493)	(1)	(2,043,414)	(1)
Share of remeasurements of defined benefit pension plans of associates and joint ventures (Note 16)	844	-	(43,669)	-

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2017 and 2016

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
Income tax benefit relating to items that will not be reclassified to profit or loss (Note 32)	\$ 343,994	-	\$ 347,380	-
	<u>(1,678,655)</u>	<u>(1)</u>	<u>(1,739,703)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(229,009)	-	(169,917)	-
Unrealized gain or loss on available-for-sale financial assets (Note 31)	605,274	-	(144,467)	-
Cash flow hedges (Notes 21 and 31)	(263)	-	(1,085)	-
Share of exchange differences arising from the translation of the foreign operations of associates and joint ventures (Note 16)	(5,293)	-	(2,737)	-
Income tax benefit relating to items that may be reclassified subsequently (Note 32)	2,420	-	1,703	-
	<u>373,129</u>	<u>-</u>	<u>(316,503)</u>	<u>-</u>
Total other comprehensive loss, net of income tax	<u>(1,305,526)</u>	<u>(1)</u>	<u>(2,056,206)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 38,737,075</u>	<u>17</u>	<u>\$ 39,173,779</u>	<u>17</u>
NET INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 38,873,905	17	\$ 40,067,010	17
Noncontrolling interests	<u>1,168,696</u>	<u>1</u>	<u>1,162,975</u>	<u>1</u>
	<u>\$ 40,042,601</u>	<u>18</u>	<u>\$ 41,229,985</u>	<u>18</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 37,590,365	17	\$ 38,068,095	17
Noncontrolling interests	<u>1,146,710</u>	<u>-</u>	<u>1,105,684</u>	<u>-</u>
	<u>\$ 38,737,075</u>	<u>17</u>	<u>\$ 39,173,779</u>	<u>17</u>
EARNINGS PER SHARE (Note 33)				
Basic	<u>\$ 5.01</u>		<u>\$ 5.16</u>	
Diluted	<u>\$ 5.00</u>		<u>\$ 5.16</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, 2017 and 2016  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Stockholders of the Parent (Notes 15, 21 and 29)										
	Common Stocks	Additional Paid-in Capital	Retained Earnings			Exchange Differences Arising from the Translation of the Foreign Operations	Other Adjustments		Total	Noncontrolling Interests (Notes 15 and 29)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain or Loss on Available-for-sale Financial Assets	Cash Flow Hedges			
BALANCE, JANUARY 1, 2016	\$ 77,574,465	\$ 168,095,615	\$ 77,574,465	\$ 2,675,419	\$ 42,551,245	\$ 177,257	\$ 90,964	\$ 498	\$ 368,739,928	\$ 5,269,075	\$ 374,009,003
Appropriation of 2015 earnings											
Cash dividends distributed by Chunghwa	-	-	-	-	(42,551,146)	-	-	-	(42,551,146)	-	(42,551,146)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(709,971)	(709,971)
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	(1,081)	-	-	-	-	-	-	(1,081)	(1,543)	(2,624)
Partial disposal of interests in subsidiaries	-	58,206	-	-	-	-	-	-	58,206	25,422	83,628
Change in additional paid-in capital for not participating in the capital increase of a subsidiary	-	389,740	-	-	-	-	-	-	389,740	785,769	1,175,509
Net income for the year ended December 31, 2016	-	-	-	-	40,067,010	-	-	-	40,067,010	1,162,975	41,229,985
Other comprehensive loss for the year ended December 31, 2016	-	-	-	-	(1,724,792)	(131,189)	(141,849)	(1,085)	(1,998,915)	(57,291)	(2,056,206)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	38,342,218	(131,189)	(141,849)	(1,085)	38,068,095	1,105,684	39,173,779
Share-based payment transactions of subsidiaries	-	6	-	-	-	-	-	-	6	17,189	17,195
Net increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	4,297	4,297
BALANCE, DECEMBER 31, 2016	77,574,465	168,542,486	77,574,465	2,675,419	38,342,317	46,068	(50,885)	(587)	364,703,748	6,495,922	371,199,670
Appropriation of 2016 earnings											
Special Reserve	-	-	-	5,404	(5,404)	-	-	-	-	-	-
Cash dividends distributed by Chunghwa	-	-	-	-	(38,336,525)	-	-	-	(38,336,525)	-	(38,336,525)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(942,482)	(942,482)
Unclaimed dividend	-	3,023	-	-	-	-	-	-	3,023	-	3,023
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	13,965	-	-	-	-	-	-	13,965	1,762	15,727
Partial disposal of interests in subsidiaries	-	76,714	-	-	-	-	-	-	76,714	29,217	105,931
Change in additional paid-in capital for not participating in the capital increase of a subsidiary	-	801,727	-	-	-	-	-	-	801,727	1,750,326	2,552,053
Other changes in additional paid-in capital of subsidiaries	-	84	-	-	-	-	-	-	84	41	125
Net income for the year ended December 31, 2017	-	-	-	-	38,873,905	-	-	-	38,873,905	1,168,696	40,042,601
Other comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	(1,671,610)	(220,661)	608,994	(263)	(1,283,540)	(21,986)	(1,305,526)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	37,202,295	(220,661)	608,994	(263)	37,590,365	1,146,710	38,737,075
Share-based payment transactions of subsidiaries	-	1,984	-	-	-	-	-	-	1,984	19,799	21,783
Net increase in noncontrolling interests	-	26,900	-	-	-	-	-	-	26,900	196,300	223,200
BALANCE, DECEMBER 31, 2017	\$ 77,574,465	\$ 169,466,883	\$ 77,574,465	\$ 2,680,823	\$ 37,202,683	\$ (174,593)	\$ 558,109	\$ (850)	\$ 364,881,985	\$ 8,697,595	\$ 373,579,580

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

## Exhibit 9

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

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 and 2016

(In Thousands of New Taiwan Dollars)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 47,997,062	\$ 49,382,547
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	28,163,584	29,106,148
Amortization	3,766,020	3,378,821
Provision for doubtful accounts	643,010	940,991
Interest expenses	21,913	19,808
Interest income	(205,448)	(188,851)
Dividend income	(327,861)	(390,856)
Compensation cost of share-based payment transactions	21,783	17,195
Share of profits of associates and joint ventures accounted for using equity method	(407,243)	(482,660)
Loss on disposal of property, plant and equipment	106,692	48,249
Property, plant and equipment transferred to expenses	2,565	-
Loss on disposal of intangible assets	46	-
Gain on disposal of financial instruments	(2,748)	(490)
Loss on disposal of investments accounted for using equity method	223	409
Impairment loss on available-for-sale financial assets	-	577,333
Provision for inventory and obsolescence	52,487	191,846
Impairment loss on property, plant and equipment	-	595,828
Reversal of impairment loss on investment properties	(10,979)	(147,527)
Impairment loss on intangible assets	8,622	99
Valuation loss (gain) on financial assets and liabilities at fair value through profit or loss, net	(779)	1,153
Loss (gain) on foreign exchange, net	83,171	(80,595)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets held for trading	218	149
Trade notes and accounts receivable	(1,191,428)	(4,612,984)
Receivables from related parties	(35,568)	28,257
Inventories	(1,469,328)	1,165,570
Prepayments	458,004	61,317
Other current monetary assets	(81,035)	(241,590)
Other current assets	(60,981)	214,144
Increase (decrease) in:		
Trade notes and accounts payable	586,940	2,497,437
Payables to related parties	(77,888)	150,973
Other payables	(691,001)	(76,619)
Provisions	82,443	(63,090)
Advance receipts	(728,007)	503,531
Other current liabilities	(76,063)	6,784
Deferred revenue	66,199	(69,410)
Net defined benefit plans	48,919	(8,538,838)
Cash generated from operations	76,743,544	73,995,079

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2017 and 2016 (In Thousands of New Taiwan Dollars)

	2017	2016
Interest expenses paid	\$ (21,918)	\$ (19,905)
Income tax paid	<u>(5,789,762)</u>	<u>(9,023,263)</u>
Net cash provided by operating activities	<u>70,931,864</u>	<u>64,951,911</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	-	(30,000)
Proceeds from disposal of available-for-sale financial assets	1,258	29,784
Acquisition of time deposits and negotiable certificate of deposit with maturities of more than three months	(6,230,944)	(4,119,307)
Proceeds from disposal of time deposits and negotiable certificate of deposit with maturities of more than three months	5,649,868	2,834,171
Proceeds from disposal of held-to-maturity financial assets	2,140,000	1,875,000
Acquisition of financial assets carried at cost	(400,000)	(22,980)
Proceeds from disposal of financial assets carried at cost	7,292	9,609
Capital reduction of financial assets carried at cost	12,167	37,223
Acquisition of investments accounted for using equity method	-	(30,000)
Proceeds from disposal of investments accounted for using equity method	-	182,108
Acquisition of property, plant and equipment	(26,875,336)	(23,516,783)
Proceeds from disposal of property, plant and equipment	159,636	44,065
Acquisition of intangible assets	(11,304,633)	(282,809)
Acquisition of investment properties	-	(52)
Decrease (increase) in other noncurrent assets	(788,594)	63,915
Interest received	233,439	197,790
Cash dividends received	<u>675,321</u>	<u>1,065,520</u>
Net cash used in investing activities	<u>(36,720,526)</u>	<u>(21,662,746)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	6,951,500	1,415,000
Repayment of short-term loans	(7,019,500)	(1,387,000)
Repayment of long-term loans	-	(150,000)
Decrease in customers' deposits	(110,756)	(294,463)
Decrease in other noncurrent liabilities	(36,271)	(104,481)
Cash dividends paid	(38,336,525)	(42,551,146)
Partial disposal of interests in subsidiaries without losing control	105,931	83,628
Cash dividends distributed to noncontrolling interests	(942,482)	(709,971)
Change in other noncontrolling interests	2,777,237	1,179,806
Unclaimed dividend	<u>3,023</u>	<u>-</u>
Net cash used in financing activities	<u>(36,607,843)</u>	<u>(42,518,627)</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2017 and 2016 (In Thousands of New Taiwan Dollars)

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	2017	2016
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 121,098</u>	<u>\$ 58,381</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,275,407)	828,919
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>31,100,342</u>	<u>30,271,423</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 28,824,935</u>	<u>\$ 31,100,342</u>

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

(Concluded)

## 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, 2017 and 2016, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2017. 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 descriptions of the key audit matters of the financial statements for the year ended December 31, 2017 are as follows:

#### Revenue Recognition on Mobile Service

Key audit matter:

As disclosed in Note 39 to the financial statements, mobile service revenue is the Company's one source of main revenues and is also an important indicator for the public to evaluate competitiveness and growth potential of telecommunications companies. The calculation of the Company's mobile services revenue highly relies on an automated computer environment in which the systems are complex due to combinations of the various mobile service price plans and process large volumes of data. Consequently, whether mobile services revenue is appropriately recognized is considered as one of the key audit matters.

Corresponding audit procedures:

We tested the information systems relevant to the mobile services revenue and the mobile services revenue process from call records, rate calculations, and billing procedures to accounting information system so as to understand the Company's revenue recognition process and perform procedures to test the design and operating effectiveness of the related internal controls.

Moreover, we performed the following audit procedures on a sample basis: (1) inspected mobile service customers' contracts; (2) performed live call testing and re-calculated the call records on the basis of corresponding price plans; (3) checked that the calculations of call records agreed with customers' bills; and (4) checked that the amounts transferred from the mobile service system agreed with the accounting information system.

### Revenue Recognition on Project Business

Key audit matter:

The project business mainly provides customers with combinations of one or more equipment and/or services. When the Company provides a project business, part of the obligations or service may likely be outsourced to third parties. Hence, the judgment on whether the Company is acting as a principal or an agent is required in order to determine if revenue should be reported gross as principal versus net as agent. Please refer to Notes 3 and 4 to the financial statements for the details. Due to highly customized nature of the project business, whether project revenue is recognized appropriately is considered as one of the key audit matters.

Corresponding audit procedures:

We understood and tested the Company's design and operating effectiveness of the project revenue's internal controls, including, but not limited to, the authorized personnel's exercise of judgment on whether the Company is acting as a principal or an agent, and then recognize revenue gross or net accordingly.

Moreover, we performed the following audit procedures on a sample basis: (1) inspected project contracts; (2) reviewed evaluation forms prepared by authorized personnel on whether the Company is acting as a principal or an agent; (3) re-calculated the project revenue and checked that they agreed with the accounting records; (4) obtained confirmations; and (5) checked the source documents and tested the amounts received.

### **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 auditing standards generally accepted in 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 auditing standards generally accepted in 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 appropriate audit evidence regarding the financial information of the 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, 2017 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 audit resulting in this independent auditors' report are Mr. Hung Peng Lin and Mr. Ching Pin Shih.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 13, 2018

#### 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.**
**Exhibit 11**
**BALANCE SHEETS  
DECEMBER 31, 2017 AND 2016  
(In Thousands of New Taiwan Dollars)**

ASSETS	2017		2016	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 3 and 6)	\$ 19,744,416	5	\$ 24,871,430	6
Held-to-maturity financial assets (Notes 3 and 8)	-	-	2,139,892	-
Trade notes and accounts receivable, net (Notes 3, 4 and 9)	29,627,307	7	29,029,997	7
Receivables from related parties (Note 35)	1,006,442	-	756,113	-
Inventories (Notes 3, 4 and 10)	3,834,008	1	2,387,212	1
Prepayments (Notes 11 and 35)	1,771,460	-	1,881,449	-
Other current monetary assets (Notes 12 and 25)	2,671,540	1	2,688,909	1
Other current assets (Note 19)	2,107,270	-	2,018,394	-
Total current assets	60,762,443	14	65,773,396	15
<b>NONCURRENT ASSETS</b>				
Available-for-sale financial assets (Notes 3 and 13)	3,071,198	1	2,451,686	1
Financial assets carried at cost (Notes 3 and 14)	2,411,738	1	2,123,780	-
Investments accounted for using equity method (Notes 3 and 15)	14,771,770	3	13,404,532	3
Property, plant and equipment (Notes 3, 4, 16 and 35)	281,413,852	64	283,912,327	67
Investment properties (Notes 3, 4 and 17)	7,973,018	2	8,039,758	2
Intangible assets (Notes 3, 4 and 18)	54,283,253	13	46,726,067	11
Deferred income tax assets (Notes 3 and 29)	2,279,124	1	1,862,862	-
Net defined benefit assets (Notes 3, 4 and 25)	-	-	907,073	-
Prepayments (Notes 11 and 35)	1,870,604	-	2,038,724	-
Other noncurrent assets (Note 19)	5,093,183	1	4,704,975	1
Total noncurrent assets	373,167,740	86	366,171,784	85
<b>TOTAL</b>	<b>\$ 433,930,183</b>	<b>100</b>	<b>\$ 431,945,180</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss (Notes 3 and 7)	\$ 94	-	\$ 1,356	-
Hedging derivative financial liabilities (Notes 3 and 20)	850	-	586	-
Trade notes and accounts payable (Note 21)	15,645,102	4	14,721,192	3
Payables to related parties (Note 35)	4,223,065	1	4,730,395	1
Current tax liabilities (Notes 3 and 29)	4,438,738	1	2,180,615	1
Other payables (Note 22)	22,024,733	5	23,426,341	6
Provisions (Notes 3 and 23)	115,305	-	55,390	-
Advance receipts (Note 24)	8,390,325	2	8,889,760	2
Other current liabilities	1,091,593	-	1,342,358	-
Total current liabilities	55,929,805	13	55,347,993	13
<b>NONCURRENT LIABILITIES</b>				
Deferred income tax liabilities (Notes 3 and 29)	1,388,350	-	1,417,653	-
Provisions (Notes 3 and 23)	78,513	-	65,942	-
Customers' deposits (Note 35)	4,582,587	1	4,521,074	1
Net defined benefit liabilities (Notes 3, 4 and 25)	2,599,396	1	1,441,732	-
Deferred revenue (Note 3)	3,611,623	1	3,545,281	1
Other noncurrent liabilities (Note 35)	857,924	-	901,757	-
Total noncurrent liabilities	13,118,393	3	11,893,439	2
Total liabilities	69,048,198	16	67,241,432	15
<b>EQUITY (Note 26)</b>				
Common stocks	77,574,465	18	77,574,465	18
Additional paid-in capital	169,466,883	39	168,542,486	39
Retained earnings				
Legal reserve	77,574,465	18	77,574,465	18
Special reserve	2,680,823	-	2,675,419	-
Unappropriated earnings	37,202,683	9	38,342,317	10
Total retained earnings	117,457,971	27	118,592,201	28
Other adjustments	382,666	-	(5,404)	-
Total equity	364,881,985	84	364,703,748	85
<b>TOTAL</b>	<b>\$ 433,930,183</b>	<b>100</b>	<b>\$ 431,945,180</b>	<b>100</b>

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

**CHUNGHWA TELECOM CO., LTD.**

**Exhibit 12**

**STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2017		2016	
	Amount	%	Amount	%
REVENUES (Notes 27, 35 and 39)	\$ 196,985,774	100	\$ 201,636,805	100
OPERATING COSTS (Notes 10, 25, 28, 35 and 39)	<u>121,512,142</u>	<u>62</u>	<u>123,975,098</u>	<u>61</u>
GROSS PROFIT	<u>75,473,632</u>	<u>38</u>	<u>77,661,707</u>	<u>39</u>
OPERATING EXPENSES (Notes 25, 28, 35 and 39)				
Marketing	24,328,558	12	24,489,697	12
General and administrative	3,522,518	2	3,477,387	2
Research and development	<u>3,386,000</u>	<u>2</u>	<u>3,441,181</u>	<u>2</u>
Total operating expenses	<u>31,237,076</u>	<u>16</u>	<u>31,408,265</u>	<u>16</u>
OTHER INCOME AND EXPENSES (Notes 16, 17 and 28)	<u>(90,819)</u>	<u>-</u>	<u>(470,896)</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>44,145,737</u>	<u>22</u>	<u>45,782,546</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 39)	153,205	-	155,213	-
Other income (Notes 28 and 35)	662,050	-	888,754	-
Other gains and losses (Notes 28 and 35)	(73,924)	-	(437,508)	-
Interest expenses (Note 39)	(5)	-	-	-
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method (Notes 15 and 39)	<u>1,417,413</u>	<u>2</u>	<u>1,381,354</u>	<u>1</u>
Total non-operating income and expenses	<u>2,158,739</u>	<u>2</u>	<u>1,987,813</u>	<u>1</u>
INCOME BEFORE INCOME TAX	46,304,476	24	47,770,359	24
INCOME TAX EXPENSE (Notes 3 and 29)	<u>7,430,571</u>	<u>4</u>	<u>7,703,349</u>	<u>4</u>
NET INCOME	<u>38,873,905</u>	<u>20</u>	<u>40,067,010</u>	<u>20</u>
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans (Note 25)	(2,011,048)	(1)	(2,016,383)	(1)
Share of remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures (Note 15)	(2,440)	-	(51,194)	-

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
Income tax benefit relating to items that will not be reclassified to profit or loss (Note 29)	<u>\$ 341,878</u> <u>(1,671,610)</u>	<u>-</u> <u>(1)</u>	<u>\$ 342,785</u> <u>(1,724,792)</u>	<u>-</u> <u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(208,928)	-	(112,470)	-
Unrealized gain or loss on available-for-sale financial assets (Note 26)	619,512	-	(134,447)	-
Cash flow hedges (Notes 20 and 28)	(263)	-	(1,085)	-
Share of exchange differences arising from the translation of the foreign operations of subsidiaries, associates and joint ventures (Note 15)	(11,733)	-	(18,719)	-
Share of unrealized loss on available-for-sale financial assets of subsidiaries, associates and joint ventures (Notes 15 and 26)	<u>(10,518)</u>	<u>-</u>	<u>(7,402)</u>	<u>-</u>
	<u>388,070</u>	<u>-</u>	<u>(274,123)</u>	<u>-</u>
Total other comprehensive loss, net of income tax	<u>(1,283,540)</u>	<u>(1)</u>	<u>(1,998,915)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 37,590,365</u>	<u>19</u>	<u>\$ 38,068,095</u>	<u>19</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ 5.01</u>		<u>\$ 5.16</u>	
Diluted	<u>\$ 5.00</u>		<u>\$ 5.16</u>	

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, 2017 AND 2016  
(In Thousands of New Taiwan Dollars)

	Common Stocks (Note 26)	Additional Paid-in Capital (Note 26)	Retained Earnings (Note 26)			Other Adjustments (Notes 20 and 26)			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain or Loss on Available-for-sale Financial Assets	Cash Flow Hedges	
BALANCE, JANUARY 1, 2016	\$ 77,574,465	\$ 168,095,615	\$ 77,574,465	\$ 2,675,419	\$ 42,551,245	\$ 177,257	\$ 90,964	\$ 498	\$ 368,739,928
Appropriation of 2015 earnings	-	-	-	-	(42,551,146)	-	-	-	(42,551,146)
Cash dividends	-	-	-	-	(42,551,146)	-	-	-	(42,551,146)
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	446,871	-	-	-	-	-	-	446,871
Net income for the year ended December 31, 2016	-	-	-	-	40,067,010	-	-	-	40,067,010
Other comprehensive loss for the year ended December 31, 2016	-	-	-	-	(1,724,792)	(131,189)	(141,849)	(1,085)	(1,998,915)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	38,342,218	(131,189)	(141,849)	(1,085)	38,068,095
BALANCE, DECEMBER 31, 2016	77,574,465	168,542,486	77,574,465	2,675,419	38,342,317	46,068	(50,885)	(587)	364,703,748
Appropriation of 2016 earnings	-	-	-	-	(5,404)	-	-	-	-
Special Reserve	-	-	-	5,404	(5,404)	-	-	-	-
Cash dividends	-	-	-	-	(38,336,525)	-	-	-	(38,336,525)
Unclaimed dividend	-	3,023	-	-	-	-	-	-	3,023
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	844,981	-	-	-	-	-	-	844,981
Partial disposal of interests in subsidiaries	-	76,393	-	-	-	-	-	-	76,393
Net income for the year ended December 31, 2017	-	-	-	-	38,873,905	-	-	-	38,873,905
Other comprehensive loss for the year ended December 31, 2017	-	-	-	-	(1,671,610)	(220,661)	608,994	(263)	(1,283,540)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	37,202,295	(220,661)	608,994	(263)	37,590,365
BALANCE, DECEMBER 31, 2017	\$ 77,574,465	\$ 169,466,883	\$ 77,574,465	\$ 2,680,823	\$ 37,202,683	\$ (174,593)	\$ 558,109	\$ (850)	\$ 364,881,985

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

**CHUNGHWA TELECOM CO., LTD.**

**Exhibit 14**

**STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(In Thousands of New Taiwan Dollars)**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 46,304,476	\$ 47,770,359
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	27,587,424	28,572,318
Amortization	3,693,706	3,299,380
Provision for doubtful accounts	637,799	940,341
Interest expenses	5	-
Interest income	(153,205)	(155,213)
Dividend income	(322,158)	(378,818)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	(1,417,413)	(1,381,354)
Loss on disposal of property, plant and equipment	101,798	23,015
Property, plant and equipment transferred to expenses	2,565	-
Loss on disposal of financial instruments	-	136
Loss on disposal of investments accounted for using equity method	223	409
Impairment loss on available-for-sale financial assets	-	577,333
Provision for inventory and obsolescence	45,285	172,328
Impairment loss on property, plant and equipment	-	595,408
Reversal of impairment loss on investment properties	(10,979)	(147,527)
Valuation loss (gain) on financial assets and liabilities at fair value through profit or loss, net	(1,262)	1,370
Loss (gain) on foreign exchange, net	72,078	(55,560)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Trade notes and accounts receivable	(864,894)	(4,812,266)
Receivables from related parties	(250,329)	94,812
Inventories	(1,492,081)	1,156,396
Other current monetary assets	(44,583)	(204,429)
Prepayments	278,109	143,513
Other current assets	(88,876)	148,945
Increase (decrease) in:		
Trade notes and accounts payable	924,625	2,295,451
Payables to related parties	(507,330)	644,761
Other payables	(1,045,896)	(172,122)
Provisions	72,486	42,602
Advance receipts	(556,178)	405,147
Other current liabilities	(78,148)	8,563
Deferred revenue	66,342	(45,404)
Net defined benefit plans	53,689	(8,508,169)
Cash generated from operations	73,007,278	71,031,725
Interest expenses paid	(5)	-
Income tax paid	(5,276,135)	(8,645,268)
Net cash provided by operating activities	<u>67,731,138</u>	<u>62,386,457</u>

(Continued)

## CHUNGHWA TELECOM CO., LTD.

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

	2017	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	\$ -	\$ (30,000)
Proceeds from disposal of available-for-sale financial assets	-	29,784
Acquisition of negotiable certificate of deposits with maturities of more than three months	(4,200,000)	(1,603,297)
Proceeds from disposal of negotiable certificate of deposits with maturities of more than three months	4,200,000	1,650,000
Proceeds from disposal of held-to-maturity financial assets	2,140,000	1,875,000
Acquisition of financial assets carried at cost	(300,000)	(22,980)
Proceeds from disposal of financial assets carried at cost	-	80
Capital reduction of financial assets carried at cost	12,042	34,847
Acquisition of investments accounted for using equity method	(340,000)	(89,641)
Proceeds from disposal of investments accounted for using equity method	-	182,108
Acquisition of property, plant and equipment	(25,709,388)	(22,546,940)
Acquisition of investment properties	-	(52)
Proceeds from disposal of property, plant and equipment	157,740	39,386
Acquisition of intangible assets	(11,250,892)	(227,018)
Decrease (increase) in other noncurrent assets	(713,078)	107,246
Interest received	178,928	167,750
Cash dividends received from others	322,158	378,818
Cash dividends received from subsidiaries and associates accounted for using equity method	<u>975,440</u>	<u>1,213,236</u>
Net cash used in investing activities	<u>(34,527,050)</u>	<u>(18,841,673)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in customers' deposits	(111,104)	(299,878)
Increase (decrease) in other noncurrent liabilities	12,910	(5,866)
Cash dividends paid	(38,336,525)	(42,551,146)
Partial disposal of interests in subsidiaries without losing control	100,594	-
Unclaimed dividend	<u>3,023</u>	<u>-</u>
Net cash used in financing activities	<u>(38,331,102)</u>	<u>(42,856,890)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,127,014)	687,894
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<u>24,871,430</u>	<u>24,183,536</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u>\$ 19,744,416</u>	<u>\$ 24,871,430</u>

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

(Concluded)

## Exhibit 15

### Chunghwa Telecom Co., Ltd. 2017 Earnings Distribution Proposal

Units: NT\$

<b>Source items:</b>		
Unappropriated retained earnings of pervious years		388,779
Remeasurements of defined benefit pension plans recognized in retained earnings	(1,671,610,515)	
Net income of 2017	38,873,905,099	37,202,294,584
Appropriation of Legal reserve (note 1)		0
Reversal of special reserve according to Securities and Exchange Act		5,403,815
<b>Distributable retained earnings for 2017</b>		<b>37,208,087,178</b>
<b>Distribution items:</b>		
Cash dividends to shareholders (total of 7,757,446,545 shares x NT\$4.796 per share)		(37,204,713,630)
<b>Unappropriated retained earnings</b>		<b>3,373,548</b>
<b>Notes:</b>		
The amount of "Unappropriated retained earnings of pervious years" is the same as the amount of "Unappropriated retained earnings" on the Earnings Distribution Proposal approved at the 2017 annual general meeting.		

Yu Cheng, Chairman and CEO

Chi-Mau Sheih, President

Shu-Ling Chen, Accounting Officer

## Exhibit 16

### The Comparison Table of the Proposed Amendments to Article 2 of the Articles of Incorporation of Chunghwa Telecom Co., Ltd.

1. All of 26 articles adopted by Promoters Meeting on June 11, 1996.
2. Article 15 amended by the Annual General Meeting on December 26, 1997.
3. Articles 2 and 22 amended by the Annual General Meeting on November 25, 1998.
4. Paragraph 1 of Article 21 amended by the Extraordinary General Meeting on July 13, 1999.
5. Articles 2, 3, 6, 7, 10, 12, 13, 19, 21, and 22 amended, and Articles 6-1 and 7-1 added by the Annual General Meeting on June 4, 2001.
6. Articles 2, 7, 8, 9, 10, 19, 21, and 22 amended and Article 5 deleted by the Annual General Meeting on June 21, 2002.
7. Article 2 amended by the Annual General Meeting on June 17, 2003.
8. Articles 2 and 22 amended by the Annual General Meeting on June 25, 2004.
9. Articles 2, 3, 6, 10, 11, 12, 14, 17, 19, 20, 22, 23, and 25 amended, and Articles 12-1, 18-1, and 18-2 added by the Annual General Meeting on May 30, 2006.
10. Articles 2, 12-1, 14, 22, and 23 amended, and Article 18-1 deleted by the Annual General Meeting on June 15, 2007.
11. Articles 2, 6, and 14 amended by the Annual General Meeting on June 19, 2008.
12. Articles 2, 6, 12 and 13 amended, and Article 6-1 deleted by the Annual General Meeting on June 19, 2009.
13. Article 2 amended by the Annual General Meeting on June 18, 2010.
14. The title of Chapter IV and Articles 12, 12-1, 14, 19, 20, and 22 amended by the Annual General Meeting on June 22, 2012.
15. The title of Chapter IV, Articles 2, 12, 13, 18-2, 21 and 22 amended; Articles 17 and 18 deleted, and Article 13-1 added by the Annual General Meeting on June 25, 2013.
16. Articles 2 and 15 amended by the Annual General Meeting on June 24, 2014.
17. Articles 1, 2 and 7-1 amended by the Annual General Meeting on June 26, 2015.
18. Articles 2 and 22 amended, and Article 22-1 added by the Annual General Meeting on June 24, 2016.
19. [Article 2 amended by the Annual General Meeting on June 15, 2018.](#)

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 2 The scope of business of the Company shall be as follows:</p> <p>1) Telecommunications Enterprise of Type 1 (G901011);</p> <p>2) Telecommunications Enterprise of Type 2 (G902011);</p> <p>3) Installation of the Computer Equipment Business (E605010);</p> <p>4) Telecommunication Equipment Wholesale Business (F113070);</p> <p>5) Telecommunication Equipment Retail Business (F213060);</p> <p>6) Telecommunication Engineering Business (E701010);</p> <p>7) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030);</p> <p>8) Information Software Service Business (I301010);</p> <p>9) Rental Business (JE01010);</p> <p>10) Other Wholesale Businesses 【telephone card and IC card】 (F199990);</p>	<p>Article 2 The scope of business of the Company shall be as follows:</p> <p>1) Telecommunications Enterprise of Type 1 (G901011);</p> <p>2) Telecommunications Enterprise of Type 2 (G902011);</p> <p>3) Installation of the Computer Equipment Business (E605010);</p> <p>4) Telecommunication Equipment Wholesale Business (F113070);</p> <p>5) Telecommunication Equipment Retail Business (F213060);</p> <p>6) Telecommunication Engineering Business (E701010);</p> <p>7) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030);</p> <p>8) Information Software Service Business (I301010);</p> <p>9) Rental Business (JE01010);</p> <p>10) Other Wholesale Businesses 【telephone card and IC card】 (F199990);</p>	<p>1. As the last number of the code of business items of "Television Program Production Business", "Broadcasting and Television Program Launch Business", "Broadcasting and Television Advertising Business" and "Production, Licensed Recording and Supply of Videotape Program Business" has been changed from "1" to "0" as announced by the Ministry of Economic Affairs, the codes of business items of Subparagraphs 43 to 46 of Paragraph 1 shall be amended accordingly.</p> <p>2. To increase the product revenue of Information and Communication Technology (ICT), the business items "Traffic Signals Installment and Construction Business" (E603080), "Traffic Labels Construction Business"</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>11) Management and Consulting Service Business (I103060);</p> <p>12) Other Corporation Service Businesses 【telephone card, IC card, the research and development of the telecommunication facilities and devices, accepting payment on behalf of businesses and institutions, telecommunication equipment inspection services, and agency sale of entry tickets and travel fares】 (IZ99990);</p> <p>13) Other Retail Businesses 【telephone card and IC card】 (F299990);</p> <p>14) Online Certification Service Businesses (IZ13010);</p> <p>15) Supply of Electronic Information Service Businesses (I301030);</p> <p>16) Information Process Service Business (I301020);</p> <p>17) Telecommunication Account Application Agency Businesses (IE01010);</p> <p>18) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);</p> <p>19) Development of Special District/Zone Businesses (H701040);</p> <p>20) Real Estate Rental Businesses (H703100);</p> <p>21) Community Common Cable Television Equipment Businesses (J502020);</p> <p>22) Exhibition Service Businesses (JB01010);</p> <p>23) Parking Lot Operation Businesses (G202010);</p> <p>24) Environmental Assessment Service Businesses (J101050);</p> <p>25) Computer and Accessories Manufacturing Service (CC01110);</p> <p>26) Information Storage and Process Equipment Manufacturing Businesses (CC01120);</p> <p>27) Other Electrical and Electronic Machinery &amp; Equipment Manufacturing Businesses 【IC or Optical Card Scanners】(CC01990);</p>	<p>11) Management and Consulting Service Business (I103060);</p> <p>12) Other Corporation Service Businesses 【telephone card, IC card, the research and development of the telecommunication facilities and devices, accepting payment on behalf of businesses and institutions, telecommunication equipment inspection services, and agency sale of entry tickets and travel fares】 (IZ99990);</p> <p>13) Other Retail Businesses 【telephone card and IC card】 (F299990);</p> <p>14) Online Certification Service Businesses (IZ13010);</p> <p>15) Supply of Electronic Information Service Businesses (I301030);</p> <p>16) Information Process Service Business (I301020);</p> <p>17) Telecommunication Account Application Agency Businesses (IE01010);</p> <p>18) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);</p> <p>19) Development of Special District/Zone Businesses (H701040);</p> <p>20) Real Estate Rental Businesses (H703100);</p> <p>21) Community Common Cable Television Equipment Businesses (J502020);</p> <p>22) Exhibition Service Businesses (JB01010);</p> <p>23) Parking Lot Operation Businesses (G202010);</p> <p>24) Environmental Assessment Service Businesses (J101050);</p> <p>25) Computer and Accessories Manufacturing Service (CC01110);</p> <p>26) Information Storage and Process Equipment Manufacturing Businesses (CC01120);</p> <p>27) Other Electrical and Electronic Machinery &amp; Equipment Manufacturing Businesses 【IC or Optical Card Scanners】(CC01990);</p>	<p>(EZ06010), "Medical Device Wholesale Business" (F108031) and "Medical Device Retail Business" (F208031) are added as Subparagraphs 50 to 53 of Paragraph 1. The numbering of current Subparagraph 50 is thus renumbered to Subparagraph 54 accordingly.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>28) Radio-Frequency Equipment Import Business (F401021);</p> <p>29) General Hotel Business (J901020);</p> <p>30) Computer and Administrative Device Wholesale Businesses (F113050);</p> <p>31) Information Software Wholesale Businesses (F118010);</p> <p>32) Computer and Administrative Device Retail Businesses (F213030);</p> <p>33) Information Software Rental Businesses (F218010);</p> <p>34) Energy Service Business (IG03010);</p> <p>35) Engineering Consulting Business (I101061);</p> <p>36) Refrigeration and Air-Conditioning Consulting Business (E602011);</p> <p>37) Automatic Control Equipment Engineering Business (E603050);</p> <p>38) Lighting Equipment Installation Business (E603090);</p> <p>39) Non-store Retailer Business (F399040);</p> <p>40) Power Equipment Installation and Maintenance Business (E601010) ;</p> <p>41) Electrical Appliance Installation Business (E601020) ;</p> <p>42) Instrument Installation Engineering Business (EZ05010) ;</p> <p>43) Television Program Production Business (<u>J503020</u>) ;</p> <p>44) Broadcasting and Television Program Launch Business (<u>J503030</u>) ;</p> <p>45) Broadcasting and Television Advertising Business (<u>J503040</u>) ;</p> <p>46) Production, Licensed Recording and Supply of Videotape Program Business (<u>J503050</u>) ;</p> <p>47) The Third Party Payment Business (I301040);</p> <p>48) Water Pipe Construction Business (E501011);</p> <p>49) Machinery and Equipment Manufacturing Business (CB01010);</p>	<p>28) Radio-Frequency Equipment Import Business (F401021);</p> <p>29) General Hotel Business (J901020);</p> <p>30) Computer and Administrative Device Wholesale Businesses (F113050);</p> <p>31) Information Software Wholesale Businesses (F118010);</p> <p>32) Computer and Administrative Device Retail Businesses (F213030);</p> <p>33) Information Software Rental Businesses (F218010);</p> <p>34) Energy Service Business (IG03010);</p> <p>35) Engineering Consulting Business (I101061);</p> <p>36) Refrigeration and Air-Conditioning Consulting Business (E602011);</p> <p>37) Automatic Control Equipment Engineering Business (E603050);</p> <p>38) Lighting Equipment Installation Business (E603090);</p> <p>39) Non-store Retailer Business (F399040);</p> <p>40) Power Equipment Installation and Maintenance Business (E601010) ;</p> <p>41) Electrical Appliance Installation Business (E601020) ;</p> <p>42) Instrument Installation Engineering Business (EZ05010) ;</p> <p>43) Television Program Production Business (J503021) ;</p> <p>44) Broadcasting and Television Program Launch Business (J503031) ;</p> <p>45) Broadcasting and Television Advertising Business (J503041) ;</p> <p>46) Production, Licensed Recording and Supply of Videotape Program Business (J503051) ;</p> <p>47) The Third Party Payment Business (I301040);</p> <p>48) Water Pipe Construction Business (E501011);</p> <p>49) Machinery and Equipment Manufacturing Business (CB01010);</p>	

Draft Amendment	Current Articles	Explanatory Notes
<p><u>50) Traffic Signals Installation and Construction Business (E603080);</u>  <u>51) Traffic Labels Construction Business (EZ06010);</u>  <u>52) Medical Device Wholesale Business (F108031);</u>  <u>53) Medical Device Retail Business (F208031);</u>  <u>54) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).</u></p> <p>The Company may handle endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company if there is any business needs.</p>	<p>50) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).</p> <p>The Company may handle endorsement and guaranty affairs in accordance with the Operation Procedures for the Endorsement and Guaranty of the Company if there is any business needs.</p>	