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Chunghwa Telecom Co., Ltd.

2016 Annual General Meeting Minutes

I. Time: June 24, 2016, 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 and proxies totaled 6,060,807,142 (including the 5,335,914,552 shares represented by shareholders executing voting rights through e-voting), accounting for 78.13% of the total shares issued by the Company, i.e. 7,757,446,545 shares.

IV. Chairman: Lih-Shyng Tsai, Chairman and CEO Minute taker: Hsiun-Chuan Lee
Yu-Ching Cho

Directors: Lih-Shyng Tsai, Mu-Piao Shih, Zse-Hong Tsai, Chih-Ku Fan, Yu-Fen Hong, Yi-Bing Lin, Shu-Juan Huang

Audit Committee: Zse-Hong Tsai

Attendees: Lawrence Liang and Richard Lin, Attorney-at-Law, Giant Era International Law Office
Sandra Chen, CPA, Deloitte & Touche Taiwan

V. Chairman's address: (omitted)

VI. Matters for Ratification and Discussion (I)

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 Articles 2 and 22, and to add Article 22-1, which are summarized below:

- (1) In accordance with the business needs of the Company, the business item "Machinery and Equipment Manufacturing" (CB01010) is added as Subparagraph 49, Paragraph 1 of Article 2.
- (2) In accordance with the amended Articles 235, 240 and new Article 235-1 of the Company Act and by reference to Interpretation of the Ministry of Economic Affairs ("MOEA"), Article 22 is amended.
- (3) The content of the current Article 22 concerning distribution of earnings to the shareholders is moved as the newly added Article 22-1.

2. The Comparison Table of the proposed amendments to Articles 2, 22 and newly added Article 22-1 of

the Articles of Incorporation of Chunghwa Telecom Co., Ltd. is attached hereto. (Note: Exhibit I of the Minute)

3. This proposal has been resolved in the 14th meeting of the 7th Board of Directors and is hereby submitted for resolution by the Annual General Meeting of shareholders.

Problem on agenda sequence:

Shareholder Mr. Zhang (Account No. 48777) proposed to change the agenda and recover the sequence of agenda as it is in normal that the report items go first, then the discussion matters. This proposal would be the first discussion matter.

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

The Chairman instructed to vote for the special motion of changing agenda sequence of the shareholders' meeting.

Resolution of the problem on agenda sequence: voting results: 824,668 voting rights of "for" votes, representing 0.01% of the present voting rights at the time of voting; 176,044 voting rights of "against" votes; 6,059,390,323 voting rights of "abstain" rights; 1,008 voting rights of "invalid" votes; the proposal to change the agenda of the shareholders' meeting was not approved upon voting.

Summary of Shareholders' Statements:

Shareholder Mr. Hong (Account No. 85030), Mr. Lin (Account No. 47650), Mr. Cheng (Account No. 44689), Mr. Chu (Account No. 41207), Mr. Zhang (Account No. 48777), Mr. Lu (Account No. 635009), Mr. Chen (Account No. 89891), Mr. Wu (Account No. 54562), Mr. Yang (Account No. 54185), Mr. Wang (Account No. 63001), Ms. Liu (Account No. 52047), Mr. Lu (Account No. 49536), Mr. Su (Account 40961), Mr. Hong (Account No. 52913), Mr. Pan (Account No.49363), Ms. Wang (Account No. 40516), Mr. Deng (Account No. 103811), Mr. Chen (Account No.101693), Mr. Liao (Account No. 102972), Mr. Wang (Account No. 41762), Mr. Wang (Account No. 88071), Taiwan Network Union (Account No. 663172), Mr. Tsai (Account No. 40638), Ms. Xu (Account No. 99043), Mr. Xu (Account No. 40064), Ms. Qiu (Account No. 48837), Mr. Ke (Account No. 45174), Mr. Liu (Account No. 38153), Mr. Xu (Account No. 28139), Mr. Kao (Account No. 41210), Mr. Zhao (Account No. 38175), Mr. Kang (Account No. 37170) made statements about:

Employees restaurant; the employee's right and interest at Chunghwa System Integration; to stay with the original ratio specified in the Articles of Incorporation; to concentrate on the operating businesses of the Company; the ratio of profit distributable as employees' compensation should be negotiated with the Union in accordance with the Collective Agreement; to improve the occupational safety management for reducing the percentage of death in on-the-job injuries; the doubt about violation of Code of Ethic that the recruitment results were passed to PR department before announcement; the lobby of personnel affair

from the DPP General Convener Mr. Jian-Ming Ke; the problems on total solution projects for corporate customers; the salary increase of \$500 this year is too little; to lay optical cables and construct base stations in mountain Datun area; the request of back pay for overtime hours because the on-line personnel affair system fails to comply with the Labor Standards Act; the request of talks between the Company and the association of retired employees; to maintain 3G base stations; the rent of the basement in Chung-Cheng Building; to announce the amount of subsidy to the Workers' Union for business travel and to explain why stop setting limit for the subsidy; the problem on labor director; the poor quality of work trousers of the staff in customer network department; the department responsible for the procurement of employees uniform; the ex-IBM engineer taking the junior to senior manager position at the Enterprise Business Group has weakened the moral of the Company; the problem on performance review of Union leaders; to adjust the tax-free meal subsidy; the suit between the Chunghwa System Integration and its employee; the problem on contracting construction by Chunghwa System Integration; the trial use of value-added services by employees before marketing; the problem on shortage of material and stop of construction; the problem on manpower shortage due to the policy of stop hiring for position vacancies; working over-time within the 6 months before retirement is not permitted; suggest that shareholders stop getting dividend for 5 years to increase the Company's cash level; to be fair in the issue of personnel employment instead of being interfered by improper lobbying; the issue of applying for business travel subsidy by those Union members who occupied the meeting room of the Company; to enhance the occupational safety organization in the Company; to consider the need of children care of new employees; Honghwa International should hire formal personnel for usual work; to increase the salary by \$2,500 instead of one-time bonus.

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

The proposals for amendments by shareholders:

Proposal 1: Shareholder Mr. Wu (Account No. 54562) etc., proposed to accomplish the negotiation process with employees first, then have the Articles of Corporation amended.

Proposal 2: Shareholder Mr. Zhang (Account No. 48777) etc., opposed to have the Articles of Corporation amended and claim to stay with the original ratio of 2% to 5% specified in the Articles of Incorporation.

Proposal 3: Shareholder Mr. Hong (Account No. 52913) etc., proposed to return the matter to the board of directors and the issue about employee compensation should be negotiated with the Workers' Union.

Proposal 4: Shareholder Mr. Chu (Account No. 41207), proposed to delete the remuneration for directors specified in Paragraph 1, Article 22 of the Articles of Incorporation.

Proposal 5: Shareholder Taiwan Network Union (Account No. 663172), proposed to amend the ratio for employee compensation specified in Paragraph 1, Article 22 of the Articles of

Incorporation from the range of 1.7% ~ 4.3% to above 3%.

Proposal 6: Shareholder Mr. Tsai (Account No.40638), proposed to amend the ratio for employee compensation specified in Paragraph 1, Article 22 of the Articles of Incorporation to the range of 3% ~ 10%.

Proposal 7: Shareholder Mr. Hong (Account No. 85030), proposed to add a paragraph between Paragraph 2 and 3, Article 22 of the Articles of Incorporation: However with respect to the Collective Agreement, when the Agreement has not been changed, the ratio should not be lower than the ratio before the amendment. Paragraph 3 will be amended to be Paragraph 4.

Resolution: voting results: 5,535,650,339 voting rights of “for” votes (among which 4,815,631,810 voting rights were executed through e-voting), representing 91.34% of the voting rights present at the time of voting; 1,746,251 voting rights of “against” votes (among which 1,011,996 voting rights were executed through e-voting); 523,374,562 voting rights of “abstain/non-vote” rights; 0 voting right of “invalid” vote; the proposal proposed by the Board of Directors was approved upon voting.

VII. Report Items

1. The Company's 2015 business report (Note: Exhibit II of the Minutes).
2. 2015 audit committee's audit report concerning the Company's financial statements (Note: Exhibit III of the Minutes).
3. Report on 2015 compensation distribution for directors and employees (Note: Exhibit IV of the Minutes)

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

Summary of Shareholders' Statements:

Shareholder Mr. Wu (Account no. 54562), Mr. Yang (Account No. 54185), Mr. Lin (Account No. 47650), Ms. Wang (Account No. 40516), Mr. Chu (Account No. 41207), Mr. Hong (Account No. 52913), Mr. Ye (Account No. 48262), Mr. Lee (Account No. 105273), Mr. Kao (Account No. 90373), Mr. Zhao (Account No. 38175), Mr. Lu (Account No. 635009), Mr. Xu (Account No. 28139), Mr. Wang (Account No. 41762), Mr. Cheng (Account No. 44689), Mr. He (Account No. 277207), Mr. Zeng (Account No. 48268), Mr. Qiu (Account No. 78337), Mr. Ke (Account No. 45174), Mr. Wang (Account No. 63001), Mr. Tsai (Account No. 40638), Mr. Kang (Account No. 37170), Mr. Hong (Account No. 85030), Mr. Liu (Account No. 38153), Mr. Kao (Account No. 41210), Mr. Zhang (Account No. 48777), Ms. Liu (Account No. 52047), the Union of Southern Taiwan Business Group, Chunghwa Telecom Co., Ltd. (Account No. 656618) and Mr. Pan (Account No.49363) made statements about:

The regulation about disposal of asset stated in the letter of the Data Communication Business Group was against the accounting principles; the ratio for employee compensation should be remained at 2% to 5% as originally specified in the Articles of Incorporation; the appointment

of agents for manager positions has stopped promotion channels; the improper credit management resulted in failure of getting paid from accounts receivable; do not save capex too much; the operating and maintenance cost and manpower for corporate projects; to set up children care center for employees; to set up employee restaurant; the massive leave of mobile customers due to poor mobile communication quality in Fan-Rong Town, Ping-Dong County; problem on precision construction by reducing capex; to examine thoroughly the capex base on customers' satisfaction; the problem on employee restaurant in Mobile Business Group; the Annual Report did not disclose the Labor Director lost lawsuit; problem on the operation of Senao; the problem on outsourcing manpower in Honghwa; suggest to use e-voting at the shareholders' meeting; problem on election of the association of retired employees; improper lobbying about personnel affair from government officers; the number of employees in Honghwa reaches new high; the standard for evaluating the establishment of a subsidiary; suggest to move the headquarters to the South of Taiwan; problem on handling the Telecommunication Association; the problem on labor-management meeting in Jia-Yi and Kaohsiung Branches; to improve the quality of telephones procured in the future; to consider early retirement program; to explain the gain and loss of handling the project of energy-saving subsidy; the problem on outsourcing the design of uniform for branches staff; the impact of the digital convergence law on MOD business and the Company's strategy to cope with; manpower shortage in service centers; to negotiate with the association of retired employees about the issue of raising subsidies to it; to cease the renting contract with Zhong Ji She; ask the Chairman to promise that there will be no death in on-the-job injuries during his serving for the position; if fail to reach the goal, punishment for which will be top down; to review the organization of occupational safety departments; to consider increasing the tax-free meal subsidy as China Steel did in salary raise issue; to shorten the business hours of service centers properly, to satisfy the employees' need for work transferring; to improve the material and tension quality of the working trousers; to consider withdrawing the investment in China Airline since it has oppressed the leaders of the workers' union; to evaluate the efficiency of investment in China Airline; to increase the level of cash for acquisition and merge; to disclose the total amount of business travel subsidy to the Union; the Company tried to win the Union over by offering the Union leaders days off for union business improperly and giving high score in their performance review.

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

VIII. Matters for Ratification and Discussion (II)

1. Ratification of 2015 business report and financial statements (Proposed by the Board of Directors)

Explanation:

- 1) The Company's 2015 financial statements (including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, please

refer to Pages 18-24 and Pages 26-31 of the Handbook) have been audited by E. M. Wu and Sandra Chen of Deloitte & Touche, who have issued an unqualified opinion in their audit report (please refer to Pages 17 and 25 of the Handbook). At the 14th meeting of the Company's 7th Board of Directors held on March 11, 2016, the Company's 2015 financial statements together with the Company's business report (please refer to Page 9-13 of the Handbook) were approved, and the financial statements and business report were forwarded to the Audit Committee for audit. The Audit Committee found no unconformities, and their audit report (please refer to Page 14 of this Handbook) is submitted for examination. (Note: Exhibit II of the Minutes is the business report; Exhibit V to XIII are the independent auditors' report and the financial statements)

- 2) The aforementioned statements and report are submitted to the annual general meeting for ratification.

Summary of Shareholders Statements:

Shareholder Ms. Wu (Account no. 54562), Mr. Chu (Account No. 41207), Mr. Zhao (Account No. 38175) made statements about:

The method for disposal of asset was against the accounting principles; the doubt for accountability of the Financial Statement; to punish the related persons at the accounting department of Data Communication Business Group for their regulation about disposal of asset stated in the letter was against the accounting principles; to get back the subsidy to employee for law suit; suggest to enhance OTT and value-added businesses; suggest to use well the resources of the Telecommunication Laboratories; appeal to shareholders to discuss peacefully instead of personal abuse; ask if the Company appoints staff to get the certification for personal information protection.

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

Resolution: voting results: 5,527,021,353 voting rights of "for" votes (among which 4,807,058,620 voting rights were executed through e-voting), representing 91.19% of the present voting rights at the time of voting; 459,447 voting rights of "against" votes (among which 369,399 voting rights were executed through e-voting); 533,303,698 voting rights of "abstain/non-vote" rights; 0 voting right of "invalid" vote; the proposal proposed by the Board of Directors was ratified upon voting.

2. Ratification of 2015 profit allocation proposal (Proposed by the Board of Directors)

Explanation:

- 1) The Company's 2015 financial statements have been finalized, and earnings shall be distributed as stipulated in the Profit Allocation Proposal on the following page. It is proposed that shareholders be issued cash dividends of NT\$42,551,145,789. Common stock shareholders will receive cash dividends of NT\$5.4852 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 2015 earnings as a priority.

- 2) Each shareholder's cash dividend shall be issued to the rounded-down full NT dollar (fractional amount be ignored). After which, the Chairman shall be authorized to distribute or reallocate any remaining amount. The ex-dividend base date shall be July 28, 2016.
- 3) Should the Company's capital position change in the future, requiring adjustments in the cash distribution ratio, the Chairman shall be authorized to manage the change in the cash distribution ratio.
- 4) This proposal has been resolved in the 14th meeting of the 7th Board of Directors and is hereby submitted to the shareholders at the Annual General Meeting for ratification.

Summary of Shareholder Statement:

Shareholder Mr. Wu (Account No. 54562), Mr. Wang (Account No. 40516), Ms. Qiu (Account No. 48837), Mr. Pan (Account No.49363) and Mr. Zhang (Account No. 48777) made statements about:

To check completely the assets in use; to talk with the Union about employees compensation as soon as possible; not to change the ratio for employees compensation; not to offer one-time bonus instead of salary raise; to add one thousand more for salary raise; to improve the communication quality; to replace actively the old cables; to construct optical fibers completely; the policy of precision construction and reducing capex will cause the Company to lose competitiveness in the future.

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

Resolution: voting results: 5,536,191,646 voting rights of "for" votes (among which 4,816,228,913 voting rights were executed through e-voting), representing 91.34% of the present voting rights at the time of voting; 485,060 voting rights of "against" votes (among which 347,353 voting rights were executed through e-voting); 524,107,792 voting rights of "abstain/non-vote" rights; 0 voting right of "invalid" vote; the proposal proposed by the Board of Directors was ratified upon voting.

VIII. Elections

The election of the Company's 8th term directors (Proposed by the Board of Directors)

Explanation:

1. The 7th term of the Company's directors concludes on June 24, 2016. The election of 8th term of directors shall be handled at the 2016 AGM according to the regulations.
2. According to Article 12 of the Company's Articles of Incorporation, the Company shall have 7 to 15 directors in order to form the Board of Directors. In addition, regarding to Article 12-1 of the Company's Articles of Incorporation, the Company shall be composed of at least 3 independent directors and directors shall be elected according to the candidate nomination system and

procedures. The 2nd special meeting of Chunghwa Telecom's 7th Board of Directors has determined to elect the Company's 8th term of the Board of directors, that will be composed of 13 directors in total, including 5 independent directors, for a term of 3 years beginning on June 24, 2016 and ending on June 23, 2019.

3. The Company's 8th term directors shall be elected according to the candidate nomination system and procedures. The list of director candidates for this election has been reviewed and approved by the 15th Meeting of the 7th Board of directors as follows:

Category	Name	Education	Selected Positions	Title	Shareholding (Unit: Share)	Representative of The Government or Institution
Director	Lih-Shyng Tsai	Ph.D., Material Science and Engineering, Cornell University, USA	President, Vanguard International Semiconductor Corporation; President and CEO, TSMC; Chairman and CEO, TSMC SSL; Chairman and CEO, TSMC Solar	Chairman, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Mu-Piao Shih	Master, Electrical Engineering, National Taiwan University	Executive Vice President, CHT; President, Mobile Business Group, CHT; Vice President, Mobile Business Group, CHT	President, Chunghwa Telecom Co., Ltd.; Director, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Chih-Ku Fan	Ph.D., Transportation Technology and Management, National Chiao Tung University	Director General, Taiwan Railways Administration, MOTC; Deputy Director General, Taiwan Railways Administration, MOTC; Counselor, MOTC	Deputy Administrative Minister, MOTC; Director, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Yu-Fen Hong	Master, Business & Management, National Chiao Tung University	Director of Accounting Department, Ministry of Education	Director of Accounting Department, MOTC; Director, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Yi-Bing Lin	Ph.D., Computer Science, Washington University, USA	Lifetime Chair Professor, NCTU; Vice President, NCTU; Dean, College of Computer Science, NCTU	Deputy Minister, Ministry of Science and Technology; Director, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Chich-chiang Fan	Ph.D., University of Cambridge, UK	Chairman, Taiwan High Speed Rail Co.,; Chairman, Taiwan Futures Exchange Co.,	Chairman, Yuanta Commercial Bank; Director, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Director	Shu-Juan Huang	Bachelor's degree, Accounting, Furen University	Director, Inspection Office, DGBAS, Executive Yuan; Deputy Director, the Second Department, DGBAS, Executive Yuan	Director, Directorate-General of Budget, Accounting and Statistics,	2,737,718,976	MOTC

Category	Name	Education	Selected Positions	Title	Shareholding (Unit: Share)	Representative of The Government or Institution
				Executive Yuan; Director, Chunghwa Telecom Co. ,Ltd.		
Director	Hsu-Hui Ho	Master, Business & Management, National Chiao Tung University	Vice President, Investment Department, CHT; Deputy Managing Director, Marketing Department, CHT	Vice President, Public Affairs Department, Chunghwa Telecom Co., Ltd.	2,737,718,976	MOTC
Independent Director	Zse-Hong Tsai	Ph.D., Electrical Engineering, University of California, Los Angeles, USA	Associate Professor , Department of Electrical Engineering, National Taiwan University	Professor , Department of Electrical Engineering, National Taiwan University; Independent Director, Chunghwa Telecom Co., Ltd.,	0	None
Independent Director	JenRan Chen	Master, Sociology, National Taiwan University	Founder/CEO Yam Digital Technology Co., Ltd.; Chairman, CableSoft Technology Co., Ltd.; General Manager, Chinese Television System	Executive Board Director, Pixnet Digital Media Technology Co., Ltd.; Supervisor, Formolight Technology Co., Ltd.	0	None
Independent Director	Lo-Yu Yen	Master, Accounting, National Cheng Chi University,	Partner, Deloitte & Touche Taiwan; President, Deloitte Consulting Taiwan; Clients & Markets Leader, Chief, Strategy officer, Deloitte China	Co-founder/ Principal, AAMA Taipei Cradle Program; Independent Director, Eslite Spectrum Corporation; Independent Director, ANZ (Taiwan) Bank; Director, Social Enterprise Insights Corporation	0	None
Independent Director	Kuo-Long Wu	Master, Computer Science, Columbia University of New York, USA; Master, Mathematical Science, University of Cincinnati, USA	Vice President, Acer Inc.; Senior Vice President, Yam Digital Inc.; Executive Council, APNIC	CEO, National Information Infrastructure Enterprise Promotion Association; Board Member, ICANN(The Internet Corporation for Assigned Names	0	None

Category	Name	Education	Selected Positions	Title	Shareholding (Unit: Share)	Representative of The Government or Institution
				and Numbers)		
Independent Director	Yung-Chen Chen	Bachelor's degree, Mathematics, Tamkang University	Chief editor, Commercial Times; Advisory Committee Member, National Security Council; President, Wealth Magazine; President, Advance Media Social Enterprise Co., Ltd.	None (resigned from the position as President, Advance Media Social Enterprise Co., Ltd. on April 20, 2016)	0	None

4. For the Directors Election Regulations of Chunghwa Telecom Co., Ltd., please refer to page 58~60 of this handbook.

5. Please vote.

Summary of Shareholder Statement:

Shareholder Mr. Zhang (Account No. 48777), Mr. Hong (Account No. 52913) and Mr. Tsai (Account No.40638) made statements about:

To disclose the unions which refused to meet for negotiation about labor director candidate; to go on negotiation for the issue of labor director in accordance with the letter of MOTC; to comply with the resolution of Legislative Yuan about labor director, to set alarm for over application for business travel subsidy to the Workers' Union.

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

Election results:

The 8th term elected directors and the voting rights they won are as follows:

Account No. / ID No.	Name	Voting Rights (e-voting included)
1	Representative of the MOTC Lih-Shyng Tsai	5,979,573,644
1	Representative of the MOTC Mu-Piao Shih	5,042,707,590
1	Representative of the MOTC Chih-Ku Fan	4,690,024,594
1	Representative of the MOTC Yu-Fen Hong	4,582,410,254
1	Representative of the MOTC Yi-Bing Lin	4,582,862,594
1	Representative of the MOTC	4,582,282,128

	Chich-Chiang Fan	
1	Representative of the MOTC Shu-Juan Huang	4,582,230,685
1	Representative of the MOTC Hsu-Hui Ho	4,582,420,209
B12XXXXXXXX	Independent Director Zse-Hong Tsai	4,645,511,021
Q12XXXXXXXX	Independent Director JenRan Chen	4,324,643,611
R10XXXXXXXX	Independent Director Lo-Yu Yen	4,322,810,948
C10XXXXXXXX	Independent Director Kuo-long Wu	4,327,175,059
M12XXXXXXXX	Independent Director Yung-Chen Chen	4,311,766,392

X. Other Matters

Release of restrictions on competitive activities on the 8th term directors (Proposed by the Board of Directors)

Explanation:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Some of the Company' directors concurrently act as directors or run business for the other companies which have the same or similar scope of business with Chunghwa. Hence it is proposed to the shareholders' meeting to release the restriction on competitive activities thereon in accordance with the laws.
3. It is proposed to release the restriction on competitive activities on Director Lo-Yu Yen, JenRan Chen and Lih-Shyng Tsai with regard to the following duty of the companies:

Director	Duty at the company with same or similar scope of business	Same or similar lines of business of the company
Lo-Yu Yen	Independent director, The Eslite Spectrum Corporation	Residential and Commercial Building Development, Rental and Sales Businesses; Real Estate Rental Businesses; Management and Consulting Service Business; Power Equipment Installation and Maintenance Business; Electrical Appliance Installation Business ; Automatic Control Equipment Engineering Business; Installation of the Computer Equipment Business; Computer and Administrative Device Wholesale Businesses; Telecommunication Equipment Wholesale Business; Information Software Wholesale Businesses; Computer and Administrative Device Retail Businesses; Telecommunication Equipment Retail Business; Information Software Rental Businesses; Non-store Retailer Business; Parking Lot Operation Businesses; Information Software Service Business; Information Process Service Business; Supply of Electronic Information Service Businesses; Telecommunication Account Application Agency Businesses;

Director	Duty at the company with same or similar scope of business	Same or similar lines of business of the company
		Online Certification Service Businesses; Other Corporation Service Businesses; General Hotel Business; Exhibition Service Businesses
	Director, Social Enterprise Insights Corporation	Management and Consulting Service Business; Information Software Service Business; Information Process Service Business; Supply of Electronic Information Service Businesses; Online Certification Service Businesses; Exhibition Service Businesses
JenRan Chen	Executive Director, Pixnet Digital Media	Installation of the Computer Equipment Business; Computer and Administrative Device Wholesale Businesses; Telecommunication Equipment Wholesale Business; Information Software Wholesale Businesses; Computer and Administrative Device Retail Businesses; Telecommunication Equipment Retail Business; Information Software Rental Businesses; Other Retail Businesses; Telecommunications Enterprise of Type 2; Telecommunication Account Application Agency Businesses; Online Certification Service Businesses; Other Corporation Service Businesses; Management and Consulting Service Business; Information Software Service Business; Information Process Service Business; Supply of Electronic Information Service Businesses; Exhibition Service Businesses
	Supervisor, FormoLight Technology Co., Ltd.	Electrical Appliance Installation Business; Automatic Control Equipment Engineering Business; Installation of the Computer Equipment Business; Telecommunication Engineering Business; Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business; Instrument Installation Engineering Business; Telecommunication Equipment Wholesale Business; Information Software Wholesale Businesses; Telecommunication Equipment Retail Business; Information Software Rental Businesses; Information Software Service Business; Information Process Service Business; Supply of Electronic Information Service Businesses; Rental Business
Lih-Shyng Tsai	Director, NXP Semiconductors N.V.	Computer and Accessories Manufacturing Service; Information Storage and Process Equipment Manufacturing Businesses; Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses; Energy Service Business; Automatic Control Equipment Engineering Business; Lighting Equipment Installation Business; Online Certification Service Businesses

4. This proposal has been resolved in the 15th meeting of the 7th Board of Directors and is hereby submitted to the shareholders at the Annual General Meeting for approval.

Summary of Shareholder Statement:

Shareholder Mr. Chu (Account No. 41207) and Mr. Zhang (Account No. 48777) made statements about:

Oppose to release restrictions on competitive activities on the 8th term directors; ask if the Chairman should recuse himself from this agenda item for being an interested party in relation.

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

The Chairman designated the attorney to respond to the issue of recusing from this agenda item. Though the attorney stated the Chairman did not have to recuse on voting, the Chairman still asked the Independent Director, Zse-Hong Tsai, to act for the Chairman till the end of this agenda item.

Resolution:

1. Release of restrictions on competitive activities on the 8th term directors – Lo-Yu Yen:

voting results: 5,239,344,500 voting rights of “for” votes (among which 4,519,381,767 voting rights were executed through e-voting), representing 86.45% of the present voting rights at the time of voting; 2,734,231 voting rights of “against” votes (among which 2,708,636 voting rights were executed through e-voting); 818,705,767 voting rights of “abstain/non-vote” rights; 0 voting right of “invalid” vote; the proposal proposed by the Board of Directors was approved upon voting.

2. Release of restrictions on competitive activities on the 8th term directors – JenRan Chen, Independent Director

voting results: 5,239,340,076 voting rights of “for” votes (among which 4,519,377,343 voting rights were executed through e-voting), representing 86.45% of the present voting rights at the time of voting; 2,728,324 voting rights of “against” votes (among which 2,728,324 voting rights were executed through e-voting); 818,716,098 voting rights of “abstain/non-vote” rights; 0 voting right of “invalid” vote; the proposal proposed by the Board of Directors was approved upon voting.

3. Release of restrictions on competitive activities on the 8th term directors – Lih-Shyng Tsai, Director

voting results: 5,239,188,096 voting rights of “for” votes (among which 4,519,225,363 voting rights were executed through e-voting), representing 86.44% of the present voting rights at the time of voting; 2,820,426 voting rights of “against” votes (among which 2,820,426 voting rights were executed through e-voting); 818,775,976 voting rights of “abstain/non-vote” rights; 0 voting right of “invalid” vote; the proposal proposed by the Board of Directors was approved upon voting.

XI. Other business and special motions

The inquiries and suggestions made by shareholders totaled 66, and the summary of which is as follows:

1. About the operation of the Company: Shareholder Mr. Lin (Account No. 47650), Mr. Lee (Account no. 685950), Mr. Tu (Account No. 52935), Mr. Zhang (Account No. 48777), Mr. Zhao (Account No. 38175), Mr. Lin (Account No. 39146), Mr. Tsai (Account No.40638), Mr. Ke (Account No. 45174), Ms. Qiu (Account No. 48837), Mr. Wang (Account No.41762), etc. suggested: to investigate the responsibilities of managers; to set a tutor window for middle-aged and elder customers; to set a recycling mechanism for 3C waste; to improve communication quality; to plan for shareholders packages; to educate maintenance engineers to respect the need and time of customers; the procurement process for the uniform of year 2016; the organization of the staff for occupational safety and health; to abandon the QOS item “speed under the standard”; to review the business hours and headcount allocation in every service center; suggest to add in performance review the items of “contribution percentage to revenues, EPS before income tax,

etc.” and “control of operation cost”; to examine the unreasonable method of performance evaluation of service centers; to review the manpower shortage due to retirement and to react to the situation at the early stage; to make up the necessary capex; to shift the amount remained in the procurement executed by projects to the procurement executed by accumulated points; to establish a complete mechanism for value-added services to be on-line or off-line; to review business integration and pricing strategies; to review the gain and loss of the project of handling energy-saving subsidy; the impact of the digital convergence law on MOD (20 suggestions).

2. About employees’ rights and benefits: Shareholder Mr. Tsai (Account No.40638), Mr. Hong (Account No. 52913), Mr. Pan (Account No.49363), Mr. Zhang (Account No. 48777), Mr. Zhao (Account No. 38175), etc. suggested: the issue about changing the working conditions; to raise salary within this year; the compensation for travelling; to set up children care center for employees; to assist in the calculation of working years by combing the years during government employee insurance and the years during labor insurance, and help to solve the problem of being unqualified to apply for the retirement annuity due to insufficient working years after the privatization of the Company (9 suggestions).
3. About the unions: Shareholder Mr. Tsai (Account No.40638), Mr. Zhang (Account No. 48777) and Ms. Qiu (Account No. 48837) suggested: the problem on appointment of labor director; the party of collective bargaining for Collective Agreement and the meeting between management and labor at certain branch offices (6 suggestion).
4. About subsidiaries: Shareholder Mr. Zhang (Account No. 48777) and Ms. Xu (Account No. 99043) suggested: not to use subsidiaries as ways for offering reward, but to endeavor to increase profit; to discharge the managers of Chunghwa System Integration (2 suggestions).
5. Shareholder Mr. Chu (Account No. 41207) suggested: to discharge the Chairman; to investigate the loss in compensation; to treat shareholders kindly and to handle shareholders’ suggestions (21 suggestions)
6. About retired employees: Shareholder Mr. Tsai (Account No.40638), Mr. Wang (Account No.41762), Mr. Kang (Account No. 37170), Mr. Zhang (Account No. 48777), ect. suggested: to offer retired employees same preferential prices as those to current employees; to distribute certain percentage of earnings or NT\$20,000 per person to retired employees; Zhong Ji She; to talk with the seven-member group of the association of retired employee (7 suggestions).
7. Others: Shareholder Mr. Lu (Account No.635009) suggested: to take time for rest at shareholders’ meeting according to regulations.

XII. The meeting was adjourned at 23:49 p.m. of the same day.

The comparison table of the amendments to Article 2 and 22 and proposed addition of Article 22-1 to 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.

Draft Amendment	Current Articles	Explanatory Notes
Article 2 The scope of business of the Company shall be as follows: 1) Telecommunications Enterprise of Type 1 (G901011); 2) Telecommunications Enterprise of Type 2	Article 2 The scope of business of the Company shall be as follows: 1) Telecommunications Enterprise of Type 1 (G901011); 2) Telecommunications Enterprise of Type 2	1. The business item "Machinery and Equipment Manufacturing" (CB01010) is added as Subparagraph 49, Paragraph 1 of

Draft Amendment	Current Articles	Explanatory Notes
<p>(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>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</p>	<p>(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>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</p>	<p>Article 2 in accordance with the business needs of the Company.</p> <p>2. The current Subparagraph 49 of Paragraph 1, Article 2 is moved to Subparagraph 50.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>Service Business (I301020); 17) Telecommunication Account Application Agency Businesses (IE01010); 18) Residential and Commercial Building Development, Rental and Sales Businesses (H701010); 19) Development of Special District/Zone Businesses (H701040); 20) Real Estate Rental Businesses (H703100); 21) Community Common Cable Television Equipment Businesses (J502020); 22) Exhibition Service Businesses (JB01010); 23) Parking Lot Operation Businesses (G202010); 24) Environmental Assessment Service Businesses (J101050); 25) Computer and Accessories Manufacturing Service (CC01110); 26) Information Storage and Process Equipment Manufacturing Businesses (CC01120); 27) Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses 【IC or Optical Card Scanners】 (CC01990); 28) Radio-Frequency Equipment Import Business (F401021); 29) General Hotel Business (J901020); 30) Computer and Administrative Device Wholesale Businesses (F113050); 31) Information Software Wholesale Businesses (F118010); 32) Computer and Administrative Device Retail Businesses (F213030);</p>	<p>Service Business (I301020); 17) Telecommunication Account Application Agency Businesses (IE01010); 18) Residential and Commercial Building Development, Rental and Sales Businesses (H701010); 19) Development of Special District/Zone Businesses (H701040); 20) Real Estate Rental Businesses (H703100); 21) Community Common Cable Television Equipment Businesses (J502020); 22) Exhibition Service Businesses (JB01010); 23) Parking Lot Operation Businesses (G202010); 24) Environmental Assessment Service Businesses (J101050); 25) Computer and Accessories Manufacturing Service (CC01110); 26) Information Storage and Process Equipment Manufacturing Businesses (CC01120); 27) Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses 【IC or Optical Card Scanners】 (CC01990); 28) Radio-Frequency Equipment Import Business (F401021); 29) General Hotel Business (J901020); 30) Computer and Administrative Device Wholesale Businesses (F113050); 31) Information Software Wholesale Businesses (F118010); 32) Computer and Administrative Device Retail Businesses (F213030);</p>	

Draft Amendment	Current Articles	Explanatory Notes
<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) <u>Machinery and Equipment Manufacturing" (CB01010);</u></p> <p>50) Except the permitted business, the Company may engage in other businesses not prohibited or restricted</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) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).</p>	

Draft Amendment	Current Articles	Explanatory Notes
<p>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>	<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>Article 22 <u>In annual profit-making year, the Company should distribute 1.7% - 4.3% of profit as employees' compensation, and not more than 0.17% of profit should be distributed as directors' compensation, however, that if the Company has any accumulated losses, an amount to offset should be reserved in advance.</u></p> <p><u>The Company should by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding paragraph distributed in the form of share or in cash; and report at the General Meeting of shareholders.</u></p> <p><u>The provisions in the two preceding Paragraphs have retrospective effect and should apply to the determination of compensation to employees and Directors for the fiscal year of 2015.</u></p>	<p>Article 22 After the Company has paid all taxes due at the end of each fiscal year, the Company shall offset its accumulated losses and set aside ten percent (10 %) of the net profit as the statutory revenue reserve before distribution of earning, except when the accumulated amount of such legal reserve equals to the Company's total authorized capital. The Company may also set aside or reverse special reserve(s) according to the business needs or laws and regulations. A minimum of fifty percent (50%) of the total amount of the balance, including the accumulated retained earnings from the previous year, shall be distributed in the following manner:</p> <ol style="list-style-type: none"> 1) Employee bonuses between two percent (2%) to five percent (5%); 2) Remuneration for directors not higher than 0.2%. 3) The remainder after deducting amounts in subparagraphs 1) and 2) shall be shareholders' dividends. Cash dividends shall not be below fifty percent (50%) of the total dividends, but when the cash dividends fall below NT\$0.1 per share, dividends 	<ol style="list-style-type: none"> 1. This Article is amended in accordance with the amended Articles 235, 240 and new Article 235-1 of the Company Act and by reference to Interpretation of the MOEA. 2. The content of the current Article 22 concerning rules of distribution of earnings to the shareholders is moved to Article 22-1.

Draft Amendment	Current Articles	Explanatory Notes
	<p>shall be distributed in the form of stocks.</p> <p>The percentage of distribution stipulated in the presiding paragraph 1 shall take into consideration of the actual profitability of the year, capital budgeting, and status of finance, and shall be executed following the resolution of shareholders' meeting.</p> <p>Dividends and bonuses shall not be distributed where the Company has no earnings. Where the Company has no loss, it may distribute the capital reserve derived from the income of issuance of new shares at a premium, in whole or in part, by issuing new shares or by cash to shareholders in proportion to the number of their original shares being held by each of them.</p>	
<p>Article 22-1 After the Company has paid all taxes due at the end of each fiscal year, the Company shall make up its accumulated losses and set aside ten percent (10 %) earning as a statutory revenue reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals to the Company's total authorized capital. The Company may also set aside or reverse special reserve(s) according to the business needs or laws and regulations. A minimum of fifty percent (50%) of the total amount of the remaining amount, along with the accumulated retained earnings from the previous year, shall be distributed to</p>		<ol style="list-style-type: none"> 1. <u>This Article is newly added.</u> 2. The content of current Article 22 concerning distribution of earnings to the shareholders is moved to this Article.

Draft Amendment	Current Articles	Explanatory Notes
<p>shareholders. Cash dividends shall not be less than fifty percent (50%) of the total dividends, but when the cash dividends fall below NT\$0.1 per share, dividends may be distributed in the form of shares.</p> <p>The percentage of distribution stipulated in the preceding paragraph shall take actual profitability of the year, capital budgeting, and status of finance into consideration, and shall be executed following a resolution of shareholders' meeting.</p> <p>Dividends and bonuses shall not be distributed where the Company has no earning.</p> <p>Where the Company has no loss, it may distribute the capital reserve derived from the income of issuance of new shares at a premium, in whole or in part, by issuing new shares or by cash to shareholders in proportion to the number of their existing shares being held by each of them.</p>		

Report Items

I. The Company's 2015 business report

2015 was a fruitful year for Chunghwa Telecom. Owing to concerted efforts from our entire team, we set a new record high for total revenue in 2015, and have achieved our highest earnings per share since 2012. Considering the current turmoil in the global financial markets and the economic slowdown in Taiwan, we are quite proud of our overall strong performance during the year.

During the course of 2015, we witnessed the rapid adoption of 4G mobile broadband services throughout Taiwan. In last October, 4G subscribers in Taiwan reached a record 10 million, and by the end of the year that figure further climbed to 11.6 million or 49% of the Taiwanese population. Since the launch of 4G mobile broadband services in May 2014, healthy competition in the industry, along with market demand for faster connections, has significantly boosted customer growth, market penetration and data usage in Taiwan, which now rank among the world's highest.

Chunghwa Telecom worked aggressively to meet customers' demands for 4G speed and coverage by providing market-leading comprehensive mobile services. As of the end of December 2015, Chunghwa Telecom had amassed over 4.4 million 4G customers, widening the lead over our closest competitor to over one million, and representing a market-leading 38.2% market share in Taiwan.

In addition to achieving solid results in the 4G arena, we also endeavored to promote our other services including voice optimization, fixed-line broadband services, corporate customer business and other value-added services. These efforts continue to benefit us and strengthen investors' confidence in our approach to provide comprehensive telecom services. The portion of our shares held by foreign investors increased from 15.2% to 21.3% over the past year, and our stock price has reached a new two-year high. These strong results are a tremendous source of encouragement for the entire company.

Financial Results

The consolidated revenue of Chunghwa Telecom for the full year 2015 was NT\$231.8 billion, representing a solid annual growth of 2.3%, which exceeded our earlier expectations. Both mobile Internet and 4G mobile customers continued to expand rapidly. Mobile value-added services revenue also showed strong growth, and provided a significant boost to our overall sales revenue. Furthermore, our increasingly robust and effective ICT business also progressed solidly and helped contribute to the top-line expansion.

The annual consolidated costs and expenses were NT\$181.3 billion in 2015, a decrease of 0.6% compared with 2014. The decrease was mainly due to the reduction in network interconnection costs and depreciation expenses, partially offset by increased cost of goods sold. Benefit from the strategy of precision construction, capital expenditures were NT\$25.1 billion for year 2015. Under the principle of strictly control overall capital expenditures, we closely observed market demand, dynamically adjusted expenditure planning and increased investments in mobile broadband network construction to maximize the economic efficiency of our capital expenditures. Due to the continued revenue growth and effective cost control measures, net

income attributable to the stockholders of the parent company was NT\$42.8 billion and earnings per share was NT\$5.52, which exceeded our 2015 guidance by 14.2%.

Continued Leadership in Mobile Broadband Market

In order to provide fast, stable and high-quality 4G broadband services and maintain our market leadership position, we accelerated the construction of our 4G network. By the end of 2015, network coverage reached 99% of the population, allowing most Taiwanese customers to enjoy the convenience of high-quality mobile Internet services. In addition to expanding our market share, we are also committed to increasing ARPU, through improving value-added services. We provide the “Brilliant Hami Packages” that contain KKBOX, Hami Pass, Hami TV, Hami Games and Hami Bookstore at affordable prices over our high-speed 4G network.

To fuel the healthy long-term development of mobile broadband services, we participated in the second round of 4G bidding for the 2500MHz / 2600MHz frequency bands launched by the National Communications Commission on November 17, 2015. On December 7, 2015, at a price of NT\$9.96 billion, we acquired the industry's largest FDD spectrum with both uplink and downlink bands of 30 MHz. These bands are expected to be put into use in the second quarter of 2016. Through utilizing the Carrier Aggregation (CA) technology, we are able to integrate the 2500MHz /2600MHz bands with the 900MHz and 1800MHz bands into 3CA and boost the theoretical data transfer speeds by up to 330 Mbps. The combination of high and low frequency capabilities can effectively enhance the quality of communication, and provide customers with a better mobile broadband experience.

Continuous Upgrade on Fixed-line Broadband with Big Data Analytics

We continued to improve the speed for our fiber-optic broadband Internet access service. Following the launch of 100Mbps broadband services in 2013 and the subsequent launch of 300Mbps services in 2014, we introduced speeds of 500Mbps and 1Gbps in October 2015. By the end of 2015, we had 1.59 million customers signed up at speeds of 60Mbps and higher and 1.05 million customers at speeds of 100Mbps and higher. As a result of our effective strategies to upgrade subscribers to higher speed services, we were able to further grow broadband service revenue, despite facing significant market competition which hindered our subscriber growth.

To further promote our broadband services among target customers and maximize the return of our broadband network investment, we have increasingly leveraged our big data capabilities to analyze customer behavior and optimize locations for marketing and construction.

We launched a bundled package for our broadband and MOD services to attract more applications. For MOD service, we offered Subscription Video on Demand (SVOD) services to cater to customers’ various interests and successfully accumulated subscribers. In addition, MOD and OTT content could be consumed on different broadcast terminals over fixed-line and mobile networks. Our success here reflects the internal operational synergies of an integrated telecom carrier. We will continue to enrich the content of our programs and improve our brand image with the goal of becoming a leader among multi-screen providers in an era of digital convergence.

According to the “2015 digital convergence report” authored by the Taiwan Digital Convergence Association, consumers are more satisfied with MOD than cable TV due to MOD’s visual quality, overall service and channel diversity.

Actively Promoted New ICT Services

ICT services are one of the key drivers that fuel the continuous development of the telecommunications industry. Our ICT services take advantage of our robust broadband network capacity to improve business performance and administrative efficiency.

The development of the ICT business in 2015 included cloud services, information security, and Internet of Things (IoT) capabilities. We have succeeded in targeting projects from relevant government and enterprise customers, and customizing products according to their needs. For example, we introduced a streetlight monitoring system, which provided quality lighting in the city of Hsinchu. Additionally, to respond to the government's low-carbon energy policy, we established a dedicated team aimed at developing open service platforms to form a cross-industry product solution ecological chain and also played an important role in several environment-related government projects. In August 2015, Chunghwa Telecom signed a strategic partnership agreement with Microsoft to jointly provide cloud services to governments and enterprises alike. This cooperation was seen as a new model for cloud services in Taiwan. In addition, we actively built a world-class cloud data center in accordance with stringent international standards as it relates to electronic, mechanical and telecommunications infrastructure. The completion of the center in the first quarter of 2016 will help to support the development of our businesses.

R&D and Achievements

In 2015, Chunghwa Telecom's research and development efforts covered key topics including convergence services, the IoT, information security, big data, cloud computing and intelligent broadband. We had some impressive achievements in the following fields:

- 1) Convergence Services: fixed-mobile convergence services, multiscreen video services, intelligent interface technologies
- 2) IoT: Intelligent video surveillance solutions, intelligent manufacturing solutions;
- 3) Information Security: Identification solutions, enterprise APT defense solutions;
- 4) Big Data: Big data platforms and analytics;
- 5) Cloud Computing: public and private cloud management solutions, common frameworks for cloud applications;
- 6) Intelligent Broadband: Advanced LTE solutions, G.fast high speed broadband networks management solutions, new VoIP applications for enterprises; and
- 7) Intellectual Property (172 patents filed and 162 granted)

Uphold High Standards of Corporate Social Responsibility

Chunghwa Telecom is a company that both benefits from and serves the entire community. With Chunghwa's expertise and resources, we have been consistently striving to improve our business operations as well as our CSR programs in order to build a sustainable community and environment.

In 2015, our corporate social responsibility footprint was visible throughout Taiwan. When a road collapsed in Xiaogang District, Kaohsiung City, and communication was interrupted due to an electrical engineering problem, we immediately sent technicians to repair the telephone cables. When Wulai district was hit by typhoon Soudelor, our engineers were sent to the severely afflicted area immediately, actively repairing communication equipment and installing temporary toll-free telephone connections. We have stood with the people to confront difficulties together, reflecting our philosophy of brotherhood and upholding our corporate mantra, "we spare no effort to care, no matter when and where." In addition, we built fiber

optic broadband networks, constructed infrastructure in remote islands and villages and participated in various philanthropic activities. We have continued to work towards improving our national competitiveness, minimizing digital divide and supporting disadvantaged groups. Taking care of our employees is another big component of our corporate social responsibility efforts. We continue to care for the interests of employees, enhance their benefits and provide a medium for communication and consultation. We also strive to maintain good relations with our employees and ensure they work in a stable environment to exhibit their full potential and eventually achieve a win-win-win situation for the company's management, employees and shareholders.

Awards

Chunghwa Telecom has always endeavored to maintain its superior brand image and trust among customers in the market. However, we will not become complacent, and will continue to strive to exceed customers' expectations. Owing to this continuous endeavor, we have earned many domestic and international awards recognizing these efforts and corroborating our leadership in service to our customers and community.

In 2015, the World Branding Forum released a list of the winners of the 2015-2016 World Branding Awards. Chunghwa Telecom took home the National Award of Taiwan for our exemplary performance in the areas of financial earnings, marketing, public relations and community engagement. Frost & Sullivan, a reputable international research organization, at its 2015 Best Practices Awards Ceremony, awarded Chunghwa Telecom as the Taiwan Mobile Service Provider of the Year. Chunghwa Telecom was also the only telecom service provider in Greater China to be included in the DJSI World and DJSI Emerging Markets Indexes for the third year in a row. Additionally, we received the highest award among "Trusted Brands" in the telecom category from Reader's Digest for the 11th year in a row, which demonstrates customers' trust in our creative and compassionate services. Chunghwa Telecom also received the Platinum Corporate Award for a third consecutive year from the reputable magazine, The Asset, reflecting our achievements in earnings, management, governance, social and environmental responsibility, and investor relations.

The list goes on with many other awards that recognize Chunghwa Telecom's efforts in business development, customer service and social responsibility. This recognition encourages us to continue to improve our performance.

Looking Forward

In 2016, we will remain committed to our major strategies and focus on the development of 4G mobile broadband networks. We will implement these strategies by utilizing Chunghwa Telecom's capabilities in network infrastructure construction, product development, and sales and system integration in order to grow revenue and profit.

Chunghwa Telecom has the industry's largest mobile broadband bandwidth of 130 MHz, and will integrate the 900MHz, 1800MHz and 2600MHz band resources into 3CA to enhance communication quality in metropolitan areas and further stimulate the use of value-added services as well as improve ARPU.

In order to cultivate new industry capacity and ultimately boost economic growth for Taiwan, we are prioritizing the development of ICT and IoT solutions and to this end will actively work to integrate these supply chains. Chunghwa Telecom will provide customers with high-quality

customized solutions through comprehensive network construction, superior R&D and platform development, combined with big data analysis, as well as close cooperation with our strategic partners.

We understand that there will be challenges along our path of development such as macro-economic softness, competition and regulation. We will continue to prevail against these headwinds, as we strive to optimize overall network performance, build up our technical capabilities, and employ the most advanced communication technologies available. Additionally, in order to attract and cultivate key talent and support our business development, we will further leverage our expertise in internal product packaging, marketing, distribution, research and development and other capabilities throughout Chunghwa Telecom.

Witnessing our strong performance in 2015, please be assured that we will continue to strive to create strong value for our shareholders in the years to come.

Lih-Shyng Tsai, Chairman and CEO

Mu-Piao Shih, President

Bao-Jin Chang, Accounting Officer

March 11, 2016

II. 2015 audit committee's audit report concerning the Company's financial statements

The Board of Directors compiled the Company's 2015 business report, financial statements (including consolidated and standalone financial statements), and proposal of earnings distribution. The independent auditors E. M. Wu and Sandra Chen of Deloitte & Touche have audited the financial statements and issued an audit report 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.

Zse-hong Tsai

Chairman of the Audit Committee

March 11, 2016

III. Report on the 2015 compensation distribution for directors and employees

1. In compliance with the new Article 235-1 and the amended Articles 235 and 240 of the Company Act, the Company has adjusted the ratio of profit of the current year distributable as employees' compensation specified in the Articles of Incorporation without affecting the current employees' interests, and proposed the amendment to the Articles of Incorporation to be resolved at the 2016 Annual General Meeting of Shareholders. The 2015 compensation distribution for directors and employees is to be made on the basis of 2016 amended Articles of Incorporation by reference to the interpretations of the Ministry of Economic Affairs, and was approved by the 14th meeting of the 7th Board of Directors.

2. Comparison between the distributable compensation for directors and employees

* 2015 Net income NT\$42,805.73 million

(In million NT\$)

		Articles of Incorporation (original)			Articles of Incorporation (amended)			
Employees' compensation	2%~5%			1.7%~4.3%				
	Net income	Ratio of profit	NT\$ (A)	Profit	Ratio of profit	NT\$ (B)	(B-A)	
	30,000	2.00%	612.87	36,193	1.7000%	615.28	2.41	
	:	:	:	:	:	:	:	
	34,000	3.20%	1,125.13	41,449	2.7236%	1,128.92	3.79	
	42,803	4.28%	1,916.01	52,767	3.6529%	1,927.52	11.51	
45,000	4.5%	2,122.64	55,494	3.8329%	2,127.02	4.38		
:	:	:	:	:	:	:		
50,536.20	5.0%	2,662.60	62,600	4.3000%	2,691.80	29.20		
Directors' compensation	Not exceed 0.2%			Not exceed 0.17%				
	Net income	Ratio of profit	NT\$ (A)	Profit	Ratio of profit	NT\$ (B)	(B-A)	
	30,000	0.1%	31	36,193	0.085%	31	0.00	
	:	:	:	:	:	:	:	
	34,000	0.1%	35	41,449	0.085%	35	0.00	
	42,805.73	0.1%	44.77	52,767	0.085%	44.85	0.08	
45,000	0.1%	47	55,494	0.085%	47	0.00		
:	:	:	:	:	:	:		
50,536.20	0.1%	53	62,600	0.085%	53	0.00		

3. The 2015 compensation distribution for directors and employees

Item		NT\$
Net income		42,805,728,128
Profit	(A)	52,766,803,407
Ratio of profit of Directors' compensation	(B)	0.085%
Directors' compensation	(C)=(A)*(B)	44,851,783
Ratio of profit of Employees' compensation	(D)	3.6529%
Employees' compensation	(E)=(A)*(D)	1,927,518,562

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Chunghwa Telecom Co., Ltd.

We have audited the accompanying consolidated balance sheets of Chunghwa Telecom Co., Ltd. and its subsidiaries (the "Company") as of December 31, 2015 and 2014 and January 1, 2014, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2015 and 2014 and January 1, 2014, and the results of their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity 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 by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Chunghwa Telecom Co., Ltd., as of December 31, 2015 and 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 on which we have issued an unqualified report.

March 11, 2016

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

ASSETS	December 31, 2015		December 31, 2014 (Adjusted) (Note 5)		January 1, 2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 3 and 6)	\$ 30,271,423	7	\$ 23,559,603	5	\$ 14,585,105	3
Financial assets at fair value through profit or loss (Notes 3 and 7)	163	-	1,163	-	337	-
Hedging derivative assets (Notes 3 and 21)	498	-	-	-	-	-
Available-for-sale financial assets (Notes 3 and 8)	-	-	-	-	24,267	-
Held-to-maturity financial assets (Notes 3 and 9)	1,880,739	-	3,456,747	1	4,264,104	1
Trade notes and accounts receivable, net (Notes 3, 4 and 10)	26,926,050	6	26,227,999	6	22,900,902	5
Accounts receivable from related parties (Note 39)	42,056	-	81,008	-	69,304	-
Inventories (Notes 3, 4, 11 and 40)	8,780,190	2	7,096,509	2	7,848,087	2
Prepayments (Notes 12 and 39)	2,669,021	1	2,444,458	-	2,224,130	1
Other current monetary assets (Notes 13 and 28)	3,300,783	1	3,325,354	1	4,636,305	1
Other current assets (Notes 20, 32 and 40)	2,335,921	-	3,219,399	1	3,960,798	1
Total current assets	76,206,844	17	69,412,240	16	60,513,339	14
NONCURRENT ASSETS						
Available-for-sale financial assets (Notes 3 and 8)	3,242,827	1	3,914,212	1	3,046,182	1
Held-to-maturity financial assets (Notes 3 and 9)	2,139,801	-	4,027,522	1	7,501,743	2
Financial assets carried at cost (Notes 3 and 14)	2,267,869	1	2,366,530	-	2,423,646	-
Investments accounted for using equity method (Notes 3, 4 and 16)	3,145,004	1	2,953,625	1	2,562,293	-
Property, plant and equipment (Notes 3, 4, 17, 39 and 40)	296,399,146	65	302,650,343	68	302,714,116	69
Investment properties (Notes 3, 4 and 18)	7,902,405	2	7,620,854	2	8,018,031	2
Intangible assets (Notes 3, 4 and 19)	50,446,778	11	42,824,626	9	44,398,888	10
Deferred income tax assets (Notes 3 and 32)	2,061,577	-	1,828,586	-	1,509,305	-
Prepayments (Notes 12 and 39)	3,611,818	1	3,504,338	1	3,608,487	1
Other noncurrent assets (Notes 20, 28 and 40)	5,597,023	1	5,601,736	1	4,882,974	1
Total noncurrent assets	376,814,248	83	377,292,372	84	380,665,665	86
TOTAL	\$ 453,021,092	100	\$ 446,704,612	100	\$ 441,179,004	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 22)	\$ 110,000	-	\$ 564,400	-	\$ 254,357	-
Financial liabilities at fair value through profit or loss (Notes 3 and 7)	-	-	21	-	246	-
Hedging derivative liabilities (Notes 3 and 21)	-	-	283	-	-	-
Trade notes and accounts payable (Note 24)	16,300,993	4	18,518,977	4	15,589,108	4
Payables to related parties (Note 39)	611,100	-	407,965	-	556,809	-
Current tax liabilities (Notes 3 and 32)	4,751,181	1	3,361,907	1	4,144,076	1
Other payables (Note 25)	25,486,966	6	24,334,992	6	26,791,769	6
Provisions (Notes 3 and 26)	189,746	-	179,374	-	129,341	-
Advance receipts (Note 27)	9,567,140	2	9,912,864	2	9,463,535	2
Current portion of long-term loans (Notes 23 and 40)	7,692	-	-	-	300,000	-
Other current liabilities	1,501,269	-	1,618,957	-	1,598,017	-
Total current liabilities	58,526,087	13	58,899,740	13	58,827,258	13
NONCURRENT LIABILITIES						
Long-term loans (Notes 23 and 40)	1,742,308	-	1,900,000	-	1,400,000	1
Deferred income tax liabilities (Notes 3 and 32)	147,975	-	132,406	-	101,379	-
Provisions (Notes 3 and 26)	58,158	-	92,660	-	123,464	-
Customers' deposits (Note 39)	4,725,826	1	4,757,547	1	4,834,580	1
Net defined benefit liabilities (Notes 3, 4 and 28)	7,098,510	2	6,469,890	2	5,483,205	1
Deferred revenue (Note 3)	3,615,602	1	3,398,087	1	3,700,949	1
Other noncurrent liabilities	3,097,623	1	1,514,947	-	1,334,220	-
Total noncurrent liabilities	20,486,002	5	18,265,537	4	16,977,797	4
Total liabilities	79,012,089	18	77,165,277	17	75,805,055	17
EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT (Notes 15 and 29)						
Common stocks	77,574,465	17	77,574,465	17	77,574,465	18
Additional paid-in capital	168,095,615	37	168,047,935	38	184,620,065	42
Retained earnings						
Legal reserve	77,574,465	17	76,893,722	17	74,819,380	17
Special reserve	2,675,419	1	2,819,899	1	2,675,894	-
Unappropriated earnings	42,551,245	9	38,231,982	9	20,770,064	5
Total retained earnings	122,801,129	27	117,945,603	27	98,265,338	22
Other equity interest	268,719	-	886,147	-	(144,005)	-
Total equity attributable to stockholders of the parent	368,739,928	81	364,454,150	82	360,315,863	82
NONCONTROLLING INTERESTS (Notes 15 and 29)	5,269,075	1	5,085,185	1	5,058,086	1
Total equity	374,009,003	82	369,539,335	83	365,373,949	83
TOTAL	\$ 453,021,092	100	\$ 446,704,612	100	\$ 441,179,004	100

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

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%
REVENUES (Notes 30 and 39)	\$ 231,795,104	100	\$ 226,608,686	100
OPERATING COSTS (Notes 11 and 39)	<u>148,126,213</u>	<u>64</u>	<u>148,379,560</u>	<u>65</u>
GROSS PROFIT	<u>83,668,891</u>	<u>36</u>	<u>78,229,126</u>	<u>35</u>
OPERATING EXPENSES (Note 39)				
Marketing	25,071,317	11	26,144,969	11
General and administrative	4,514,352	2	4,414,439	2
Research and development	<u>3,616,778</u>	<u>1</u>	<u>3,503,665</u>	<u>2</u>
Total operating expenses	<u>33,202,447</u>	<u>14</u>	<u>34,063,073</u>	<u>15</u>
OTHER INCOME AND EXPENSES (Note 31)	<u>(105,106)</u>	<u>-</u>	<u>630,565</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>50,361,338</u>	<u>22</u>	<u>44,796,618</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	306,167	-	288,134	-
Other income (Notes 31 and 39)	650,073	-	586,899	-
Other gains and losses (Notes 31 and 39)	(224,209)	-	130,972	-
Interest expenses	(33,144)	-	(46,148)	-
Share of the profit of associates and joint ventures accounted for using equity method (Note 16)	<u>907,988</u>	<u>-</u>	<u>797,473</u>	<u>1</u>
Total non-operating income and expenses	<u>1,606,875</u>	<u>-</u>	<u>1,757,330</u>	<u>1</u>
INCOME BEFORE INCOME TAX	51,968,213	22	46,553,948	21
INCOME TAX EXPENSE (Notes 3 and 32)	<u>8,303,868</u>	<u>3</u>	<u>7,392,577</u>	<u>3</u>
NET INCOME	<u>43,664,345</u>	<u>19</u>	<u>39,161,371</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)	(231,451)	-	(492,358)	-
Share of remeasurements of defined benefit pension plans of associates and joint ventures (Note 16)	(25,360)	-	740	-
Income tax benefit relating to items that will not be reclassified to profit or loss (Notes 28 and 32)	<u>39,347</u>	<u>-</u>	<u>83,701</u>	<u>-</u>
	<u>(217,464)</u>	<u>-</u>	<u>(407,917)</u>	<u>-</u>

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

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

	2015		2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	\$ 24,357	-	\$ 163,629	-
Unrealized gain (loss) on available-for-sale financial assets (Note 31)	(645,475)	-	878,203	-
Cash flow hedges (Notes 21 and 31)	781	-	(283)	-
Share of exchange differences arising from the translation of the foreign operations of associates and joint ventures (Note 16)	6,340	-	4,454	-
Income tax benefit (expense) relating to items that may be reclassified subsequently (Note 32)	(2,309)	-	3,342	-
	<u>(616,306)</u>	<u>-</u>	<u>1,049,345</u>	<u>-</u>
Total other comprehensive income (loss), net of income tax	<u>(833,770)</u>	<u>-</u>	<u>641,428</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 42,830,575</u>	<u>19</u>	<u>\$ 39,802,799</u>	<u>18</u>
NET INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 42,805,728	19	\$ 38,612,056	18
Noncontrolling interests (Note 15)	<u>858,617</u>	<u>-</u>	<u>549,315</u>	<u>-</u>
	<u>\$ 43,664,345</u>	<u>19</u>	<u>\$ 39,161,371</u>	<u>18</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Stockholders of the parent	\$ 41,973,659	19	\$ 39,235,975	18
Noncontrolling interests	<u>856,916</u>	<u>-</u>	<u>566,824</u>	<u>-</u>
	<u>\$ 42,830,575</u>	<u>19</u>	<u>\$ 39,802,799</u>	<u>18</u>
EARNINGS PER SHARE (Note 33)				
Basic	<u>\$ 5.52</u>		<u>\$ 4.98</u>	
Diluted	<u>\$ 5.50</u>		<u>\$ 4.97</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
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Stockholders of the Parent (Notes 15, 21 and 29)					Other Adjustments			Total	Noncontrolling Interests (Notes 15 and 29)	Total Equity
	Common Stocks	Additional Paid-in Capital	Retained Earnings		Unappropriated Earnings	Exchange Differences Arising from the Translation of the Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges			
			Legal Reserve	Special Reserve							
BALANCE, JANUARY 1, 2014	\$ 77,574,465	\$ 184,620,065	\$ 74,819,380	\$ 2,675,894	\$ 20,744,024	\$ 5,742	\$ (149,747)	\$ -	\$ 360,289,823	\$ 5,054,331	\$ 365,344,154
Effect of retrospective application	-	-	-	-	26,040	-	-	-	26,040	3,755	29,795
BALANCE, JANUARY 1, 2014 AS ADJUSTED	77,574,465	184,620,065	74,819,380	2,675,894	20,770,064	5,742	(149,747)	-	360,315,863	5,058,086	365,373,949
Appropriation of 2013 earnings											
Legal reserve	-	-	2,074,342	-	(2,074,342)	-	-	-	-	-	-
Special reserve	-	-	-	144,005	(144,005)	-	-	-	-	-	-
Cash dividends distributed by Chunghwa	-	-	-	-	(18,525,558)	-	-	-	(18,525,558)	-	(18,525,558)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(796,770)	(796,770)
Cash distributed from additional paid-in capital	-	(16,577,663)	-	-	-	-	-	-	(16,577,663)	-	(16,577,663)
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	2,252	-	-	-	-	-	-	2,252	(4,060)	(1,808)
Change in additional paid-in capital for not participating in the capital increase of a subsidiary	-	2,988	-	-	-	-	-	-	2,988	369	3,357
Net income for the year ended December 31, 2014	-	-	-	-	38,612,056	-	-	-	38,612,056	549,315	39,161,371
Other comprehensive income for the year ended December 31, 2014	-	-	-	-	(406,233)	140,700	889,735	(283)	623,919	17,509	641,428
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	38,205,823	140,700	889,735	(283)	39,235,975	566,824	39,802,799
Compensation cost of employee stock options of a subsidiary	-	-	-	-	-	-	-	-	-	93,287	93,287
Stock bonus issued by a subsidiary	-	293	-	-	-	-	-	-	293	5,451	5,744
Increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	161,998	161,998
BALANCE, DECEMBER 31, 2014	77,574,465	168,047,935	76,893,722	2,819,899	38,231,982	146,442	739,988	(283)	364,454,150	5,085,185	369,539,335
Appropriation of 2014 earnings											
Legal reserve	-	-	680,743	-	(680,743)	-	-	-	-	-	-
Special reserve	-	-	-	(144,005)	144,005	-	-	-	-	-	-
Cash dividends distributed by Chunghwa	-	-	-	-	(37,673,263)	-	-	-	(37,673,263)	-	(37,673,263)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(350,003)	(350,003)
Reversal of special reserve recognized from land disposal	-	-	-	(475)	475	-	-	-	-	-	-
Changes in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	34,405	-	-	-	-	-	-	34,405	(2,688)	31,717
Partial disposal of interests in subsidiaries	-	26,644	-	-	-	-	-	-	26,644	18,484	45,128
Other changes in additional paid-in capital in subsidiaries	-	1,064	-	-	-	-	-	-	1,064	1,559	2,623
Change in additional paid-in capital from share subscription not based on original ownership of a subsidiary	-	(412)	-	-	-	-	-	-	(412)	412	-
Net income for the year ended December 31, 2015	-	-	-	-	42,805,728	-	-	-	42,805,728	858,617	43,664,345
Other comprehensive income for the year ended December 31, 2015	-	-	-	-	(214,641)	30,815	(649,024)	781	(832,069)	(1,701)	(833,770)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	42,591,087	30,815	(649,024)	781	41,973,659	856,916	42,830,575
Compensation cost of employee stock options of subsidiaries	-	-	-	-	-	-	-	-	-	36,326	36,326
Subsidiary purchased its treasury stock	-	(14,021)	-	-	(62,298)	-	-	-	(76,319)	(416,451)	(492,770)
Increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	39,335	39,335
BALANCE, DECEMBER 31, 2015	\$ 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

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

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 51,968,213	\$ 46,553,948
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	30,368,178	31,896,394
Amortization	3,079,912	2,218,298
Provision for doubtful accounts	518,507	325,691
Interest expenses	33,144	46,148
Interest income	(306,167)	(288,134)
Dividend income	(218,232)	(77,658)
Compensation cost of employee stock options	36,326	93,287
Share of the profit of associates and joint ventures accounted for using equity method	(907,988)	(797,473)
Impairment loss on financial assets carried at cost	81,269	23,334
Impairment loss on available-for-sale financial assets	25,910	-
Impairment loss on investments accounted for using equity method	8,213	-
Provision for inventory and obsolescence	198,312	288,364
Impairment loss on property, plant and equipment	138,093	64
Reversal of impairment loss on investment properties	(142,047)	-
Loss on disposal of intangible assets	20	-
Loss (gain) on disposal of financial instruments	449	(45,795)
Loss (gain) on disposal of property, plant and equipment	109,040	(25,276)
Gain on disposal of investment properties	-	(605,353)
Gain on disposal of investments accounted for using equity method	(8,058)	-
Valuation gain on financial assets and liabilities at fair value through profit or loss, net	(163)	(1,142)
Loss (gain) on foreign exchange, net	53,870	(164,039)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets held for trading	1,142	91
Trade notes and accounts receivable	(1,171,880)	(3,618,366)
Accounts receivable from related parties	38,952	(11,705)
Inventories	(1,852,049)	463,214
Other current monetary assets	(357,402)	1,268,003
Prepayments	(326,494)	(116,179)
Other current assets	889,213	741,399
Increase (decrease) in:		
Trade notes and accounts payable	(2,223,264)	2,972,181
Payables to related parties	203,135	(148,844)
Other payables	1,643,582	(1,867,671)
Provisions	(24,130)	19,229
Advance receipts	1,134,218	449,329
Other current liabilities	(112,490)	12,955

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
Deferred revenue	\$ 217,515	\$ (302,862)
Net defined benefit liabilities	<u>438,821</u>	<u>494,341</u>
Cash generated from operations	83,535,670	79,795,773
Interest paid	(33,179)	(42,718)
Income tax paid	<u>(7,177,502)</u>	<u>(8,372,656)</u>
Net cash provided by operating activities	<u>76,324,989</u>	<u>71,380,399</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	-	81,229
Acquisition of time deposits and negotiable certificate of deposit with maturities of more than three months	(11,493,807)	(411,000)
Proceeds from disposal of time deposits and negotiable certificate of deposit with maturities of more than three months	11,824,317	470,666
Acquisition of held-to-maturity financial assets	(1,002,167)	-
Proceeds from disposal of held-to-maturity financial assets	4,450,000	4,257,500
Acquisition of financial assets carried at cost	(29,077)	(59,583)
Proceeds from disposal of financial assets carried at cost	1,684	3,489
Capital reduction of financial assets carried at cost	43,921	83,892
Acquisition of investments accounted for using equity method	(5,607)	(252,485)
Proceeds from disposal of investments accounted for using equity method	16,156	-
Net cash outflow on acquisition of subsidiaries	(113,983)	-
Acquisition of property, plant and equipment	(25,083,954)	(32,559,459)
Proceeds from disposal of property, plant and equipment	3,549	149,260
Acquisition of intangible assets	(10,380,167)	(644,165)
Proceeds from disposal of investment properties	-	1,214,908
Decrease (increase) in other noncurrent assets	72,133	(718,670)
Interest received	336,873	339,846
Cash dividends received	<u>906,697</u>	<u>667,067</u>
Net cash used in investing activities	<u>(30,453,432)</u>	<u>(27,377,505)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	2,750,000	895,000
Repayment of short-term loans	(3,258,111)	(584,957)
Proceeds from long-term loans	-	348,000
Repayment of long-term loans	(189,655)	(148,000)
Increase in repurchase agreement collateralized by bonds	-	13,000,000
Decrease in repurchase agreement collateralized by bonds	-	(13,000,000)
Decrease in customers' deposits	(36,919)	(69,047)
Increase in other noncurrent liabilities	12,240	180,728
Cash dividends and cash distributed from additional paid-in capital	(37,673,263)	(35,103,221)

(Continued)

CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
Partial disposal of interest in subsidiaries without losing control	\$ 45,128	\$ -
Cash dividends paid to noncontrolling interests	(350,003)	(796,770)
Other change in noncontrolling interests	<u>(485,048)</u>	<u>161,998</u>
Net cash used in financing activities	<u>(39,185,631)</u>	<u>(35,116,269)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>25,894</u>	<u>87,873</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,711,820	8,974,498
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>23,559,603</u>	<u>14,585,105</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 30,271,423</u>	<u>\$ 23,559,603</u>

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

(Concluded)

The Board of Directors and Stockholders
Chunghwa Telecom Co., Ltd.

We have audited the accompanying balance sheets of Chunghwa Telecom Co., Ltd. as of December 31, 2015 and 2014 and January 1, 2014, the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014 and January 1, 2014, and the results of its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

March 11, 2016

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

CHUNGHWA TELECOM CO., LTD.**BALANCE SHEETS****(In Thousands of New Taiwan Dollars)**

ASSETS	December 31, 2015		December 31, 2014 (Adjusted) (Note 5)		January 1, 2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 3 and 6)	\$ 24,183,536	6	\$ 19,005,916	4	\$ 11,590,905	3
Financial assets at fair value through profit or loss (Notes 3 and 7)	14	-	-	-	-	-
Held-to-maturity financial assets (Notes 3 and 8)	1,880,739	-	3,456,747	1	4,264,104	1
Hedging derivative assets (Notes 3 and 20)	498	-	-	-	-	-
Trade notes and accounts receivable, net (Notes 3, 4 and 9)	24,733,620	6	24,465,210	6	21,647,860	5
Accounts receivable from related parties (Note 35)	850,925	-	694,170	-	676,870	-
Inventories (Notes 3, 4 and 10)	3,715,936	1	1,421,242	-	1,940,305	-
Prepayments (Notes 11 and 35)	1,804,103	-	1,870,752	-	1,655,940	-
Other current monetary assets (Notes 12 and 25)	2,546,371	1	2,315,131	1	3,652,337	1
Other current assets (Note 19)	2,121,398	-	3,075,076	1	3,600,113	1
Total current assets	61,837,140	14	56,304,244	13	49,028,434	11
NONCURRENT ASSETS						
Available-for-sale financial assets (Notes 3 and 13)	3,163,466	1	3,822,521	1	2,886,662	1
Held-to-maturity financial assets (Notes 3 and 8)	2,139,801	-	4,027,522	1	7,501,743	2
Financial assets carried at cost (Notes 3 and 14)	2,135,647	-	2,221,260	-	2,271,293	1
Investments accounted for using equity method (Notes 3 and 15)	13,072,205	3	13,008,272	3	12,079,981	3
Property, plant and equipment (Notes 3, 4, 16 and 35)	290,072,562	67	296,206,403	68	296,558,810	68
Investment properties (Notes 3, 4 and 17)	7,827,630	2	7,546,079	2	7,331,372	2
Intangible assets (Notes 3, 4 and 18)	49,798,429	11	42,517,247	10	44,139,498	10
Deferred income tax assets (Notes 3 and 29)	1,608,111	-	1,431,901	-	1,229,994	-
Prepayments (Notes 11 and 35)	2,259,583	1	2,225,340	1	2,435,609	1
Other noncurrent assets (Note 19)	5,273,925	1	5,405,439	1	4,695,978	1
Total noncurrent assets	377,351,359	86	378,411,984	87	381,130,940	89
TOTAL	\$ 439,188,499	100	\$ 434,716,228	100	\$ 430,159,374	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Hedging derivative liabilities (Notes 3 and 20)	\$ -	-	\$ 283	-	\$ -	-
Trade notes and accounts payable (Note 21)	12,414,507	4	14,753,882	4	12,326,921	3
Payables to related parties (Note 35)	4,085,634	1	4,016,403	1	3,978,417	1
Current tax liabilities (Notes 3 and 29)	4,531,290	1	3,265,300	1	3,807,043	1
Other payables (Note 22)	22,932,024	5	22,347,429	5	24,656,238	6
Provisions (Notes 3 and 23)	20,572	-	7,037	-	778	-
Advance receipts (Note 24)	8,497,065	2	9,005,858	2	9,025,212	2
Other current liabilities	1,512,012	-	1,618,959	-	1,598,016	-
Total current liabilities	53,993,104	13	55,015,151	13	55,392,625	13
NONCURRENT LIABILITIES						
Deferred income tax liabilities (Notes 3 and 29)	96,931	-	129,217	-	94,986	-
Provisions (Notes 3 and 23)	58,158	-	92,660	-	123,463	-
Customers' deposits (Note 35)	4,642,735	1	4,698,206	1	4,809,692	1
Net defined benefit liabilities (Notes 3, 4 and 25)	7,026,445	1	6,400,692	1	5,411,459	1
Deferred revenue (Note 3)	3,590,685	1	3,441,751	1	3,659,029	1
Other noncurrent liabilities (Note 35)	1,040,513	-	484,401	-	352,257	-
Total noncurrent liabilities	16,455,467	3	15,246,927	3	14,450,886	3
Total liabilities	70,448,571	16	70,262,078	16	69,843,511	16
EQUITY (Note 26)						
Common stocks	77,574,465	18	77,574,465	18	77,574,465	18
Additional paid-in capital	168,095,615	38	168,047,935	39	184,620,065	43
Retained earnings						
Legal reserve	77,574,465	18	76,893,722	18	74,819,380	17
Special reserve	2,675,419	-	2,819,899	-	2,675,894	1
Unappropriated earnings	42,551,245	10	38,231,982	9	20,770,064	5
Total retained earnings	122,801,129	28	117,945,603	27	98,265,338	23
Other equity interest	268,719	-	886,147	-	(144,005)	-
Total equity	368,739,928	84	364,454,150	84	360,315,863	84
TOTAL	\$ 439,188,499	100	\$ 434,716,228	100	\$ 430,159,374	100

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

CHUNGHWA TELECOM CO., LTD.**STATEMENTS OF COMPREHENSIVE INCOME****(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2015		2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%
REVENUES (Notes 27 and 35)	\$201,993,986	100	\$194,068,381	100
OPERATING COSTS (Notes 10 and 35)	<u>123,128,370</u>	<u>61</u>	<u>120,454,885</u>	<u>62</u>
GROSS PROFIT	<u>78,865,616</u>	<u>39</u>	<u>73,613,496</u>	<u>38</u>
OPERATING EXPENSES (Note 35)				
Marketing	23,142,382	11	23,302,452	12
General and administrative	3,495,107	2	3,482,977	1
Research and development	<u>3,455,604</u>	<u>2</u>	<u>3,483,405</u>	<u>2</u>
Total operating expenses	<u>30,093,093</u>	<u>15</u>	<u>30,268,834</u>	<u>15</u>
OTHER INCOME AND EXPENSES (Note 28)	<u>(28,898)</u>	<u>-</u>	<u>70,794</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>48,743,625</u>	<u>24</u>	<u>43,415,456</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	260,885	-	254,636	-
Other income (Notes 28 and 35)	532,527	-	390,989	-
Other gains and losses (Notes 28 and 35)	(128,279)	-	115,241	-
Interest expenses	-	-	(6,268)	-
Share of the profit of subsidiaries, associates and joint ventures accounted for using equity method (Note 15)	<u>1,385,675</u>	<u>1</u>	<u>1,611,147</u>	<u>1</u>
Total non-operating income and expenses	<u>2,050,808</u>	<u>1</u>	<u>2,365,745</u>	<u>1</u>
INCOME BEFORE INCOME TAX	50,794,433	25	45,781,201	24
INCOME TAX EXPENSE (Notes 3 and 29)	<u>7,988,705</u>	<u>4</u>	<u>7,169,145</u>	<u>4</u>
NET INCOME	<u>42,805,728</u>	<u>21</u>	<u>38,612,056</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)	(226,028)	-	(491,047)	-

(Continued)

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

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

	2015		2014 (Adjusted) (Note 5)	
	Amount	%	Amount	%
Share of remeasurements of defined benefit pension plans of subsidiaries, associates and joint ventures (Note 15)	\$ (27,038)	-	\$ 1,336	-
Income tax benefit relating to items that will not be reclassified to profit or loss (Note 29)	<u>38,425</u>	<u>-</u>	<u>83,478</u>	<u>-</u>
	<u>(214,641)</u>	<u>-</u>	<u>(406,233)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	26,254	-	128,325	-
Unrealized gain (loss) on available-for-sale financial assets (Note 26)	(659,055)	-	935,859	-
Cash flow hedges (Note 20)	781	-	(283)	-
Share of exchange differences arising from the translation of the foreign operations of subsidiaries, associates and joint ventures (Note 15)	4,561	-	12,375	-
Share of unrealized gain (loss) on available-for-sale financial assets of subsidiaries, associates and joint ventures (Note 15)	<u>10,031</u>	<u>-</u>	<u>(46,124)</u>	<u>-</u>
	<u>(617,428)</u>	<u>-</u>	<u>1,030,152</u>	<u>-</u>
Total other comprehensive income (loss), net of income tax	<u>(832,069)</u>	<u>-</u>	<u>623,919</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 41,973,659</u>	<u>21</u>	<u>\$ 39,235,975</u>	<u>20</u>
EARNINGS PER SHARE (Note 30)				
Basic	<u>\$ 5.52</u>		<u>\$ 4.98</u>	
Diluted	<u>\$ 5.50</u>		<u>\$ 4.97</u>	

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

(Concluded)

CHUNGHWA TELECOM CO., LTD.

Exhibit 13

STATEMENTS OF CHANGES IN EQUITY
(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 (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	
BALANCE, JANUARY 1, 2014	\$ 77,574,465	\$ 184,620,065	\$ 74,819,380	\$ 2,675,894	\$ 20,744,024	\$ 5,742	\$ (149,747)	\$ -	\$ 360,289,823
Effect of retrospective application	-	-	-	-	26,040	-	-	-	26,040
BALANCE, JANUARY 1, 2014 AS ADJUSTED	77,574,465	184,620,065	74,819,380	2,675,894	20,770,064	5,742	(149,747)	-	360,315,863
Appropriation of 2013 earnings									
Legal reserve	-	-	2,074,342	-	(2,074,342)	-	-	-	-
Special reserve	-	-	-	144,005	(144,005)	-	-	-	-
Cash dividends	-	-	-	-	(18,525,558)	-	-	-	(18,525,558)
Cash distributed from additional paid-in capital	-	(16,577,663)	-	-	-	-	-	-	(16,577,663)
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	5,533	-	-	-	-	-	-	5,533
Net income for the year ended December 31, 2014	-	-	-	-	38,612,056	-	-	-	38,612,056
Other comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	(406,233)	140,700	889,735	(283)	623,919
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	38,205,823	140,700	889,735	(283)	39,235,975
BALANCE, DECEMBER 31, 2014	77,574,465	168,047,935	76,893,722	2,819,899	38,231,982	146,442	739,988	(283)	364,454,150
Appropriation of 2014 earnings									
Legal reserve	-	-	680,743	-	(680,743)	-	-	-	-
Special reserve	-	-	-	(144,005)	144,005	-	-	-	-
Cash dividends	-	-	-	-	(37,673,263)	-	-	-	(37,673,263)
Reversal of special reserve recognized from land disposal	-	-	-	(475)	475	-	-	-	-
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	47,680	-	-	(62,298)	-	-	-	(14,618)
Net income for the year ended December 31, 2015	-	-	-	-	42,805,728	-	-	-	42,805,728
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	(214,641)	30,815	(649,024)	781	(832,069)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	42,591,087	30,815	(649,024)	781	41,973,659
BALANCE, DECEMBER 31, 2015	\$ 77,574,465	\$ 168,095,615	\$ 77,574,465	\$ 2,675,419	\$ 42,551,245	\$ 177,257	\$ 90,964	\$ 498	\$ 368,739,928

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

CHUNGHWA TELECOM CO., LTD.**STATEMENTS OF CASH FLOWS**
(In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 50,794,433	\$ 45,781,201
Adjustments to reconcile income before income tax to net cash provided by operating activities:		
Depreciation	29,800,486	31,292,222
Amortization	3,029,335	2,189,300
Provision for doubtful accounts	498,610	311,281
Interest expenses	-	6,268
Interest income	(260,885)	(254,636)
Dividend income	(207,419)	(67,441)
Share of the profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,385,675)	(1,611,147)
Gain on disposal of investments accounted for using equity method	(7,409)	-
Provision for inventory and obsolescence	163,221	234,765
Impairment loss on property, plant and equipment	138,093	-
Reversal of impairment loss on investment properties	(142,047)	-
Impairment loss on financial assets carried at cost	77,018	-
Loss (gain) on disposal of property, plant and equipment	32,852	(70,794)
Valuation gain on financial assets and liabilities at fair value through profit or loss, net	(14)	-
Loss (gain) on foreign exchange, net	67,702	(164,040)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Trade notes and accounts receivable	(732,636)	(3,094,209)
Accounts receivable from related parties	(156,755)	(17,300)
Inventories	(2,457,915)	284,298
Other current monetary assets	(282,052)	1,357,793
Prepayments	32,406	(4,543)
Other current assets	953,678	525,037
Increase (decrease) in:		
Trade notes and accounts payable	(2,336,022)	2,469,273
Payables to related parties	69,231	37,986
Other payables	1,196,476	(1,714,013)
Provisions	(20,967)	(24,544)
Advance receipts	210,089	(19,354)
Other current liabilities	(101,748)	12,957
Deferred revenue	148,934	(217,278)
Net defined benefit liabilities	399,725	498,186
Cash generated from operations	<u>79,520,745</u>	<u>77,741,268</u>
Interest paid	-	(6,268)
Income tax paid	<u>(6,892,786)</u>	<u>(7,795,086)</u>
Net cash provided by operating activities	<u>72,627,959</u>	<u>69,939,914</u>

(Continued)

CHUNGHWA TELECOM CO., LTD.

STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	2015	2014 (Adjusted)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of negotiable certificate of deposits with maturities of more than three months	\$ (11,200,000)	\$ -
Proceeds from disposal of negotiable certificate of deposits with maturities of more than three months	11,200,000	-
Acquisition of held-to-maturity financial assets	(1,002,167)	-
Proceeds from disposal of held-to-maturity financial assets	4,450,000	4,257,500
Acquisition of financial assets carried at cost	(29,077)	(33,859)
Capital reduction of financial assets carried at cost	37,672	83,892
Acquisition of investments accounted for using equity method	-	(261,918)
Proceeds from disposal of investments accounted for using equity method	10,848	-
Acquisition of property, plant and equipment	(24,626,617)	(31,682,294)
Proceeds from disposal of property, plant and equipment	-	121,883
Acquisition of intangible assets	(10,310,517)	(567,049)
Decrease (increase) in other noncurrent assets	118,315	(725,469)
Interest received	302,462	308,361
Cash dividends received from others	207,419	-
Cash dividends received from subsidiaries, associates and joint ventures accounted for using equity method	<u>1,317,493</u>	<u>1,046,219</u>
Net cash used in investing activities	<u>(29,524,169)</u>	<u>(27,452,734)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in repurchase agreement collateralized by bonds	-	13,000,000
Decrease in repurchase agreement collateralized by bonds	-	(13,000,000)
Decrease in customers' deposits	(90,137)	(103,499)
Increase (decrease) in other noncurrent liabilities	(162,770)	134,551
Cash dividends and cash distributed from additional paid-in capital	<u>(37,673,263)</u>	<u>(35,103,221)</u>
Net cash used in financing activities	<u>(37,926,170)</u>	<u>(35,072,169)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,177,620	7,415,011
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>19,005,916</u>	<u>11,590,905</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 24,183,536</u>	<u>\$ 19,005,916</u>

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

(Concluded)

Chunghwa Telecom Co., Ltd.
2015 Profit Allocation Proposal

Units: NT\$

Source items:		
Unappropriated retained earnings of pervious years		59,077
Adjustment due to adoptioin of 2013 TIFRS version		21,919,769
		21,978,846
Unappropriated retained earnings of pervious years after adjustment		21,978,846
Pension actuarial gains (losses) recognized in retained earnings	(187,603,103)	
Adjustment due to changes from long-term investments accounted for using equity method	(89,334,687)	
Net income of 2015	42,805,728,128	42,528,790,338
		0
Appropriation of Legal reserve (note 1)		0
Reverse of special reserves according to Securities and Exchange Act		475,330
		42,551,244,514
Distributable retained earnings for 2015		
Distribution items:		
Shareholders' cash dividends (total of 7,757,446,545 shares x NT\$5.4852 per share)		(42,551,145,789)
		98,725
Unappropriated retained earnings		
Notes:		
1. The accumulated legal reserve that we had set aside in the past years has amounted to the aggregate par value of our outstanding share capital.		
2. The amount of "Unappropriated retained earnings of pervious years" is the same as the amount of "Unappropriated retained earnings" on the Profit Allocation Proposal approved at the 2015 annual general meeting.		

Lih-Shyng Tsai, Chairman and CEO

Mu-Piao Shih, President

Bao-Jin Chang, Accounting Officer