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

## **2026 Annual General Meeting Handbook**

Date: Friday, May 29, 2026

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

# Chunghwa Telecom Co., Ltd.

## 2026 Annual General Meeting Handbook

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# Agenda

**Method for holding the meeting: physical**

**Meeting Date: Friday, May 29, 2026**

**Meeting Venue: Chunghwa Telecom Training Institute  
No. 168, Minzu Road, Banchiao District, New Taipei City 220,  
Taiwan, R.O.C.**

**The Chairman Calls the Meeting to Order**

**Chairman's Address**

**Report Items**

- I. 2025 business report
- II. 2025 audit committee's review report
- III. 2025 compensation distribution to directors and employees
- IV. 2025 compensation to directors
- V. Issuance of unsecured straight corporate bonds for 2025
- VI. Amendments to the Ethical Corporate Management Best Practice Principles
- VII. Amendments to the Sustainable Development Best Practice Principles

**Ratification Items**

- I. Ratification of 2025 business report and financial statements
- II. Ratification of 2025 earnings distribution proposal

**Discussion Items**

- I. Amendments to the Articles of Incorporation
- II. Amendments to the Procedures for Acquisition or Disposal of Assets
- III. Release of non-competition restrictions on Directors

**Extemporary Motions**

**Meeting Adjourned**

## **Report Items**

### **I. 2025 business report**

Dear Shareholders,

For Chunghwa Telecom, 2025 was a year of outstanding performance, exceeding our targets. Supported by Taiwan's healthy telecom market and the acceleration of AI-driven digital transformation across industries, we were driven by three key growth engines in 2025: steady expansion of our core telecom business, strong momentum in our emerging ICT businesses, and increased contributions from our group subsidiaries. As a result, our consolidated revenue reached NT\$236.11 billion, a record high in our history. Net income attributable to stockholders of the parent company was NT\$38.71 billion, and EPS reached NT\$4.99, both marking the highest levels in the past eight years. Revenue and EPS both exceeded the high end of our guidance, demonstrating the strength of our execution and our commitment to shareholder value.

#### **Maintaining Market Leadership in the Telecom Industry**

Benefiting from the healthy development of Taiwan's mobile market and continued 5G adoption, together with the superior mobile network quality that has earned us repeated recognition from leading international benchmarking organizations, our mobile business delivered another year of strong performance in 2025. Our postpaid subscriber base grew to 9.98 million, steadily advancing toward the 10-million milestone. 5G penetration among our smartphone users reached 46.4%. In addition, the growing popularity of value-added services such as mobile roaming, mobile security, Direct Carrier Billing (DCB), and Hami Video supported further momentum. As a result, mobile service revenue increased 3% year over year, outpacing industry peers, while total mobile revenue reached NT\$68.99 billion, reinforcing our leadership position in the market.

According to the National Communications Commission (NCC), as of December 2025 our market share in mobile revenue, 090 mobile subscribers, and 5G subscribers all increased year over year and significantly outpaced our peers, reaching 41%, 39.7%, and 39.2%, respectively. These results underscore our continued leadership in the industry.

In the fixed broadband market, even though some cable providers offered lower-priced services, we continued to stand out with fully symmetrical speeds, while introducing high-speed plans of 1Gbps and 2Gbps. Bundled smart home offerings, including CHT Home Wi-Fi services, MOD, and home cybersecurity services, further strengthened our value proposition and kept customers engaged. As a result, our fixed broadband ARPU surpassed NT\$800 in 2025, reaching a peak of NT\$830 in December. Revenue from fixed broadband increased by 2.83% year over year to NT\$46.61 billion, making a solid contribution to our overall growth.

In a rapidly changing global environment, with geopolitical and climate risks affecting industries across the world, we remain focused on building resilient networks that reach "sea, land, satellite and sky", ensuring seamless connectivity for our customers and for ourselves. In 2025, we continued investing in the construction of Astranis geostationary orbit satellites and were also encouraged to see revenue contributions from OneWeb's low Earth orbit satellites and SES's medium Earth orbit satellites. The global expansion of AI supply chains has further

created opportunities abroad, from supporting clients in setting up international facilities to meeting growing demand for integrated IDC and ICT projects. In 2025, we opened new offices in Arizona and Texas in the United States and established a new company in Malaysia, bringing us closer to our customers and new business opportunities. In Taiwan, two of our subsidiaries, CHT Security Co., Ltd. and International Integrated Systems, Inc., successfully completed their listings on the Taiwan Stock Exchange in the second half of the year. We also spun off our long-term, internally incubated AI innovation team to form CHT InventAI Co., Ltd., enabling us to offer commercial AI services to our clients.

In 2025, we were pleased to see our IDC and cloud revenues exceed NT\$10 billion, while our cybersecurity business continued to grow steadily. Contributions from projects in smart transportation, smart factories, and smart surveillance monitoring helped push our ICT business past NT\$35.5 billion, accounting for 15% of our consolidated revenue and serving as a key driver in surpassing NT\$230 billion in total group revenue. We also successfully secured a network infrastructure project with Taiwan's leading life insurance company, reaching a record-breaking contract scale.

### **Solid Financial Foundation, Rewarding Shareholders and Investing in the Future**

2025 was also a landmark year for our initiative, "Chunghwa AI Ignites the Future" Beyond the steady growth of our telecom business and improved profitability in our ICT operations, we saw increases in both sales revenue and investment income. We also emphasized simplification, pragmatism, and intelligence, streamlining internal processes and refining our products and services to enhance operational efficiency and improve margins. EPS reached NT\$4.99, representing a 4% year over year increase. In line with our commitment to return value to shareholders, we actively respond to shareholder expectations while continuing to focus on long-term value creation.

Looking ahead and investing in the future, our capital expenditures in 2025 totaled NT\$27.7 billion, primarily directed toward the strategic deployment of 5G and core access networks, the construction of Internet Data Centers (IDCs), and the expansion of international submarine cable infrastructure to support AI-driven digital transformation and strengthen network resilience. At the same time, we continued to retire high-energy-consuming equipment, accelerating our progress toward carbon reduction targets.

### **Sustainable Future Powered by Technology and Green Value**

Guided by our core principle of "Resilient Taiwan," Chunghwa Telecom responded immediately during the strong typhoon that struck Taiwan in 2025, swiftly restoring network communications and demonstrating our corporate commitment to ensuring uninterrupted critical services. Beyond network resilience, we continued to leverage AIoT technologies to protect biodiversity and scale up our restoration initiatives for Taiwan's native endangered flora. At our Wuchang Building in Kaohsiung, we introduced four new species to our restoration program and refined the black-faced spoonbill identification system in Qigu, Tainan. Over the year, we planted more than 77,000 trees, moving toward our eight-year goal of 150,000 trees, and managed 9.2 hectares of bamboo forests through selective thinning and cultivation. In addition, we trained 264 volunteers under our "Tree Carbon Sink Citizen Scientists Program", further embedding sustainability into our operations.

In line with our net-zero vision, we secured our first 20-year Corporate Power Purchase

Agreement (CPPA) in 2025, covering 4.6 billion kWh of renewable energy over two decades starting in 2027. We also led the industry by issuing Taiwan's first telecom sustainability bond incorporating biodiversity and took early steps to align with IFRS sustainability disclosure standards, laying a strong foundation for our low-carbon transition and transparent reporting.

We are committed to creating a workplace where employees can thrive. In addition to continuing flexible work hours, parental leave beyond statutory requirements, and reduced working hours for childcare, we expanded our childcare centers to 10 locations in 2025 and deepened employee training programs. We actively promoted the "Women Balance Power Program" initiative, strengthening female leadership development and promotion pathways to increase their representation. At the same time, through programs such as "Taiwan Senior Heart School," we supported people with disabilities in overcoming employment barriers and helped seniors bridge the digital divide, embodying our commitment to diversity, equity, and inclusion (DEI).

Fulfilling our commitment to integrity and sound governance, in 2025 we increased the portion of the senior executives' variable compensation linked to ESG performance to 30%. We also continued to implement the ISO 37001 Anti-Bribery Management System, ensuring that our daily operations comply with requirements and uphold anti-corruption standards. Chunghwa Telecom's sustainability performance continues to earn international recognition. In 2025, we became the first telecom company in Taiwan to receive MSCI ESG's highest rating of AAA, and for the third consecutive year, we were included in the S&P Global Sustainability Yearbook, with ESG scores ranking among the top 5% of global telecom companies. We also maintained our inclusion in the Dow Jones Best-in-Class Indices for both global and emerging markets. In addition, Chunghwa Telecom was recognized by Newsweek as one of the "World's Most Trustworthy Companies 2025" and was the only telecom company in Taiwan to receive this honor. For the fifth time, we were awarded the highest distinction, the Jade Award, by The Asset Corporate Sustainability Leadership Awards, further cementing our leadership in global sustainability.

## **Future Outlook**

Looking ahead to 2026, Chunghwa Telecom remains committed to responding to global ESG and sustainability trends, the rise of the AI era, industry transformation, increasing demands for security and resilience, and alignment with national policy priorities. Anchored by our three strategic pillars, "Digital Resilience," "Smart Empowerment," and "Sustainable Future", we will concentrate on six key growth drivers: Sustainability Opportunities, AI Applications, Resilience Enhancement, Next-Generation Networks, Reinvestments, and Asset Revitalization. Guided by our principles of efficiency, pragmatism, and intelligence, we are focused on achieving stable revenue and profit growth while strategically expanding into emerging markets and new technologies. By steadily advancing toward our corporate vision, we are confident in delivering strong business performance and continuously creating greater value for all our stakeholders.

Chairman and Chief Executive Officer: Chih-Cheng Chien

President: Rong-Shy Lin

Vice President, Accounting Department: Shu-Ling Chen

February 26, 2026

## II. 2025 audit committee's review report

### Audit Committee's Review Report

The Board of Directors has prepared the Company's 2025 business report, financial statements, and earnings distribution proposal. The CPA firm of PricewaterhouseCoopers was retained to audit the Company's financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chunghwa Telecom Co., Ltd.

Chairman of the Audit Committee



February 26, 2026

**III. 2025 compensation distribution to directors and employees**

- 1. The 2025 compensation distribution to directors and employees was approved by the 4<sup>th</sup> meeting of the 11<sup>th</sup> Board of Directors on February 26, 2026.
- 2. The 2025 compensation distribution to directors and employees :

Item		NT\$
Net income		38,712,403,845
Profit	(A)	49,568,310,698
Ratio of Directors' compensation to profit	(B)	0.085%
Directors' compensation	(C)=(A)*(B)	42,133,064
Ratio of Employees' compensation to profit	(D)	4.26%
Employees' compensation	(E)=(A)*(D)	2,111,610,036

**IV. 2025 compensation to directors**

1. The compensation of directors in year 2025, of which the compensation policy, the content and amount of individual compensation, and the relationship with the performance evaluation results:

(1) Compensation Policy

The directors of the Company receive fixed monthly compensation according to the resolution of the 5th meeting of the 7th Board of Directors. If the Company generates positive earnings for a given year, the directors are entitled to no more than 0.17% of the distributable earnings as directors' compensation according to Article 22 of the Articles of Incorporation, and such compensation is received by the corporate shareholders. The independent directors are not entitled to such directors' compensation.

(2) Compensation Content and Amount

The compensation of directors in year 2025 includes fixed monthly compensation, the directors' compensation, business execution expenses, etc., and the names and compensation are disclosed individually.

(3) Compensation and Performance

Based on the Company's performance target, financial status, and the director's respective responsibilities, the Compensation Committee shall periodically review and assess compensation packages for the Board of Directors, which are then approved by the Board of Directors.

The ratio of directors' compensation to profit in year 2025 is 0.085%, the same as that of the previous year. When distributing directors' compensation, the results of the "Board Performance Self-Evaluation Questionnaire" in the "Regulations Governing the Performance Evaluation of the Board of Directors" will be taken into consideration. The self-assessment items include six aspects: participation in the operations of the Company, improvement of the quality of the Board's decision-making, composition and structure of the Board of Directors, election and continuing education of directors, internal control, and participation in sustainable development (ESG).

2. Details of the compensation of directors in year 2025 are shown in the following table.

Table : Compensation of Directors (including Independent Directors)

Unit: in thousand of NT\$

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)		
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)								
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)			Parent-only	Consolidated (Note 7)
																		Cash	Stock	Cash	Stock			
	MOTC	0	0	0	0	42,133	42,133	0	0	42,133	42,133	0	0	0	0	0	0	0	0	42,133	42,133	0.11%	0.11%	None
Director	Chih-Cheng Chien	0	0	0	0	0	0	0	0	0	0	9,204	9,204	0	0	0	0	0	0	9,204	9,204	0.00%	0.00%	None
Director	Rong-Shy Lin	0	0	0	0	0	0	0	0	0	0	9,007	9,007	0	0	0	0	0	0	9,007	9,007	0.00%	0.00%	None
Director	Sheng-Yuan Wu	102	102	0	0	0	0	0	0	102	102	0	0	0	0	0	0	0	0	102	102	0.00%	0.00%	None
Director	Ching-Hwi Lee (Tenure expired on May 29, 2025 · Succeeded on June 5, 2025)	100	100	0	0	0	0	0	0	100	100	0	0	0	0	0	0	0	0	100	100	0.00%	0.00%	None
Director	Chi-Hwa Chern (Elected on May 29, 2025 · Dismissed on June 5, 2025 · Succeeded on August 8, 2025)	43	43	0	0	0	0	0	0	43	43	0	0	0	0	0	0	0	0	43	43	0.00%	0.00%	None
Director	Lee-Feng Chien	360	360	0	0	0	0	40	40	400	400	0	0	0	0	0	0	0	0	400	400	0.00%	0.00%	None
Director	I-Jen Su (Elected on May 29, 2025)	213	213	0	0	0	0	20	20	233	233	0	0	0	0	0	0	0	0	233	233	0.00%	0.00%	None

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)		
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)								
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)			Parent-only	Consolidated (Note 7)
																		Cash	Stock	Cash	Stock			
Director	Shiow-Long Horng (Succeeded on March 11, 2025)	0	0	0	0	0	0	0	0	0	0	1,000~ 2,000	1,000~ 2,000	0	0	<1,000	0	<1,000	0	1,000~ 2,000 0.00%	1,000~ 2,000 0.00%	None		
Director	Kung-Yeun Jeng (Elected on May 29, 2025 · Dismissed on June 5, 2025)	7	7	0	0	0	0	0	0	7 0.00%	7 0.00%	0	0	0	0	0	0	0	0	7 0.00%	7 0.00%	None		
Director	Shin-Yi Chang (Tenure expired on May 29, 2025 · Succeeded on June 5, 2025 · Dismissed on July 16, 2025)	53	53	0	0	0	0	0	0	53 0.00%	53 0.00%	0	0	0	0	0	0	0	0	53 0.00%	53 0.00%	None		
Director	Sin-Horng Chen (Tenure expired on May 29, 2025)	141	141	0	0	0	0	10	10	151 0.00%	151 0.00%	0	0	0	0	0	0	0	0	151 0.00%	151 0.00%	None		
Director	Shih-Hung Tseng (Dismissed on March 11, 2025)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	462	462	0	0	22	0	22	0	483 0.00%	483 0.00%	None		
Independent Director	Su-ming Lin	720	720	0	0	0	0	320	320	1040 0.00%	1040 0.00%	0	0	0	0	0	0	0	0	1040 0.00%	1040 0.00%	None		

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)		
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)								
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)			Parent-only	Consolidated (Note 7)
																		Cash	Stock	Cash	Stock			
Independent Director	Yi-Chin Tu	720	720	0	0	0	0	210	210	930 0.00%	930 0.00%	0	0	0	0	0	0	0	0	930 0.00%	930 0.00%	None		
Independent Director	Ikujin Ko (Elected on May 29, 2025)	426	426	0	0	0	0	100	100	526 0.00%	526 0.00%	0	0	0	0	0	0	0	0	526 0.00%	526 0.00%	None		
Independent Director	Ching-Feng Hsueh (Elected on May 29, 2025)	426	426	0	0	0	0	130	130	556 0.00%	556 0.00%	0	0	0	0	0	0	0	0	556 0.00%	556 0.00%	None		
Independent Director	Jer-Liang Yeh (Elected on May 29, 2025)	426	426	0	0	0	0	140	140	566 0.00%	566 0.00%	0	0	0	0	0	0	0	0	566 0.00%	566 0.00%	None		
Independent Director	Chia-Chung Chen (Tenure expired on May 29, 2025)	296	296	0	0	0	0	160	160	456 0.00%	456 0.00%	0	0	0	0	0	0	0	0	456 0.00%	456 0.00%	None		
Independent Director	Yu-Fen Lin (Tenure expired on May 29, 2025)	296	296	0	0	0	0	150	150	446 0.00%	446 0.00%	0	0	0	0	0	0	0	0	446 0.00%	446 0.00%	None		
Independent Director	Chung-Chin Lu (Tenure expired on May 29, 2025)	296	296	0	0	0	0	90	90	386 0.00%	386 0.00%	0	0	0	0	0	0	0	0	386 0.00%	386 0.00%	None		

Title	Name	Compensation to Directors								Total Compensation (A+B+C+D) and ratio of compensation to Net Income (%) (Note 8)		Compensation as Concurrent Employees						Total Compensation (A+B+C+D+E+F+G) and ratio of compensation to Net Income (%) (Note 8)		Compensation from investees other than subsidiaries or the Parent Company (Note 9)
		Base Compensation (A) (Note 2)		Pension / Severance (B)		Directors Compensation (C) (Note 3)		Professional Fee (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension / Severance (F)		Employee Compensation (G) (Note 6)				
		Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Parent-only	Consolidated (Note 7)	Cash	Stock	Cash	Stock	Parent-only	Consolidated (Note 7)	

A. Please explain the policy, system, standards, and structure of independent directors' compensation, and describe the correlation with the amount of compensation based on responsibilities, risks, working hours, etc.: The compensation of independent directors of the Company is processed in accordance with the resolution of the 5th meeting of the 7th Board of Directors of the Company, and the amount of fixed part-time compensation and business execution expenses are paid separately according to position ; the independent directors of the Company do not participate in the distribution of Directors' compensation.

B. Compensation to Directors providing service to entities within the Company's most recent financial reporting period (such as serving as non-employee consultants of parent company/all companies listed in the financial reports/investee companies), in addition to compensation disclosed in the above table: None

Note 1: Excluding the independent directors of the Company, all other directors are representatives of the MOTC, the legal shareholding entity of the Company. All directors' names are listed separately by position, including by director and independent director, and compensation is disclosed individually. Mr. Rong-Shy Lin, Director and President, are listed under "Compensation of the President, Senior Executive Vice President, Subsidiary President, and Department Heads."

Note 2: Refers to directors' fixed part-time compensation in fiscal year 2025.

Note 3: Refers to the amount of compensation for the fiscal year 2025, approved by the Board of Directors in the most recent year and distributed to MOTC, the legal shareholding entity represented by the respective directors, not as personal compensation. Independent directors did not participate in the allocation.

Note 4: Refers to directors' related business execution expenses for fiscal year 2025 (including traveling expenses, etc.)

Note 5: Refers to directors who also concurrently work as employees of the Company (including serving as President, Senior Executive Vice President, other manager or employees) in fiscal year 2025, and received salaries, commissions, severance payments, and different types of bonuses, rewards, travel expenses, special expenses, allowances, etc. The Company does not have share-based compensation as per IFRS 2, including employee stock option certificate, restricted stock, cash-based share subscription, etc.

Note 6: Refers to directors who also concurrently work as employees of the Company (including serving as President, Senior Executive Vice President, other manager or employees) in fiscal year 2025, and has received employee compensation (including stock and cash). These compensations as approved by the Board of Directors must be fully disclosed. The employee compensation for 2025 is estimated figures.

Note 7: Fully discloses the total amount of various director compensation items on a consolidated basis.

Note 8: Net income for the year refers to net income on the 2025parent-only financial report.

Note 9: a.This column shall clearly state the amount of compensation that Company directors received from investee Companies or the parent company (if none, please state "None").

b.Compensation refers to Company directors' compensation related to salaries, rewards (including compensation as employees, or directors, or supervisors), and business execution expenses earned while serving as directors, supervisors, managers, etc., of investee companies.

\*The table above is for compensation disclosure only, and is different for taxable income, so the table cannot be used for taxable income purpose.

## **V. Issuance of unsecured straight corporate bonds for 2025**

1. To meet the Company's needs for environmental protection or social development investment, to strengthen its working capital, to repay debt, or to satisfy medium- to long-term funding requirements for business expansion, it was resolved at the 12<sup>th</sup> meeting of the 10<sup>th</sup> Board of Directors on August 9, 2024, to issue domestic unsecured corporate bonds in a total amount not exceeding NT\$10 billion. The bonds may be issued at one time or in separate tranches within one year from the date of the board resolution.
2. A total of NT\$3.5 billion in unsecured straight corporate bonds (Sustainable Bond) was raised in 2025, as detailed below.
  - (1) Issuing Date: 2025/08/04
  - (2) Total Issuance Amount: NT\$3.5 billion
  - (3) Issuance Period: 5 years (2025/08/04~2030/08/04)
  - (4) Coupon Rate: 1.73% p.a.
  - (5) Interest Payment: The interest is calculated on the coupon rate and paid annually
  - (6) Principal Repayment: Bullet at maturity

## **VI. Amendments to the Ethical Corporate Management Best Practice Principles**

1. In 2024, to align with the implementation of the Anti-Bribery Management System, the Company amended its Ethical Corporate Management Principles to include a procedure requiring reports on the implementation status of ethical corporate management (including anti-bribery measures) to be submitted to the Sustainability and Strategy Committee. As the ISO 37001 Anti-Bribery Management System was established in 2024 and successfully passed third-party certification, starting from 2025 the focus will shift toward strengthening and enhancing operational execution. To streamline the review process and improve execution efficiency, such reports will no longer be submitted first to the Sustainability and Strategy Committee. However, the Company will continue to provide regular annual reports to the Board of Directors. The amendments were approved at the 1<sup>st</sup> meeting of the 11<sup>th</sup> Board of Directors.

2. The main amendments are summarized as follows:

Amended Article 17 (Organization and Responsibilities) to remove the wording: “the top manager who supervises HR Department, Senior Executive Vice President shall report on the execution to the Sustainable Development & Strategy Committee and report on the implementation results to the board of directors regularly”.

## **VII. Amendments to the Sustainable Development Best Practice Principles**

1. The company has revised the “Sustainable Development Best-Practice Principles of Chunghwa Telecom Co., Ltd.” upon the approval of the 11<sup>th</sup> Board of Directors at the 3<sup>rd</sup> meeting on January 23, 2026, in reference to the relevant regulations of the Taiwan Stock Exchange Corporation (TWSE), the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
2. The key points of the amendment based on the Letter Reference No. 11400161181 issued by the TWSE on September 2, 2025 are summarized as follows:
  - (1) Article 15: The text of the first paragraph has been amended, and a new Item 7 has been added in reference to the initiatives of the United Nations Convention on Biological Diversity and the relevant domestic laws on marine and natural conservation.
  - (2) Article 21: A new paragraph 2 has been added to encourage the collaboration between enterprises and schools in talent cultivation to promote the industry-academia collaboration and the students career development.

## **Ratification Items**

### **I. Ratification of 2025 business report and financial statements**

Proposed by the Board of Directors

Explanation:

1. The Company's 2025 financial statements (page 20-26 and page 31-37), including balance sheets, statements of comprehensive income, statements of changes in equity, and statements of cash flows, were audited by Mr. Shih-Chun Huang and Mr. Chien-Yeh Hsu of PricewaterhouseCoopers, Taiwan. The unqualified audit opinions relating to the aforementioned financial statements were issued hereby (page 16-19 and page 27-30). The Company's 2025 business report (page 2-4) and the aforementioned financial statements have been reviewed and determined to be accurate by the Audit Committee members of the Company with review report submitted hereby (page 5).
2. This proposal was approved by the 4<sup>th</sup> meeting of the 11<sup>th</sup> Board of Directors on February 26, 2026 and is hereby submitted to the Annual General Meeting for ratification.

Resolution:

## **INDEPENDENT AUDITORS' REPORT**

PWCR25003503

To the Board of Directors and Stockholders of Chunghwa Telecom Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Chunghwa Telecom Co., Ltd. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 consolidated financial statements are stated as follows:

#### **Accuracy of revenues from mobile services, fixed-line broadband services and fixed-line data services**

##### Description

Refer to Note 3 for the accounting policies on revenue recognition and Notes 30 and 44 for details of revenue.

The Company recognizes revenues from mobile services, fixed-line broadband services and fixed-line data services based on the terms of mobile services, fixed-line broadband services and fixed-line data services contracts and actual usage of mobile services, fixed-line broadband services and fixed-line data services. Given that revenues from mobile services, fixed-line broadband services and fixed-line data services are comprised of a high volume of low-dollar transactions from a large number of contracts and a wide variety of tariff plans, the Company highly relies on the automated information systems to process and recognize revenues from mobile services, fixed-line broadband services and fixed-line data services.

Given the Company's revenues from mobile services, fixed-line broadband services and fixed-line data services are comprised of a high volume of low-dollar transactions and highly relies on information technology systems, a high degree of auditor effort was required in performing procedures related to accuracy of the Company's revenues from mobile services, fixed-line broadband services and fixed-line data services. Thus, we consider the accuracy of revenues from mobile services, fixed-line broadband services and fixed-line data services as a key audit matter.

#### How our audit addressed the matter

Our audit procedures performed in respect of the above included the following:

1. Obtained an understanding over the design of internal controls and information systems related to the business process of the Company's revenue recognition on mobile services, fixed-line broadband services and fixed-line data services and evaluated operating effectiveness of such controls. This includes the following procedures:
  - Obtained an understanding and evaluated the significant systems related to revenues from mobile services, fixed-line broadband services and fixed-line data services, and tested the information technology general controls as well as the automated controls for automatic calculations and system interface over these systems.
  - Tested manual controls related to the review of information on mobile services, fixed-line broadband services and fixed-line data services, including service acceptance, updates to price information, data collection and system interface, pricing, billing, and accounting processes.
2. Selected samples from mobile services, fixed-line broadband services and fixed-line data services revenues, agreed the samples selected to service contracts, invoices, payment records, and tested consistency between the data entered into the system and the original service contracts.

#### **Other matter – Parent company only financial reports**

We have audited and expressed an unmodified opinion on the parent company only financial statements of Chunghwa Telecom Co., Ltd. as of and for the years ended December 31, 2025 and 2024.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for

such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Huang, Shih-Chun

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Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2026

Notice to Readers

*The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 36,944,206	7	\$ 36,259,689	6
Financial assets at fair value through profit or loss	3,372	-	290	-
Financial assets at fair value through other comprehensive income	18,555	-	-	-
Hedging financial assets	3,204	-	1,133	-
Contract assets	8,576,194	2	8,401,343	2
Trade notes and accounts receivable, net	27,396,423	5	26,025,696	5
Receivables from related parties	213,480	-	193,004	-
Inventories	13,178,595	2	12,087,118	2
Prepayments	3,789,733	1	3,138,313	1
Other current monetary assets	23,467,523	4	23,408,001	4
Incremental costs of obtaining contracts	338,581	-	339,172	-
Other current assets	3,441,219	1	3,114,554	1
<b>Total current assets</b>	<b>117,371,085</b>	<b>22</b>	<b>112,968,313</b>	<b>21</b>
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	1,211,352	-	1,005,236	-
Financial assets at fair value through other comprehensive income	6,786,803	1	4,666,976	1
Financial assets at amortized cost	2,020,300	-	2,000,000	-
Investments accounted for using equity method	8,456,132	2	9,073,464	2
Contract assets	4,733,374	1	4,327,424	1
Property, plant and equipment	288,164,825	55	289,840,144	55
Right-of-use assets	10,763,909	2	10,912,329	2
Investment properties	12,420,318	2	12,301,719	2
Intangible assets	59,762,175	11	66,283,202	12
Deferred income tax assets	1,781,649	-	1,661,402	-
Incremental costs of obtaining contracts	1,109,029	-	1,221,652	-
Net defined benefit assets	9,865,533	2	8,883,719	2
Prepayments	5,931,213	1	4,461,017	1
Other noncurrent assets	5,494,254	1	4,885,230	1
<b>Total noncurrent assets</b>	<b>418,500,866</b>	<b>78</b>	<b>421,523,514</b>	<b>79</b>
<b>TOTAL</b>	<b>\$ 535,871,951</b>	<b>100</b>	<b>\$ 534,491,827</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans	\$ 340,000	-	\$ 215,000	-
Financial liabilities at fair value through profit or loss	3	-	-	-
Hedging financial liabilities	56	-	1,907	-
Contract liabilities	21,296,124	4	16,300,986	3
Trade notes and accounts payable	15,922,842	3	17,742,532	3
Payables to related parties	176,746	-	480,401	-
Current tax liabilities	5,218,971	1	4,718,103	1
Lease liabilities	3,889,510	1	3,557,874	1
Other payables	28,716,142	5	26,581,353	5
Provisions	524,743	-	441,801	-
Current portion of long-term liabilities	1,899,856	-	8,802,526	2
Other current liabilities	957,029	-	1,050,559	-
<b>Total current liabilities</b>	<b>78,942,022</b>	<b>14</b>	<b>79,893,042</b>	<b>15</b>
<b>NONCURRENT LIABILITIES</b>				
Long-term loans	1,600,000	-	1,631,354	-
Bonds payable	23,288,282	4	21,689,326	4
Contract liabilities	6,567,398	1	7,540,730	2
Deferred income tax liabilities	2,828,682	1	2,658,419	-
Provisions	560,273	-	534,684	-
Lease liabilities	7,000,631	2	7,333,503	2
Customers' deposits	5,261,997	1	5,310,453	1
Net defined benefit liabilities	2,329,312	-	2,107,224	-
Other noncurrent liabilities	6,703,278	2	7,688,236	2
<b>Total noncurrent liabilities</b>	<b>56,139,853</b>	<b>11</b>	<b>56,493,929</b>	<b>11</b>
<b>Total liabilities</b>	<b>135,081,875</b>	<b>25</b>	<b>136,386,971</b>	<b>26</b>
<b>EQUITY ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT</b>				
Common stocks	77,574,465	15	77,574,465	15
Additional paid-in capital	172,450,886	32	171,587,279	32
Retained earnings				
Legal reserve	77,574,465	15	77,574,465	15
Special reserve	2,675,419	-	2,675,419	-
Unappropriated earnings	54,962,307	10	54,953,379	10
Total retained earnings	135,212,191	25	135,203,263	25
Others	1,020,169	-	585,683	-
<b>Total equity attributable to stockholders of the parent</b>	<b>386,257,711</b>	<b>72</b>	<b>384,950,690</b>	<b>72</b>
<b>NONCONTROLLING INTERESTS</b>	<b>14,532,365</b>	<b>3</b>	<b>13,154,166</b>	<b>2</b>
<b>Total equity</b>	<b>400,790,076</b>	<b>75</b>	<b>398,104,856</b>	<b>74</b>
<b>TOTAL</b>	<b>\$ 535,871,951</b>	<b>100</b>	<b>\$ 534,491,827</b>	<b>100</b>

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
REVENUES	\$ 236,114,409	100	\$ 229,968,292	100
OPERATING COSTS	<u>149,145,192</u>	<u>63</u>	<u>146,582,797</u>	<u>64</u>
GROSS PROFIT	<u>86,969,217</u>	<u>37</u>	<u>83,385,495</u>	<u>36</u>
OPERATING EXPENSES				
Marketing	26,019,335	11	25,103,662	11
General and administrative	7,718,111	3	7,175,286	3
Research and development	4,362,479	2	4,167,200	2
Expected credit loss	<u>209,446</u>	<u>-</u>	<u>188,064</u>	<u>-</u>
Total operating expenses	<u>38,309,371</u>	<u>16</u>	<u>36,634,212</u>	<u>16</u>
OTHER INCOME AND EXPENSES	<u>(112,144)</u>	<u>-</u>	<u>121,853</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>48,547,702</u>	<u>21</u>	<u>46,873,136</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	904,058	-	780,968	1
Other income	491,743	-	463,343	-
Other gains and losses	632,532	-	(178,503)	-
Interest expense	(370,367)	-	(339,342)	-
Share of profits of associates and joint ventures accounted for using equity method	<u>63,932</u>	<u>-</u>	<u>154,187</u>	<u>-</u>
Total non-operating income and expenses	<u>1,721,898</u>	<u>-</u>	<u>880,653</u>	<u>1</u>
INCOME BEFORE INCOME TAX	50,269,600	21	47,753,789	21
INCOME TAX EXPENSE	<u>9,752,500</u>	<u>4</u>	<u>9,216,287</u>	<u>4</u>
NET INCOME	<u>40,517,100</u>	<u>17</u>	<u>38,537,502</u>	<u>17</u>
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	97,822	-	2,254,578	1
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	620,589	-	48,185	-

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
Gain or loss on hedging instruments subject to basis adjustment	\$ 3,922	-	\$ (730)	-
Share of other comprehensive income of associates and joint ventures	9,738	-	14,243	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(19,974)</u>	<u>-</u>	<u>(450,916)</u>	<u>-</u>
	<u>712,097</u>	<u>-</u>	<u>1,865,360</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(218,289)	-	192,188	-
Share of other comprehensive income of associates and joint ventures	<u>12,010</u>	<u>-</u>	<u>22,944</u>	<u>-</u>
	<u>(206,279)</u>	<u>-</u>	<u>215,132</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>505,818</u>	<u>-</u>	<u>2,080,492</u>	<u>1</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 41,022,918</u>	<u>17</u>	<u>\$ 40,617,994</u>	<u>18</u>
<b>NET INCOME ATTRIBUTABLE TO</b>				
Stockholders of the parent	\$ 38,712,404	16	\$ 37,220,464	16
Noncontrolling interests	<u>1,804,696</u>	<u>1</u>	<u>1,317,038</u>	<u>1</u>
	<u>\$ 40,517,100</u>	<u>17</u>	<u>\$ 38,537,502</u>	<u>17</u>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
TO				
Stockholders of the parent	\$ 39,230,646	17	\$ 39,254,340	17
Noncontrolling interests	<u>1,792,272</u>	<u>-</u>	<u>1,363,654</u>	<u>1</u>
	<u>\$ 41,022,918</u>	<u>17</u>	<u>\$ 40,617,994</u>	<u>18</u>
<b>EARNINGS PER SHARE</b>				
Basic	<u>\$ 4.99</u>		<u>\$ 4.80</u>	
Diluted	<u>\$ 4.98</u>		<u>\$ 4.79</u>	

(Concluded)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Stockholders of the Parent										Noncontrolling Interests	Total Equity
	Common Stocks	Additional Paid-in Capital	Retained Earnings			Exchange Differences Arising from the Translation of the Foreign Operations	Others		Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain or Loss on Hedging Instruments				
BALANCE, JANUARY 1, 2024	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)	\$ 382,308,088	\$ 12,596,252	\$ 394,904,340	
Appropriation of 2023 earnings												
Special reserve	-	-	-	(223,084)	223,084	-	-	-	-	-	-	
Cash dividends distributed by Chunghwa	-	-	-	-	(36,909,931)	-	-	-	(36,909,931)	-	(36,909,931)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(898,565)	(898,565)	
Unclaimed dividend	-	2,109	-	-	-	-	-	-	2,109	-	2,109	
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	71,883	-	-	-	-	-	-	71,883	13,029	84,912	
Actual disposal of interests in subsidiaries	-	224,293	-	-	-	-	-	-	224,293	34,480	258,773	
Net income for the year ended December 31, 2024	-	-	-	-	37,220,464	-	-	-	37,220,464	1,317,038	38,537,502	
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,801,085	190,664	42,857	(730)	2,033,876	46,616	2,080,492	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	39,021,549	190,664	42,857	(730)	39,254,340	1,363,654	40,617,994	
Changes in equities of subsidiaries	-	(92)	-	-	-	-	-	-	(92)	45,316	45,224	
BALANCE, DECEMBER 31, 2024	77,574,465	171,587,279	77,574,465	2,675,419	54,953,379	22,852	563,605	(774)	384,950,690	13,154,166	398,104,856	
Appropriation of 2024 earnings												
Cash dividends distributed by Chunghwa	-	-	-	-	(38,787,232)	-	-	-	(38,787,232)	-	(38,787,232)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(1,307,323)	(1,307,323)	
Unclaimed dividend	-	1,926	-	-	-	-	-	-	1,926	-	1,926	
Change in additional paid-in capital from investments in associates and joint ventures accounted for using equity method	-	(5,929)	-	-	-	-	-	-	(5,929)	140	(5,789)	
Actual disposal of interests in subsidiaries	-	235,552	-	-	-	-	-	-	235,552	75,106	310,658	
Change in additional paid-in capital for not participating in the capital increase of subsidiaries	-	629,972	-	-	-	-	-	-	629,972	759,248	1,389,220	
Net income for the year ended December 31, 2025	-	-	-	-	38,712,404	-	-	-	38,712,404	1,804,696	40,517,100	
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	83,740	(214,531)	645,111	3,922	518,242	(12,424)	505,818	
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	38,796,144	(214,531)	645,111	3,922	39,230,646	1,792,272	41,022,918	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	16	-	(16)	-	-	-	-	
Changes in equities of subsidiaries	-	2,086	-	-	-	-	-	-	2,086	39,222	41,308	
Net increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	19,534	19,534	
BALANCE, DECEMBER 31, 2025	\$ 77,574,465	\$ 172,450,886	\$ 77,574,465	\$ 2,675,419	\$ 54,962,307	\$ (191,679)	\$ 1,208,700	\$ 3,148	\$ 386,257,711	\$ 14,532,365	\$ 400,790,076	

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 50,269,600	\$ 47,753,789
Adjustments for:		
Depreciation	33,549,658	32,919,862
Amortization	6,666,281	6,698,604
Amortization of incremental costs of obtaining contracts	944,587	905,990
Expected credit loss	209,446	188,064
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	91,513	147,026
Interest expense	370,367	339,342
Interest income	(904,058)	(780,968)
Dividend income	(280,667)	(239,908)
Compensation cost of share-based payment transactions	10,294	7,700
Share of profits of associates and joint ventures accounted for using equity method	(63,932)	(154,187)
Loss on disposal of property, plant and equipment	28,555	17,347
Gain on disposal of intangible assets	(276)	-
Gain on disposal of financial instruments	-	(1,077)
Gain on disposal of investments accounted for using equity method	(738,929)	-
Provision for impairment loss and obsolescence of inventory	34,070	60,381
Impairment loss on property, plant and equipment	112,219	-
Reversal of impairment loss on investment properties	(28,354)	(139,200)
Gain on disposal of subsidiaries	(15,290)	-
Others	(18,910)	(67,746)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(593,906)	(2,249,458)
Trade notes and accounts receivable	(1,581,327)	(1,322,106)
Receivables from related parties	(20,476)	(114,915)
Inventories	(1,132,068)	(626,734)
Prepayments	(411,025)	(29,202)
Other current assets	(328,961)	(292,295)
Other current monetary assets	(1,372,770)	63,556
Incremental cost of obtaining contracts	(831,373)	(1,316,482)
Increase (decrease) in:		
Contract liabilities	4,029,182	2,192,948
Trade notes and accounts payable	(1,810,371)	3,346,607
Payables to related parties	(303,655)	95,312
Other payables	1,802,153	1,540,200
Provisions	108,531	153,812
Net defined benefit plans	(661,904)	(656,764)
Other current liabilities	(95,913)	77,697
Cash generated from operations	87,032,291	88,517,195

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Interests paid	\$ (363,509)	\$ (333,456)
Income taxes paid	<u>(9,223,235)</u>	<u>(8,939,418)</u>
Net cash provided by operating activities	<u>77,445,547</u>	<u>79,244,321</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,517,922)	(312,780)
Proceeds from disposal of financial assets at fair value through other comprehensive income	374	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	111,795
Acquisition of financial assets at amortized cost	(20,300)	(2,000,000)
Acquisition of financial assets at fair value through profit or loss	(325,792)	(162,304)
Proceeds from disposal of financial assets at fair value through profit or loss	-	4,920
Acquisition of investments accounted for using equity method	(19,655)	(775,747)
Proceeds from disposal of investments accounted for using equity method	886,090	-
Net cash outflow from loss of control of subsidiaries	(8,664)	-
Acquisition of property, plant and equipment	(27,698,023)	(28,755,550)
Proceeds from disposal of property, plant and equipment	20,739	12,995
Acquisition of intangible assets	(143,675)	(234,144)
Proceeds from disposal of intangible assets	342	-
Acquisition of investment properties	(73,974)	(4,333)
Acquisition of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	(54,079,731)	(72,914,674)
Proceeds from disposal of time deposits, negotiable certificates of deposit and commercial paper with maturities of more than three months	55,181,734	69,886,296
Increase in other noncurrent assets	(622,489)	(258,306)
Increase in prepayments for leases	(1,711,886)	(1,400,074)
Interests received	912,403	764,108
Dividends received	911,506	663,161
Proceeds from capital reduction and profit distribution of financial assets at fair value through profit or loss	<u>25,084</u>	<u>42,514</u>
Net cash used in investing activities	<u>(28,283,839)</u>	<u>(35,332,123)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	3,745,000	700,000
Repayment of short-term loans	(3,555,000)	(1,070,000)
Proceeds from issuance of bonds	3,500,000	-
Repayment of bonds payable	(8,800,000)	-
Payments for transaction costs attributable to the issuance of bonds	(4,985)	-

(Continued)

# CHUNGHWA TELECOM CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Proceeds from long-term loans	\$ -	\$ 35,000
Repayment of long-term loans	(35,000)	-
Decrease in customers' deposits	(38,947)	(9,121)
Payments for the principal of lease liabilities	(4,134,509)	(3,944,494)
Increase (decrease) in other noncurrent liabilities	(984,958)	282,678
Cash dividends paid	(38,787,232)	(36,909,931)
Partial disposal of interests in subsidiaries without a loss of control	310,658	258,773
Cash dividends distributed to noncontrolling interests	(1,094,115)	(898,565)
Change in other noncontrolling interests	1,420,234	37,524
Unclaimed dividend	<u>1,926</u>	<u>2,109</u>
Net cash used in financing activities	<u>(48,456,928)</u>	<u>(41,516,027)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(20,263)</u>	<u>39,634</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	684,517	2,435,805
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>36,259,689</u>	<u>33,823,884</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 36,944,206</u>	<u>\$ 36,259,689</u>

(Concluded)

## INDEPENDENT AUDITORS' REPORT

PWCR25003504

To the Board of Directors and Stockholders of Chunghwa Telecom Co., Ltd.

### Opinion

We have audited the accompanying parent company only balance sheets of Chunghwa Telecom Co., Ltd. (the "Company") as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

#### **Accuracy of revenues from mobile services, fixed-line broadband services and fixed-line data services**

##### Description

Refer to Note 3 for the accounting policies on revenue recognition and Notes 27 and 40 for details of revenue. The Company recognizes revenues from mobile services, fixed-line broadband services and fixed-line data services based on the terms of mobile services, fixed-line broadband services and fixed-line data services contracts and actual usage of mobile services, fixed-line broadband services and fixed-line data services.

Given that revenues from mobile services, fixed-line broadband services and fixed-line data services are comprised of a high volume of low-dollar transactions from a large number of contracts and a wide variety of tariff plans, the Company highly relies on the automated information systems to process and recognize revenues from mobile services, fixed-line broadband services and fixed-line data services.

Given the Company's revenues from mobile services, fixed-line broadband services and fixed-line data services are comprised of a high volume of low-dollar transactions and highly relies on information technology systems, a high degree of auditor effort was required in performing procedures related to accuracy of the Company's revenues from mobile services, fixed-line broadband services and fixed-line data services. Thus, we consider the accuracy of revenues from mobile services, fixed-line broadband services and fixed-line data services as a key audit matter.

#### How our audit addressed the matter

Our audit procedures performed in respect of the above included the following:

1. Obtained an understanding over the design of internal controls and information systems related to the business process of the Company's revenue recognition on mobile services, fixed-line broadband services and fixed-line data services and evaluated operating effectiveness of such controls. This includes the following procedures:
  - Obtained an understanding and evaluated the significant systems related to revenues from mobile services, fixed-line broadband services and fixed-line data services, and tested the information technology general controls as well as the automated controls for automatic calculations and system interface over these systems.
  - Tested manual controls related to the review of information on mobile services, fixed-line broadband services and fixed-line data services, including service acceptance, updates to price information, data collection and system interface, pricing, billing, and accounting processes.
2. Selected samples from mobile services, fixed-line broadband services and fixed-line data services revenues, agreed the samples selected to service contracts, invoices, payment records, and tested consistency between the data entered into the system and the original service contracts.

#### **Responsibilities of management and those charged with governance for the parent company only financial statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' responsibilities for the audit of the parent company only financial statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Huang, Shih-Chun

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Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2026

Notice to Readers

*The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

# CHUNGHWA TELECOM CO., LTD.

## BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 24,577,441	5	\$ 25,028,261	5
Financial assets at fair value through profit or loss	3,204	-	27	-
Hedging financial assets	3,204	-	1,133	-
Contract assets	2,953,031	1	2,840,082	1
Trade notes and accounts receivable, net	23,024,351	5	22,579,093	5
Receivables from related parties	857,886	-	904,400	-
Inventories	6,841,525	1	6,093,041	1
Prepayments	2,518,958	-	2,218,834	-
Other current monetary assets	20,134,445	4	20,275,215	4
Other current assets	2,145,896	-	2,003,000	-
Total current assets	83,059,941	16	81,943,086	16
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	1,129,933	-	957,548	-
Financial assets at fair value through other comprehensive income	6,341,812	1	4,446,650	1
Financial assets at amortized cost	2,000,000	-	2,000,000	-
Investments accounted for using equity method	23,653,467	5	22,818,526	5
Contract assets	1,773,930	-	1,654,675	-
Property, plant and equipment	276,047,930	55	277,555,283	55
Right-of-use assets	9,894,116	2	10,060,020	2
Investment properties	12,523,874	2	12,471,985	2
Intangible assets	59,325,453	13	65,835,855	13
Deferred income tax assets	1,633,448	-	1,516,083	-
Incremental costs of obtaining contracts	9,981,190	2	9,631,413	2
Net defined benefit assets	9,804,829	2	8,831,611	2
Prepayments	5,340,494	1	3,757,969	1
Other noncurrent assets	4,756,003	1	4,057,113	1
Total noncurrent assets	424,206,479	84	425,594,731	84
<b>TOTAL</b>	<b>\$ 507,266,420</b>	<b>100</b>	<b>\$ 507,537,817</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Hedging financial liabilities	\$ 56	-	\$ 1,907	-
Contract liabilities	18,549,710	4	14,123,368	3
Trade notes and accounts payable	11,089,872	2	12,373,111	2
Payables to related parties	4,375,535	1	4,738,525	1
Current tax liabilities	4,586,870	1	4,147,707	1
Lease liabilities	3,493,065	1	3,168,016	1
Other payables	23,132,432	5	21,544,689	4
Provisions	401,912	-	325,812	-
Current portion of bonds payable	1,899,856	-	8,798,880	2
Other current liabilities	921,552	-	940,377	-
Total current liabilities	68,450,860	14	70,162,392	14
<b>NONCURRENT LIABILITIES</b>				
Bonds payable	23,288,282	5	21,689,326	4
Contract liabilities	5,218,360	1	5,782,173	1
Deferred income tax liabilities	2,757,622	1	2,605,414	1
Provisions	546,632	-	509,177	-
Lease liabilities	6,525,855	1	6,872,331	1
Customers' deposits	5,115,377	1	5,108,234	1
Net defined benefit liabilities	2,318,584	-	2,085,962	-
Other noncurrent liabilities	6,787,137	1	7,772,118	2
Total noncurrent liabilities	52,557,849	10	52,424,735	10
Total liabilities	121,008,709	24	122,587,127	24
<b>EQUITY (Note 26)</b>				
Common stocks	77,574,465	15	77,574,465	15
Additional paid-in capital	172,450,886	34	171,587,279	34
Retained earnings				
Legal reserve	77,574,465	15	77,574,465	15
Special reserve	2,675,419	1	2,675,419	1
Unappropriated earnings	54,962,307	11	54,953,379	11
Total retained earnings	135,212,191	27	135,203,263	27
Others	1,020,169	-	585,683	-
Total equity	386,257,711	76	384,950,690	76
<b>TOTAL</b>	<b>\$ 507,266,420</b>	<b>100</b>	<b>\$ 507,537,817</b>	<b>100</b>

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
REVENUES	\$ 197,721,867	100	\$192,942,916	100
OPERATING COSTS	<u>124,108,799</u>	<u>63</u>	<u>121,801,607</u>	<u>63</u>
GROSS PROFIT	<u>73,613,068</u>	<u>37</u>	<u>71,141,309</u>	<u>37</u>
OPERATING EXPENSES				
Marketing	20,346,936	10	19,365,397	10
General and administrative	5,833,821	3	5,484,110	3
Research and development	3,321,400	2	3,124,052	2
Expected credit loss	<u>201,648</u>	<u>-</u>	<u>177,855</u>	<u>-</u>
Total operating expenses	<u>29,703,805</u>	<u>15</u>	<u>28,151,414</u>	<u>15</u>
OTHER INCOME AND EXPENSES	<u>(112,371)</u>	<u>-</u>	<u>123,305</u>	<u>-</u>
INCOME FROM OPERATIONS	<u>43,796,892</u>	<u>22</u>	<u>43,113,200</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	724,926	-	611,483	-
Other income	368,509	-	319,117	-
Other gains and losses	670,468	-	(216,979)	-
Interest expense	(301,287)	-	(273,095)	-
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	<u>2,155,060</u>	<u>1</u>	<u>2,050,828</u>	<u>1</u>
Total non-operating income and expenses	<u>3,617,676</u>	<u>1</u>	<u>2,491,354</u>	<u>1</u>
INCOME BEFORE INCOME TAX	47,414,568	23	45,604,554	23
INCOME TAX EXPENSE	<u>8,702,164</u>	<u>4</u>	<u>8,384,090</u>	<u>4</u>
NET INCOME	<u>38,712,404</u>	<u>19</u>	<u>37,220,464</u>	<u>19</u>

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension plans	\$ 92,346	-	\$ 2,225,453	1
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	534,577	-	63,749	-
Gain or loss on hedging instruments subject to basis adjustment	3,922	-	(730)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	90,162	-	2,802	-
Income tax relating to items that will not be reclassified to profit or loss	<u>(18,469)</u>	<u>-</u>	<u>(445,091)</u>	<u>-</u>
	<u>702,538</u>	<u>-</u>	<u>1,846,183</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from the translation of the foreign operations	(199,706)	-	170,923	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	<u>15,410</u>	<u>-</u>	<u>16,770</u>	<u>-</u>
	<u>(184,296)</u>	<u>-</u>	<u>187,693</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>518,242</u>	<u>-</u>	<u>2,033,876</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 39,230,646</u>	<u>19</u>	<u>\$ 39,254,340</u>	<u>20</u>
EARNINGS PER SHARE				
Basic	<u>\$ 4.99</u>		<u>\$ 4.80</u>	
Diluted	<u>\$ 4.98</u>		<u>\$ 4.79</u>	

(Concluded)

**CHUNGHWA TELECOM CO., LTD.**

**STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

	Common Stocks	Additional Paid-in Capital	Retained Earnings			Exchange Differences Arising from the Translation of the Foreign Operations	Others		Gain or Loss on Hedging Instruments	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income			
BALANCE, JANUARY 1, 2024	\$ 77,574,465	\$ 171,289,086	\$ 77,574,465	\$ 2,898,503	\$ 52,618,677	\$ (167,812)	\$ 520,748	\$ (44)	\$ 382,308,088	
Appropriation of 2023 earnings										
Special reserve	-	-	-	(223,084)	223,084	-	-	-	-	
Cash dividends	-	-	-	-	(36,909,931)	-	-	-	(36,909,931)	
Unclaimed dividend	-	2,109	-	-	-	-	-	-	2,109	
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	71,791	-	-	-	-	-	-	71,791	
Actual disposal of interests in subsidiaries	-	224,293	-	-	-	-	-	-	224,293	
Net income for the year ended December 31, 2024	-	-	-	-	37,220,464	-	-	-	37,220,464	
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,801,085	190,664	42,857	(730)	2,033,876	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	39,021,549	190,664	42,857	(730)	39,254,340	
BALANCE, DECEMBER 31, 2024	77,574,465	171,587,279	77,574,465	2,675,419	54,953,379	22,852	563,605	(774)	384,950,690	
Appropriation of 2024 earnings										
Cash dividends	-	-	-	-	(38,787,232)	-	-	-	(38,787,232)	
Unclaimed dividend	-	1,926	-	-	-	-	-	-	1,926	
Change in additional paid-in capital from investments in subsidiaries, associates and joint ventures accounted for using equity method	-	221,825	-	-	-	-	-	-	221,825	
Actual disposal of interests in subsidiaries	-	9,884	-	-	-	-	-	-	9,884	
Change in additional paid-in capital for not participating in the capital increase of subsidiaries	-	629,972	-	-	-	-	-	-	629,972	
Disposal of investments in equity instruments at fair value through other comprehensive income by subsidiaries	-	-	-	-	16	-	(16)	-	-	
Net income for the year ended December 31, 2025	-	-	-	-	38,712,404	-	-	-	38,712,404	
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	83,740	(214,531)	645,111	3,922	518,242	
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	38,796,144	(214,531)	645,111	3,922	39,230,646	
BALANCE, DECEMBER 31, 2025	\$ 77,574,465	\$ 172,450,886	\$ 77,574,465	\$ 2,675,419	\$ 54,962,307	\$ (191,679)	\$ 1,208,700	\$ 3,148	\$ 386,257,711	

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 47,414,568	\$ 45,604,554
Adjustments for:		
Depreciation	32,146,875	31,634,679
Amortization	6,561,327	6,595,302
Amortization of incremental costs of obtaining contracts	6,998,153	6,730,872
Expected credit loss	201,648	177,855
Valuation loss on financial assets and liabilities at fair value through profit or loss, net	96,851	143,102
Interest expense	301,287	273,095
Interest income	(724,926)	(611,483)
Dividend income	(271,772)	(234,593)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	(2,155,060)	(2,050,828)
Loss on disposal of property, plant and equipment	28,782	15,895
Gain on disposal of intangible assets	(276)	-
Gain on disposal of investments accounted for using equity method	(768,704)	-
Provision for impairment loss and obsolescence of inventory	24,753	50,759
Impairment loss on property, plant and equipment	112,219	-
Reversal of impairment loss on investment properties	(28,354)	(139,200)
Others	(36,728)	(64,475)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Contract assets	(233,022)	(648,066)
Trade notes and accounts receivable	(642,067)	(1,205,988)
Receivables from related parties	46,514	11,115
Inventories	(773,139)	(587,409)
Prepayments	(170,763)	(247,643)
Other current assets	(142,896)	231,481
Other current monetary assets	(1,280,013)	148,010
Incremental cost of obtaining contracts	(7,347,930)	(7,791,659)
Increase (decrease) in:		
Contract liabilities	3,862,529	1,650,468
Trade notes and accounts payable	(1,284,402)	1,817,467
Payables to related parties	(362,990)	595,350
Other payables	1,246,724	1,159,388
Provisions	113,555	121,737
Net defined benefit plans	(648,250)	(652,165)
Other current liabilities	(18,825)	5,741
Cash generated from operations	82,265,668	82,733,361

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Interests paid	\$ (294,924)	\$ (266,993)
Income taxes paid	<u>(8,246,627)</u>	<u>(8,377,382)</u>
Net cash provided by operating activities	<u>73,724,117</u>	<u>74,088,986</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,360,340)	(282,780)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,326
Acquisition of financial assets at amortized cost	-	(2,000,000)
Acquisition of financial assets at fair value through profit or loss	(295,792)	(158,909)
Acquisition of investments accounted for using equity method	(125,255)	(461,080)
Proceeds from disposal of investments accounted for using equity method	877,865	-
Acquisition of property, plant and equipment	(26,637,981)	(26,915,138)
Proceeds from disposal of property, plant and equipment	20,212	11,787
Acquisition of intangible assets	(51,895)	(162,161)
Proceeds from disposal of intangible assets	342	-
Acquisition of investment properties	(7,060)	(4,333)
Acquisition of time deposits and negotiable certificates of deposit with maturities of more than three months	(51,210,668)	(70,883,712)
Proceeds from disposal of time deposits and negotiable certificates of deposit with maturities of more than three months	52,921,060	67,916,007
Increase in other noncurrent assets	(699,940)	(235,656)
Increase in prepayments for leases	(1,711,886)	(1,400,074)
Interests received	733,517	594,472
Cash dividends received from others	271,772	234,593
Cash dividends received from subsidiaries, associates and joint ventures accounted for using equity method	1,801,877	1,716,284
Proceeds from capital reduction and profit distribution of financial assets at fair value through profit or loss	<u>23,379</u>	<u>42,514</u>
Net cash used in investing activities	<u>(25,450,793)</u>	<u>(31,984,860)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of bonds	3,500,000	-
Repayment of bonds payable	(8,800,000)	-
Payments for transaction costs attributable to the issuance of bonds	(4,985)	-
Increase in customers' deposits	7,143	21,465
Payments for the principal of lease liabilities	(3,669,086)	(3,486,781)
Increase (decrease) in other noncurrent liabilities	(984,981)	279,278
Cash dividends paid	(38,787,232)	(36,909,931)

(Continued)

# CHUNGHWA TELECOM CO., LTD.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

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	2025	2024
Partial disposal of interests in subsidiaries without a loss of control	\$ 13,071	\$ 258,773
Unclaimed dividend	<u>1,926</u>	<u>2,109</u>
Net cash used in financing activities	<u>(48,724,144)</u>	<u>(39,835,087)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(450,820)	2,269,039
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>25,028,261</u>	<u>22,759,222</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 24,577,441</u>	<u>\$ 25,028,261</u>

(Concluded)

## II. Ratification of 2025 earnings distribution proposal

Proposed by the Board of Directors

### Explanation:

1. The Company's 2025 financial statements have been finalized, and earnings shall be distributed as stipulated in the 2025 Earnings Distribution Proposal on the following page. It is proposed that cash dividends paid to stockholders of NT\$40,338,722,034. Common stockholders will receive cash dividends of NT\$5.2 per share based on their number of shares held as recorded on the ex-dividend base date. The aforementioned cash dividends will be distributed to stockholders from 2025 earnings as a priority.
2. Each shareholder's cash dividend shall be issued to the rounded-down full NT dollar (fractional amount be ignored). The sum of all cash dividends less than NT\$1 shall be allocated in line with a progressive decrease in decimal numbers and a progressive increase in shareholders' ID number so that the total dividend distribution is fully paid. After which, the Chairman shall set a record date of ex-cash dividend for distribution after ratification by the Annual General Meeting.
3. Should the Company's capital position change in the future, requiring adjustments in the cash distribution ratio, it is proposed that the Chairman be authorized to manage the change in the cash distribution ratio.
4. This proposal was approved by the 4<sup>th</sup> meeting of the 11<sup>th</sup> Board of Directors on February 26, 2026 and is hereby submitted to the Annual General Meeting for ratification.

### Resolution:

**Chunghwa Telecom Co., Ltd.**  
**2025 Earnings Distribution Proposal**

Units: NT\$

<b>Source items:</b>		
Unappropriated retained earnings, beginning balance		16,166,147,598
Remeasurements of defined benefit pension plans recognized in retained earnings	83,739,711	
Disposal loss of investments in equity instruments at fair value through other comprehensive income by subsidiaries	16,316	
Net income of 2025	38,712,403,845	38,796,159,872
Appropriation of legal reserve (amounted to the authorized capital)		0
Reversal of special reserves according to Securities and Exchange Act		0
<b>Distributable retained earnings for 2025</b>		<b>54,962,307,470</b>
<b>Distribution items:</b>		
Cash dividends to stockholders (total of 7,757,446,545 shares x NT\$5.2 per share)		(40,338,722,034)
<b>Unappropriated retained earnings, ending balance</b>		<b>14,623,585,436</b>
Notes: The amount of "Unappropriated retained earnings, beginning balance" is the same as the amount of "Unappropriated retained earnings, ending balance" on the Earnings Distribution Proposal approved at the 2025 annual general meeting.		

Chairman and Chief Executive Officer: Chih-Cheng Chien

President: Rong-Shy Lin

Vice President, Accounting Department: Shu-Ling Chen

## **Discussion Items**

### **I. Amendments to the Articles of Incorporation**

Proposed by the Board of Directors

Explanation:

1. In order to align with terminology used by laws and current practical requirements, it is proposed to amend Articles 7, 7-1, and 22-1 of the Articles of Incorporation (AOI). The key points of the proposed amendments are as follows:
  - (1) Amendment to Paragraph 1 of Article 7 regarding procedures for share issuance: Pursuant to paragraph 1, Article 162 of the Company Act, in which the procedures for share issuance are expressly stipulated, share certificates shall be signed or sealed by a director representing the Company and then attested by a bank legally qualified to act as an attestation institution for share issuance prior to issuance.
  - (2) Deletion of Paragraph 2 of Article 7 and Article 7-1 regarding consolidated printing of share certificates and reissuance of certificates in large-denomination securities: As stocks of listed companies are now all in uncertificated form and kept by the centralized securities depository enterprise in book-entry form, the relevant provisions are deleted to reflect current practice.
  - (3) Amendment of “total capital” to “paid-in capital” in Article 22-1: In order to align with the terminology used by the Company Act and the Company’s operational practice, the statutory surplus reserve accumulation cap standard under this AOI is revised by replacing “total capital” with “paid-in capital.”
2. The comparison table of draft amendments to certain articles of the Articles of Incorporation of Chunghwa Telecom Co., Ltd. is attached.
3. This proposal was approved by the 3<sup>rd</sup> meeting of the 11<sup>th</sup> Board of Directors on January 23, 2026 and is hereby submitted to the Annual General Meeting of Shareholders for resolution.

Resolution:

**Comparison table of draft amendments to certain articles of the Articles of Incorporation of Chunghwa Telecom Co., Ltd.**

1. All of 26 articles adopted by Promoters Meeting on June 11, 1996.
2. Article 15 amended by the Annual General Meeting on December 26, 1997.
3. Articles 2 and 22 amended by the Annual General Meeting on November 25, 1998.
4. Paragraph 1 of Article 21 amended by the Extraordinary General Meeting on July 13, 1999.
5. Articles 2, 3, 6, 7, 10, 12, 13, 19, 21, and 22 amended, and Articles 6-1 and 7-1 added by the Annual General Meeting on June 4, 2001.
6. Articles 2, 7, 8, 9, 10, 19, 21, and 22 amended and Article 5 deleted by the Annual General Meeting on June 21, 2002.
7. Article 2 amended by the Annual General Meeting on June 17, 2003.
8. Articles 2 and 22 amended by the Annual General Meeting on June 25, 2004.
9. Articles 2, 3, 6, 10, 11, 12, 14, 17, 19, 20, 22, 23, and 25 amended, and Articles 12-1, 18-1, and 18-2 added by the Annual General Meeting on May 30, 2006.
10. Articles 2, 12-1, 14, 22, and 23 amended, and Article 18-1 deleted by the Annual General Meeting on June 15, 2007.
11. Articles 2, 6, and 14 amended by the Annual General Meeting on June 19, 2008.
12. Articles 2, 6, 12 and 13 amended, and Article 6-1 deleted by the Annual General Meeting on June 19, 2009.
13. Article 2 amended by the Annual General Meeting on June 18, 2010.
14. The title of Chapter IV and Articles 12, 12-1, 14, 19, 20, and 22 amended by the Annual General Meeting on June 22, 2012.
15. The title of Chapter IV, Articles 2, 12, 13, 18-2, 21 and 22 amended; Articles 17 and 18 deleted, and Article 13-1 added by the Annual General Meeting on June 25, 2013.
16. Articles 2 and 15 amended by the Annual General Meeting on June 24, 2014.
17. Articles 1, 2 and 7-1 amended by the Annual General Meeting on June 26, 2015.
18. Articles 2 and 22 amended, and Article 22-1 added by the Annual General Meeting on June 24, 2016.
19. Article 2 amended by the Annual General Meeting on June 15, 2018.
20. Article 2 amended by the Annual General Meeting on June 21, 2019.
21. Article 2 amended by the Annual General Meeting on May 29, 2020.
22. Article 1, 2, 14, 19 and 20 amended by the Annual General Meeting on August 20, 2021.
23. Article 8 amended by the Annual General Meeting on May 27, 2022.
24. Article 2 amended by the Annual General Meeting on May 26, 2023.
25. Articles 2 and 22 amended by the Annual General Meeting on May 31, 2024.
26. Articles 2 and 22 amended by the Annual General Meeting on May 29, 2025.
27. Articles 7, 7-1, and 22-1 amended by the Annual General Meeting on May 29, 2026.

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 7</p> <p>The share certificates of the Company shall be in registered form, be signed or sealed by the <u>directors representing the Company, and attested by a bank legally permitted to act as stock issuance attestation institution</u> before they are issued in accordance with the relevant laws.</p>	<p>Article 7</p> <p>The share certificates of the Company shall be in registered form, be signed or sealed by the <u>Chairman and at least two other directors, be serially numbered, affixed with the corporate seal of the Company, and legalized by the Ministry of Economic Affairs ("MOEA") thereafter referred to as the "Competent Authority")</u> or its certified <u>issuance registration agency</u></p>	<p>1. According to Article 162 of the Company Act, the procedures governing the issuance of shares under Paragraph 1 are hereby amended.</p> <p>2. As stocks of listed companies are now all in uncertificated form, and the centralized securities depository enterprise also maintains</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities depository enterprise, in which case the preceding paragraph shall not apply.</p> <p>Matters relating to the shares of the Company shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>	<p><u>before they are issued in accordance with the relevant laws.</u></p> <p><u>When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time, and shall arrange for the certificate to be kept by a centralized securities custodian institution, in which case the preceding requirement for serial numbering of share certificates shall not apply.</u></p> <p>Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities depository enterprise, in which case the preceding 2 paragraphs shall not apply.</p> <p>Matters relating to the shares of the Company shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.</p>	<p>custody of listed securities in book-entry form, Paragraph 2 is hereby deleted to reflect current practice.</p> <p>3. Paragraph 3 is amended in response to the deletion of paragraph 2.</p>
<p>Article 7-1 <u>(Deleted)</u></p>	<p>Article 7-1</p> <p><u>The stocks issued by the Company, upon the request of the centralized securities custodian institution, may be merged in exchange for the security with large par value.</u></p>	<p>As stocks of listed companies have now all in uncertificated form, and the centralized securities depository enterprise maintains custody of listed securities in book-entry form, this Article is hereby deleted to reflect current practice.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>Article 22-1</p> <p>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 %) of its earnings as a legal reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals the Company's total <u>paid-in capital</u>. 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 remaining amount, along with the accumulated retained earnings from the previous year, shall be distributed to 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>Article 22-1</p> <p>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 %) of its earnings as a legal reserve before distribution of earnings, except when the accumulated amount of such legal reserve equals the Company's total <u>capital</u>. 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 remaining amount, along with the accumulated retained earnings from the previous year, shall be distributed to 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>In accordance with the terminology used in Paragraph 1, Article 237 of the Company Act, and to align with the Company's operational practice, the upper limit for the legal reserve appropriation under this Article is hereby amended.</p>

## II. Amendments to the Procedures for Acquisition or Disposal of Assets

Proposed by the Board of Directors

Explanation:

1. In response to the amendments to Article 31 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (hereinafter referred to as the “Regulations”) issued by the Financial Supervisory Commission on July 24, 2025, and in accordance with Article 15, paragraph 2, and Article 7, paragraph 1, subparagraph 3 of the Regulations, the Company has added provisions specifying the authorization limit for transactions involving right-of-use assets of real property for business use conducted between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital. Accordingly, the Procedures for Acquisition or Disposal of Assets of Chunghwa Telecom Co., Ltd. (hereinafter referred to as the “Procedures”) are hereby amended.
2. Summary of Key Amendments:
  - (1) Revision of Article 16:

In accordance with Article 15, paragraph 2, and Article 7, paragraph 1, subparagraph 3 of the Regulations, provisions have been added to specify that, for transactions involving the acquisition or disposal of right-of-use assets of real property for business use conducted between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital, the Board of Directors may authorize the Chairman to make a prior decision within a limit of less than NT\$300 million (NT\$300 million not included), in accordance with the Powers and Duties Chart of BOD and the Management, with such decision to be submitted to the most recent Board meeting for ratification afterward.
  - (2) Revision of Article 39:

In line with the amendment to Article 31 of the Regulations, the threshold for the Company’s acquisition or disposal of equipment for business use or right-of-use assets thereof with a non-related party has been relaxed from NT\$1 billion to 5 percent or more of the Company’s paid-in capital. In addition, the threshold for the Company’s investment in debt instruments has been relaxed from NT\$300 million to 5 percent or more of the paid-in capital.
3. The comparison table of draft amendments to certain articles of the Procedures for Acquisition or Disposal of Assets of Chunghwa Telecom Co., Ltd. is attached.
4. This proposal was approved by the 2<sup>nd</sup> and the 4<sup>th</sup> meetings of the 11<sup>th</sup> Board of Directors held on November 7, 2025 and February 26, 2026, respectively, and is hereby submitted to the Annual General Meeting of Shareholders for resolution.

Resolution:

**Comparison table of draft amendments to certain articles of the Procedures for Acquisition or Disposal of Assets of Chunghwa Telecom Co., Ltd.**

1. All 38 articles adopted by Annual General Meeting on June 25, 2004.
2. Articles 1, 3, 4, 5, 6, 7, 8, 11, 12, 18, 19, 20, 21, 22, 24, 30, 31, 33, 36, and 38 amended by Annual General Meeting on May 30, 2006.
3. Articles 1, 3, 6, 8, 11, 14, 17, 18, 22, 24, 31, 33, and 37 amended by Annual General Meeting on June 15, 2007.
4. Articles 7, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 40, and 44 amended, and articles 9, 12, 21, 22, and 47 added by Annual General Meeting on June 19, 2008.
5. Articles 6, 7, 8, 9, 10, 11, 12, 13, 14, 18, 22, 23, 25, 28, 29, 31, 32, 33, 37, 39, 40, 43, 44, and the title of Chapter 3 amended, and Article 47 deleted by Annual General Meeting on June 19, 2009.
6. Articles 2, 8, 10, 11, 12, 13, 14, 15, 16, 31, 33, 39, 40, 41, 42, 43 and 44 and the titles of Chapters 4 and 5 amended by Annual General Meeting on June 22, 2012.
7. Articles 4, 7, 8, 16, 19, 23, 25, 26, 29, 31 and 44 amended by Annual General Meeting on June 25, 2013.
8. Articles 1, 3, 4, 11, 12, 13, 14, 16, 17, 22, 30, 39 and the title of Chapter 3 amended by Annual General Meeting on June 24, 2014.
9. Articles 12, 14, 16, 31, 33, 39 and 40 amended by Annual General Meeting on June 23, 2017.
10. Articles 2, 3, 4, 5, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 25, 30, 33, 38, 39 and 42 and the titles of Chapters 3 and 4 amended by Annual General Meeting on June 21, 2019.
11. Articles 5, 8, 12, 14, 16 and 39 amended by Annual General Meeting on May 27, 2022.
12. Articles 16, 39 amended by Annual General Meeting on May 29, 2026.

<b>Draft Amendment</b>	<b>Current Articles</b>	<b>Explanatory Notes</b>
<p>Article 16</p> <p>When acquiring or disposing real property or right-of-use assets thereof from or to a related party, or when acquiring or disposing assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;</li> <li>2. The reason for choosing the related party as a transaction counterpart;</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding assessment of the reasonableness of the anticipated transaction terms in accordance with the provisions of Articles 17 and 18;</li> </ol>	<p>Article 16</p> <p>When acquiring or disposing real property or right-of-use assets thereof from or to a related party, or when acquiring or disposing assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;</li> <li>2. The reason for choosing the related party as a transaction counterpart;</li> <li>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding assessment of the reasonableness of the anticipated transaction terms in accordance with the provisions of Articles 17 and 18;</li> </ol>	<p>In accordance with Article 15, paragraph 2, of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, provisions are added to the Procedures to specify the authorization limit under which the Board of Directors may authorize the Chairman to make a prior decision for transactions involving the acquisition or disposal of right-of-use assets of real property for business use conducted between the Company and its subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or capital.</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>4. The date and price at which the related party originally acquired the real property, the original transaction counterpart, and that transaction counterpart's relationship to the Company and the related party;</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of contract signing, and assessment of the necessity of the transaction and the reasonableness of the use of funds;</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 8, Article 12 and Article 14; and</p> <p>7. Restrictive conditions and other important stipulations associated with the transaction.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the transaction may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>For the transaction referred to Paragraph 1, the Company or its subsidiary that is not a domestic public company, if the transaction amount reaches 10% of the total assets of the Company, the Company may not proceed to enter into a transaction contract or make a payment until the matters in Paragraph 1 have been approved by the shareholders meeting. However, the transactions between the Company and its subsidiary, or between its subsidiaries, are exempted from the resolution of the shareholders meeting.</p> <p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Article 39, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or the Board of Directors and recognized by the</p>	<p>4. The date and price at which the related party originally acquired the real property, the original transaction counterpart, and that transaction counterpart's relationship to the Company and the related party;</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of contract signing, and assessment of the necessity of the transaction and the reasonableness of the use of funds;</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 8, Article 12 and Article 14; and</p> <p>7. Restrictive conditions and other important stipulations associated with the transaction.</p> <p>If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the transaction may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>For the transaction referred to Paragraph 1, the Company or its subsidiary that is not a domestic public company, if the transaction amount reaches 10% of the total assets of the Company, the Company may not proceed to enter into a transaction contract or make a payment until the matters in Paragraph 1 have been approved by the shareholders meeting. However, the transactions between the Company and its subsidiary, or between its subsidiaries, are exempted from the resolution of the shareholders meeting.</p> <p>The calculation of the transaction amounts referred to Paragraph 1 and the preceding paragraph shall be made in accordance with Article 39, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or the Board of Directors and recognized by the</p>	

Draft Amendment	Current Articles	Explanatory Notes
<p>supervisors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may <u>authorize the Chairman, within the authorized limit and pursuant to the Powers and Duties Chart of BOD and the Management to decide such matters</u> and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p><u>The authorized limit for the acquisition or disposal of right-of-use assets of real property for business use under subparagraph 2 of the preceding paragraph shall be less than NT\$300 million (NT\$300 million not included).</u></p>	<p>supervisors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may <u>pursuant to the Powers and Duties Chart of BOD and the Management delegate the Chairman to decide such matters when the transaction is within a certain amount</u> and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for operating use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for operating use.</li> </ol>	
<p>Article 39</p> <p>When acquiring or disposing of assets, the Company shall publicly announce and report relevant information in accordance with its type on the Financial Supervisory Commission's designated web site in the prescribed format within the filing time limits of "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities"; provided, however, that if the competent authority releases other regulations or interpretation, those regulations or interpretation shall be complied with:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or right of use assets thereof from a related party, or acquisition or disposal of assets other than real property or right of use assets thereof from or to a related party where the transaction amount reaches</li> </ol>	<p>Article 39</p> <p>When acquiring or disposing of assets, the Company shall publicly announce and report relevant information in accordance with its type on the Financial Supervisory Commission's designated web site in the prescribed format within the filing time limits of "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities"; provided, however, that if the competent authority releases other regulations or interpretation, those regulations or interpretation shall be complied with:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or right of use assets thereof from a related party, or acquisition or disposal of assets other than real property or right of use assets thereof from or to a related party where the transaction amount reaches</li> </ol>	<p>Amended in accordance with Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Draft Amendment	Current Articles	Explanatory Notes
<p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Losses from derivative trading exceeding the overall limit or individual contract limit specified in these Procedures.</p> <p>4. Where the type of asset acquired or disposed is equipment or right of use assets thereof held for business use, the transaction counterparty is not a related party, and the transaction amount reaches <u>5 percent or more of paid-in capital.</u></p> <p>5. Where real property is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6. <u>In the case of government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets, which do not fall under any of the circumstances listed in the proviso of subparagraph 7, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of the Company's paid-in capital.</u></p> <p>7. Where an asset transaction other than any of those referred to in the preceding <u>six</u> subparagraphs, or an investment in the mainland China area reaches NT\$300 million</p>	<p>NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger or consolidation, split, acquisition, or assignment of shares.</p> <p>3. Losses from derivative trading exceeding the overall limit or individual contract limit specified in these Procedures.</p> <p>4. Where the type of asset acquired or disposed is equipment or right of use assets thereof held for operating use, the transaction counterparty is not a related party, and the transaction amount reaches <u>NT\$1 billion or more.</u></p> <p>5. Where real property is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding <u>five</u> subparagraphs, or an investment in the mainland China area reaches NT\$300 million</p>	

Draft Amendment	Current Articles	Explanatory Notes
<p>or more; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amounts of the transactions in the foregoing paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of target with the same transaction counterparty within one year.</li> <li>3. The cumulative transaction amount of the acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project during one year.</li> <li>4. The cumulative amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security during one year.</li> </ol> <p>As used in preceding paragraph, during one year refers to a period of one year after the date on which the transaction took place. Items announced in accordance with regulations need not be included.</p>	<p>or more; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.</p> <p>(2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amounts of the transactions in the foregoing paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of target with the same transaction counterparty within one year.</li> <li>3. The cumulative transaction amount of the acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project during one year.</li> <li>4. The cumulative amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security during one year.</li> </ol> <p>As used in preceding paragraph, during one year refers to a period of one year after the date on which the transaction took place. Items announced in accordance with regulations need not be included.</p>	

### III. Release of non-competition restrictions on Directors

Proposed by the Board of Directors

Explanation:

1. According to Article 209 of the Company Act and Article 12 of the Meeting Rules of Order of the Board of Directors of Chunghwa Telecom Co., Ltd., a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall submit to the Board of Directors for discussion and explain to the meeting of shareholders the essential contents of such an act and to obtain its approval.
2. The following directors and independent directors concurrently serve in other companies with the same or similar business scope as the Company. Subject to the condition that such concurrent positions do not adversely affect the interests of the Company, it is proposed, in accordance with the law, to submit the matter to the shareholders' meeting for approval to release such directors and independent directors from the restrictions on non-competition.
3. It is proposed to submit to the shareholders' meeting for approval the release of the directors Chi-Hwa Chern, I-Jen Su, and independent directors Yi-Chin Tu, Ikujin Ko and Jer-Liang Yeh from the restrictions on non-competition with respect to their positions in the following companies:

Director	Positions at companies in the same or similar lines of business	Same or similar lines of business as the Company
Chi-Hwa Chern (Director)	Director, Taiwan International Ports Corp.	Information Software Service Business Rental Business Development of Special District/Zone Businesses Real Estate Rental Businesses Exhibition Service Businesses Parking Lot Operation Businesses Commercial Port Area Ship-repair
I-Jen Su (Director)	Independent Director, USERJOY Technology Co., Ltd.	Installation of the Computer Equipment Business Information Software Service Business Supply of Electronic Information Service Businesses Information Process Service Business Exhibition Service Businesses Computer and Accessories Manufacturing Service Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses Computer and Administrative Device Wholesale Businesses Information Software Wholesale Businesses Computer and Administrative Device Retail Businesses Information Software Retail Businesses
Yi-Chin Tu (Independent Director)	Director, Source Intelligence Co., Ltd.	Computer and Administrative Device Wholesale Businesses Computer and Administrative Device Retail Businesses Management and Consulting Service Business Information Software Service Business

Director	Positions at companies in the same or similar lines of business	Same or similar lines of business as the Company
Jer-Liang Yeh (Independent Director)	Independent Director, TATUNG COMPANY	Installation of the Computer Equipment Business Telecommunication Equipment Wholesale Business Telecommunication Equipment Retail Business Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business Information Software Service Business Rental Business Information Process Service Business Telecommunication Account Application Agency Businesses Development of Special District/Zone Businesses Parking Lot Operation Businesses Environmental Assessment Service Businesses Computer and Accessories Manufacturing Service Information Storage and Process Equipment Manufacturing Businesses Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses Computer and Administrative Device Wholesale Businesses Computer and Administrative Device Retail Businesses Energy Service Business Refrigeration and Air-Conditioning Consulting Business Automatic Control Equipment Engineering Business Lighting Equipment Installation Business Power Equipment Installation and Maintenance Business Electrical Appliance Installation Business Instrument Installation Engineering Business Water Pipe Construction Business Machinery and Equipment Manufacturing Business Traffic Signals Installation and Construction Business Traffic Labels Construction Business Metrological Instruments Manufacturing Business Wholesale of Aircraft and Component Parts Thereof
	Independent Director, Chenbro Micom Co., Ltd.	Computer and Accessories Manufacturing Service Information Storage and Process Equipment Manufacturing Businesses Computer and Administrative Device Wholesale Businesses Computer and Administrative Device Retail Businesses

Director	Positions at companies in the same or similar lines of business	Same or similar lines of business as the Company
Ikujin Ko (Independent Director)	Directors, (1) NanChang Creative Sensor Technology Co., Ltd. (2) Creative Sensor (USA) Co. (3) Creative Sensor Co., Ltd. (4) Creative Sensor Inc. (5) Sensorem Photonics India Private Limited.	Telecommunication Equipment Wholesale Business Telecommunication Equipment Retail Business Computer and Administrative Device Wholesale Businesses Computer and Administrative Device Retail Businesses Computer and Accessories Manufacturing Service Information Software Service Business Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses Wholesale of Aircraft and Component Parts Thereof Retail Sale of Aircraft and Component Parts Thereof Energy Service Business

4. This proposal was approved by the 3<sup>rd</sup> meeting and the 3<sup>rd</sup> special meeting of the 11<sup>th</sup> Board of Directors of held on January 23, 2026 and April 10, 2026, respectively, and is hereby submitted to the Annual General Meeting of Shareholders for resolution.

Resolution:

## **Extemporaneous Motions**

## **Meeting Adjourned**

## **Company Rules**

### **I. Articles of Incorporation of Chunghwa Telecom Co., Ltd.**

1. All of 26 articles adopted by Promoters Meeting on June 11, 1996.
2. Article 15 amended by the Annual General Meeting on December 26, 1997.
3. Articles 2 and 22 amended by the Annual General Meeting on November 25, 1998.
4. Paragraph 1 of Article 21 amended by the Extraordinary General Meeting on July 13, 1999.
5. Articles 2, 3, 6, 7, 10, 12, 13, 19, 21, and 22 amended, and Articles 6-1 and 7-1 added by the Annual General Meeting on June 4, 2001.
6. Articles 2, 7, 8, 9, 10, 19, 21, and 22 amended and Article 5 deleted by the Annual General Meeting on June 21, 2002.
7. Article 2 amended by the Annual General Meeting on June 17, 2003.
8. Articles 2 and 22 amended by the Annual General Meeting on June 25, 2004.
9. Articles 2, 3, 6, 10, 11, 12, 14, 17, 19, 20, 22, 23, and 25 amended, and Articles 12-1, 18-1, and 18-2 added by the Annual General Meeting on May 30, 2006.
10. Articles 2, 12-1, 14, 22, and 23 amended, and Article 18-1 deleted by the Annual General Meeting on June 15, 2007.
11. Articles 2, 6, and 14 amended by the Annual General Meeting on June 19, 2008.
12. Articles 2, 6, 12 and 13 amended, and Article 6-1 deleted by the Annual General Meeting on June 19, 2009.
13. Article 2 amended by the Annual General Meeting on June 18, 2010.
14. The title of Chapter IV and Articles 12, 12-1, 14, 19, 20, and 22 amended by the Annual General Meeting on June 22, 2012.
15. The title of Chapter IV, Articles 2, 12, 13, 18-2, 21 and 22 amended; Articles 17 and 18 deleted, and Article 13-1 added by the Annual General Meeting on June 25, 2013.
16. Articles 2 and 15 amended by the Annual General Meeting on June 24, 2014.
17. Articles 1, 2 and 7-1 amended by the Annual General Meeting on June 26, 2015.
18. Articles 2 and 22 amended, and Article 22-1 added by the Annual General Meeting on June 24, 2016.
19. Article 2 amended by the Annual General Meeting on June 15, 2018.
20. Article 2 amended by the Annual General Meeting on June 21, 2019.
21. Article 2 amended by the Annual General Meeting on May 29, 2020.
22. Article 1, 2, 14, 19 and 20 amended by the Annual General Meeting on August 20, 2021.
23. Article 8 amended by the Annual General Meeting on May 27, 2022.
24. Article 2 amended by the Annual General Meeting on May 26, 2023.
25. Article 2 and 22 amended by the Annual General Meeting on May 31, 2024.
26. Articles 2 and 22 amended by the Annual General Meeting on May 29, 2025.

#### **Chapter I - General Provisions**

Article 1 - The Company is promoted by the Ministry of Transportation and Communications ("MOTC") and others and organized under the Telecommunication Law and the provisions of the Company Law pertaining to companies limited by shares and is named "Chunghwa Telecom Co., Ltd."

The English name of the Company is "Chunghwa Telecom Co., Ltd."

In response to the implementation of Telecommunications Management Act, the Company has completed the telecommunication business conversion registration on September 30, 2020, and the telecommunication business is changed to be governed under the Telecommunications Management Act.

Article 2 - The scope of business of the Company shall be as follows:  
1) Telecommunications Enterprises (G903010);  
2) Installation of the Computer Equipment Business (E605010);

- 3) Telecommunication Equipment Wholesale Business (F113070);
- 4) Telecommunication Equipment Retail Business (F213060);
- 5) Telecommunication Engineering Business (E701010);
- 6) Installation of the Radio-Frequency Equipment whose operation is controlled by the Telecommunication Business (E701030);
- 7) Information Software Service Business (I301010);
- 8) Rental Business (JE01010);
- 9) Other Wholesale Businesses (F199990);
- 10) Management and Consulting Service Business (I103060);
- 11) Other Corporation Service Businesses (IZ99990);
- 12) Other Retail Businesses (F299990);
- 13) Online Certification Service Businesses (IZ13010);
- 14) Supply of Electronic Information Service Businesses (I301030);
- 15) Information Process Service Business (I301020);
- 16) Telecommunication Account Application Agency Businesses (IE01010);
- 17) Residential and Commercial Building Development, Rental and Sales Businesses (H701010);
- 18) Development of Special District/Zone Businesses (H701040);
- 19) Real Estate Rental Businesses (H703100);
- 20) Community Common Cable Television Equipment Businesses (J502020);
- 21) Exhibition Service Businesses (JB01010);
- 22) Parking Lot Operation Businesses (G202010);
- 23) Environmental Assessment Service Businesses (J101050);
- 24) Computer and Accessories Manufacturing Service (CC01110);
- 25) Information Storage and Process Equipment Manufacturing Businesses (CC01120);
- 26) Other Electrical and Electronic Machinery & Equipment Manufacturing Businesses (CC01990);
- 27) General Hotel Business (J901020);
- 28) Computer and Administrative Device Wholesale Businesses (F113050);
- 29) Information Software Wholesale Businesses (F118010);
- 30) Computer and Administrative Device Retail Businesses (F213030);
- 31) Information Software Rental Businesses (F218010);
- 32) Energy Service Business (IG03010);
- 33) Engineering Consulting Business (I101061);
- 34) Refrigeration and Air-Conditioning Consulting Business (E602011);
- 35) Automatic Control Equipment Engineering Business (E603050);
- 36) Lighting Equipment Installation Business (E603090);
- 37) Non-store Retailer Business (F399040);
- 38) Power Equipment Installation and Maintenance Business (E601010);
- 39) Electrical Appliance Installation Business (E601020);
- 40) Instrument Installation Engineering Business (EZ05010);
- 41) Television Program Production Business (J503020);
- 42) Broadcasting and Television Program Launch Business (J503030);
- 43) Broadcasting and Television Advertising Business (J503040);
- 44) Production, Licensed Recording and Supply of Videotape Program Business (J503050);
- 45) Water Pipe Construction Business (E501011);
- 46) Machinery and Equipment Manufacturing Business (CB01010);
- 47) Traffic Signals Installation and Construction Business (E603080);
- 48) Traffic Labels Construction Business (EZ06010);
- 49) Medical Device Wholesale Business (F108031);
- 50) Medical Device Retail Business (F208031);
- 51) Metrological Instruments Importing Business (F401181);
- 52) Metrological Instruments Repairing Business (JA02051);

- 53) Metrological Instruments Manufacturing Business (CE01021);
- 54) Commercial Port Area Ship-repair (CD01070);
- 55) Wholesale of Aircraft and Component Parts Thereof (F114070);
- 56) Retail Sale of Aircraft and Component Parts Thereof (F214070);
- 57) Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations (ZZ99999).

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.

Article 3 - In the event that the Company invests in another business as a limited-liability shareholder, the total investment amount may not exceed the total paid-in capital of the Company. Investment not related to telecommunications may not exceed 20% of the total paid-in capital of the Company.

Article 4 - The head office of the Company is located in Taipei City and the Company may establish branch office(s) and liaison office(s) at appropriate locations within or outside the territory of the Republic of China.

Article 5 - (Deleted)

## **Chapter II - Shares**

Article 6 - The registered capital of the Company shall be One Hundred Twenty Billion New Taiwan Dollars (NT\$120,000,000,000), divided into Twelve Billion (12,000,000,000) common shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. All the shares shall be issued in increments.

Two Hundred Million shares shall be set aside from the aforementioned common shares for the use as Stock Warrants, Preferred Shares with Warrants, and Bonds with Warrants.

For issuance of Stock Warrants where the price is less than the closing price of the Company shares on the date of issuance, or where the price of the treasury stocks to be transferred to the employees is less than the average price of the repurchased shares, shareholders representing the majority of the issued shares shall be present and approval by at least 2/3 of the presenting shareholders shall be required.

Article 6-1 - (Deleted)

Article 7 - The share certificates of the Company shall bear the shareholders' names, be signed or sealed by the Chairman and at least two other directors, be serially numbered, affixed with the corporate seal of the Company, and legalized by the Ministry of Economic Affairs ("MOEA") (hereinafter referred to as the "Competent Authority") or its certified issuance registration agency before they are issued in accordance with the relevant laws.

When issuing new shares, the Company may print a share certificate in respect of the full number of shares to be issued at that time, and shall arrange for the certificate to be kept by a centralized securities custodian institution, in which case the preceding requirement for serial numbering of share certificates shall not apply.

Shares issued by the Company may also be exempt from printing of share certificates, and the Company shall arrange for such shares to be recorded by a centralized securities custodian institution, in which case the preceding 2 paragraphs shall not apply.

Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company.

Article 7-1 - The stocks issued by the Company, upon the request of the centralized securities custodian institution, may be merged in exchange for the security with large par value.

### **Chapter III - Shareholders' Meeting**

Article 8 - Shareholders' meetings shall be of two types: annual general meeting and extraordinary general meeting. Except as otherwise provided in the Company Law, shareholders' meetings shall be convened by the Board of Directors.

The annual general meeting shall be convened at least once every year and shall be convened within six (6) months after the close of each fiscal year except as otherwise approved by the Competent Authority for good cause shown.

The extraordinary general meeting shall be convened at such time as may be deemed necessary pursuant to relevant laws and regulations.

The shareholders' meetings may be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9 - Where a shareholders' meeting is convened by the Board of Directors, the chairman of the Company shall act as the chairman of the shareholders' meeting. In the event that the chairman is to be on leave of absence or cannot attend the meeting for any cause whatsoever, the vice-chairman, or where the chairman and the vice-chairman are both to be on leave of absence or cannot attend the meeting for any cause whatsoever, one of the directors appointed by the chairman, or, where there is no appointment, a director elected among all the directors, may act on behalf of the chairman.

Where a shareholders' meeting is convened by a person with authority other than the Board of Directors, such convener shall act as the chairman of the shareholders' meeting. Where there are two (2) or more conveners, the chairman of the meeting shall be elected amongst such conveners.

Article 10 - Unless otherwise specified by the law, each shareholder of the Company shall be entitled to one vote for each share held.

Article 11 - (Deleted)

#### **Chapter IV – Directors and Audit Committee**

Article 12 - The Company shall have seven (7) to fifteen (15) directors to form the Board of Directors, one-fifth (1/5) of whom shall be expert representatives.

The Board of Directors shall have one (1) chairman elected by and from among the directors with the concurrence of a general majority of the directors present at a meeting attended by at least two-thirds (2/3) of the directors and shall have one (1) vice-chairman elected in the same way.

The Board of Directors may establish various functional committees according to the laws and regulations or business needs.

The Company shall establish an audit committee starting from the 7<sup>th</sup> Board of Directors. The provisions related to supervisors under the Company Act, Securities and Exchange Act and other laws shall apply mutatis mutandis to the audit committee.

Article 12-1 In accordance with Articles 181-2 and 183 of the Securities and Exchange Act, the Company shall, beginning in the fifth commencement, establish at least three (3) independent directors to be included in the number of directors designated in the preceding Article.

The elections for directors of the Company shall proceed with the candidate nomination system; the shareholders shall elect the directors from among the nominees listed in the roster of candidates.

Elections for independent and non-independent directors shall proceed concurrently, and the number of elected directors shall be calculated separately.

The professional qualifications, restrictions on shareholding and concurrent post, affirmation of independence, nomination and election processes, exercise of authority and other requirements of independent directors shall be determined and executed in accordance with the Securities and Exchange Law and related regulations.

Article 13- The tenure of office of the directors will be three (3) years and they will be eligible for re-election.

In the event that the representative of a government or corporate body is elected as the director, the government or corporate body may reappoint such representative at anytime to supplement the original tenure.

Article 13-1- The remuneration and compensation of the directors shall be determined by the Board of Directors based on the participation and the contribution of each director in the business operation of the Company and referencing the regular standards of other corporations in the similar industry.

Article 14 - The following items shall be decided by the Board of Directors:

- 1) Increase or reduction of capital of the Company.
- 2) Regulations with regard to the organization of the Company.
- 3) Establishment, amendment, and abolishment of the branch offices within or outside the territory of the Republic of China.
- 4) Examination of annual business budgets and final closing report.
- 5) Distribution of earnings or off-set of deficit.
- 6) The amount and term of domestic and foreign loan.
- 7) The amount of Investment.
- 8) Issuance of corporate bonds.
- 9) Policies regarding personnel matters, material purchase, accounting, and internal control.
- 10) Amendment and modifications of regulations of organization of the Board of Directors and the functional committee.
- 11) Amendment and modification of regulations with regard to the scope of duties of independent directors.
- 12) Appointment and removal of the president, executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute.
- 13) Appointment and removal of the chiefs of finance, accounting and internal audit.
- 14) Policies regarding recommendation of chairman and president to subsidiaries.
- 15) Other duties and powers granted by the law or by shareholders' meeting.

Article 15 - The Board of Directors' meeting shall be convened at least one time a quarter. The special Board of Directors' meeting shall be convened at such time as may be deemed necessary. Both meetings shall be convened by the chairman of the Company and such chairman shall act as the chairman of the meeting. In the event that the chairman cannot attend the meeting for any cause whatsoever, the vice-chairman, or where the chairman and the vice-chairman are both to be on leave of absence or cannot attend the meeting for any cause whatsoever, one of the directors appointed by the chairman, or, where there is no appointment, a director elected among all the directors, may act on behalf of the chairman.

Article 16 - All directors shall attend every Board of Directors' meeting; in case any of the directors cannot attend the meeting for any cause whatsoever, he/she may designate the other directors to act on his/her behalf and such agent shall present the proxy setting forth the vested power of the purpose of the meeting each time. However, each agent shall only accept one appointment from the directors.

Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting a general majority of the directors present vote in favor of such resolution.

Minutes of meetings shall be prepared for all resolutions adopted at a Board of Directors' meeting.

Article 17 - (Deleted).

Article 18 - (Deleted).

Article 18-1 (Deleted).

Article 18-2 The Company may purchase liability insurance policies for directors during the term of their offices and within the scope of damages results from the performances of their official duties in order to reduce and disperse the risks for the Company and shareholders due to the fault, mistake, violation of duty, and inaccurate or misleading statements on part of the directors during the performance of their duties.

## **Chapter V - Managerial Officers**

Article 19 - The Company shall have one (1) chief executive officer, to be served as a concurrent post by the chairman or by the president, to lead the managers in proposing and making significant policy decisions regarding to the Company and all affiliates of the Company.

The Company shall have one (1) president, several executive vice presidents and presidents of branch offices, and one (1) president for each of Telecommunication Laboratories and Telecommunication Training Institute.

The president shall be a director with professional knowledge in business of telecommunication or technology.

Article 20 - The president shall, in accordance with the decision made by the Board of Directors and with instruction from the chief executive officer, take charge of the affairs of the Company, and shall have the authority to sign on behalf of the Company; the executive vice presidents, presidents of branch offices, president of Telecommunication Laboratories, and president of Telecommunication Training Institute shall assist the president in all affairs, and shall have the power to sign on behalf of the Company within the scope set by rules decided by the president or authorized in writing by the president.

The division of powers and duties between the Board of Directors and the managers shall be determined in accordance with the Powers and Duties Chart.

## **Chapter VI - Accounting**

Article 21 - The fiscal year of the Company shall be from January 1 to December 31 of each year.

At the end of each fiscal year, the Board of Directors shall prepare the following statements and reports, and shall submit the same to the annual general meeting for adoption according to the relevant legal procedures.

- 1) Report of Operations;
- 2) Financial statements;
- 3) Resolution governing the distribution of earnings or the making-up of losses.

Article 22 - In annual profit-making year, the Company should distribute 2% - 5% of profit as employees' compensation, distribute no less than 20% of the employees' compensation as grassroots 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.

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.

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 2024. However, the provision of grassroots employees' compensation in Paragraph 1 shall take effect from the fiscal year of 2025.

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 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.

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.

Dividends and bonuses shall not be distributed where the Company has no earning.

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.

Article 23 - In the event that the Company issues new shares, excluding ad hoc ratification by the central competent authority, the Company shall reserve ten percent (10%) to fifteen percent (15%) of the total newly issued shares for preemptive subscription by employees of the Company.

#### **Chapter VII - Supplementary Provisions**

Article 24 - The regulations with regard to the organization of the Board of Directors and the Company shall be separately adopted.

Article 25 - Matters not specified herein shall be resolved in accordance with the Company Law.

Article 26 - This Articles of Incorporation was adopted on June 11, 1996.

## **II. Ordinance of Shareholders Meetings of Chunghwa Telecom Co., Ltd.**

1. All 25 articles adopted by Annual General Meeting on December 26<sup>th</sup>, 1997.
2. Articles 3, 4, 8, 11, 12, and 13 amended by Annual General Meeting on June 4, 2001.
3. Articles 4, 5, 9, 12, 13, and 15 amended by Annual General Meeting on June 21, 2002.
4. All 18 articles amended by Annual General Meeting on June 25, 2004.
5. Articles 2, 4, 10, 12, and 15 amended, and articles 2-1, 2-2, 13, 13-1, 13-2, and 19 added by Annual General Meeting on May 30, 2006.
6. Articles 2, 2-1, 2-2, 4, 5, 8, 12, 13, 13-1, 14, 15 and 19 amended by the 2012 Annual General Meeting on June 22, 2012.
7. Articles 2, 2-2 and 15 amended by the 2021 Annual General Meeting on August 20, 2021.
8. Articles 2, 3, 4, 5, 7, 8, 10, 12, 15, 16, 23 and 24 amended, and articles 19, 20, 21 and 22 added by Annual General Meeting on May 27, 2022.

### **Article 1 (Applicable principles)**

Except where prescribed by laws and regulations or Articles of Incorporation of Chunghwa Telecom Co., Ltd. (herein referred to as "the Company"), the rules of procedure at shareholders' meetings shall be as prescribed in this ordinance.

### **Article 2 (Convening a shareholders' meeting and notification)**

Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.

Changes to methods for holding a Company's shareholders' meeting shall be resolved by the Board of Directors, which shall be conducted no later than the time when the shareholders' meeting notice is sent out.

All shareholders shall be notified 30 days in advance of an annual general meeting. Those shareholders who hold less than 1,000 shares of registered stock may be notified 30 days in advance by means of posting a public announcement on the Market Observation Post System website. All shareholders shall be notified 15 days in advance when an extraordinary general meeting is convened. Those shareholders who hold less than 1,000 shares of registered stock may be notified 15 days in advance by means of posting a public announcement on the Market Observation Post System website.

The Company shall provide the shareholders' meeting agenda handbook and supplemental materials of the meeting by the following methods for the shareholders' reference on the day of shareholders' meeting :

1. Distributed on-site at the shareholders' meeting place when a physical shareholders' meeting is held.
2. Distributed on-site at the shareholders' meeting place as well as transmission in electronic form to the video conference platform, when a shareholders' meeting supported by video conference is held.
3. Transmission in electronic form to the video conference platform when a video shareholders' meeting is held.

The subject of the meeting shall be explicitly stated in notices and public announcements. When the relevant parties grant their consent, notification may be performed using electronics means.

The election or dismissal of directors, amendment to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company,

approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, split up of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, or any other issues prohibited by law from being proposed as special motions in the shareholders' meeting shall be stated as the causes of convention, and the main contents shall be enumerated and explained and shall not be proposed as special motions in the meeting.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any special motion or otherwise in the same meeting.

#### **Article 2-1 (Preparation and public announcement of the shareholders' meeting handbook)**

A handbook shall be prepared for the convention of shareholders meeting. This handbook and other materials for the meeting shall be publicly announced in compliance with the regulations of the competent authority.

The time and method of the public announcement mentioned in the foregoing paragraph, the main items stated in the meeting handbook, and other compliance requirements shall in all cases be as prescribed by the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Handbooks of Public Companies."

#### **Article 2-2 (Handling of proposals made before the shareholders' meeting)**

Shareholders holding at least 1% of the total number of issued shares may submit a proposal to general meeting to the Company, the number of items so proposed is limited to one only; such proposals shall be included among discussion proposals after approval by the Board of Directors.

The company shall publicly announce acceptance of shareholders' proposals, the method of acceptance, the place of acceptance, and the acceptance period before the book closure date prior to the annual general meeting. The acceptance period may be no shorter than 10 days.

Shareholders' proposals shall be included in the agenda and listed in the meeting notice of the annual general meeting when, following review by the board, none of the following circumstances apply:

1. The proposal is not a matter that may be resolved at the annual general meeting.
2. The proposing shareholder holds less than 1% of issued shares at the time of book closure date prior to that annual general meeting.
3. The proposal was not submitted during the publicly announced acceptance period in the foregoing paragraph.
4. The proposing shareholder has submitted more than one proposal, the proposal exceeds 300 characters in length (including punctuation marks).

The Company shall notify those shareholders who submitted proposals of the results of process of the proposals prior to the notification of annual general meeting. With regard to any shareholder proposals not included in the meeting agenda, the Board shall include in the meeting handbook an explanation of why each proposal was not included; such proposals shall not be included in the agenda, and shall not be mentioned in the minutes.

If the shareholders' proposals to be included in the meeting agenda according to Paragraph

3 are of the same kind, they may be joined as a whole.

### **Article 3 (Location and time of meeting)**

A shareholders' meeting shall be held at the Company's business premises or at another location convenient for shareholders' attendance and suitable for holding such a meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m.

The holding of a shareholders' meeting by the Company by video conference is not subject to any restriction on the venue of the shareholders' meetings set forth in the preceding paragraph.

### **Article 4 (The exercise of voting rights and attendance by proxy)**

When the Company calls for shareholders' meeting, shareholders may elect to exercise the voting right through electronic voting or on the site.

The aforementioned exercise of voting right through electronic voting by shareholders shall be made at the designated electronic voting platform of the Company in compliance with the Company Act, Securities and Exchange Act, and Regulations Governing the Administration of shareholders services of Public Companies (hereinafter, "Regulations Governing the Administration of shareholders services").

For a shareholder having exercised voting right by electronic means and wishing to attend the shareholders' meeting in person or through video conference, the shareholder shall, no later than 2 days before the shareholders' meeting and in the same manner previously used in exercising the voting right, revoke his/her/its expression of intent in exercising the voting right under the preceding paragraph; the voting right exercised by way of electronic means will prevail for failing of such revocation by the deadline.

A shareholder who cannot attend a shareholders' meeting in person may present a proxy letter issued by the Company, stating scope of authorization and designating a proxy.

One shareholder may present one proxy letter and appoint only one proxy. A proxy letter must be delivered to the Company at least five days before the shareholders' meeting. The first proxy letter shall have precedence if repeated proxy letters are delivered. This restriction shall not apply, however, to those shareholders who declare to retract their prior appointment of a proxy.

For a shareholder wishing to attend a shareholders' meeting in person or through video conference after a proxy letter is delivered to the Company, the shareholder shall, no later than at least 2 days before the shareholders' meeting, notify the Company in writing to revoke his/her/its proxy appointment; the vote cast by the proxy in the meeting under authorization shall prevail for failing of such revocation by the deadline.

Where specific shareholder exercises voting right through electronic voting and also appoints a proxy with proxy letter to attend the shareholders' meeting, the vote cast by the proxy in the meeting under authorization shall stand.

### **Article 5 (Registration of shareholders for attendance)**

Shareholders or their proxies shall be admitted to the shareholders' meeting on the basis of attendance passes, attendance sign-in cards, or other attendance verification. Those persons soliciting proxy letters shall carry other personal identification to facilitate checking.

The Company shall set up a registration desk for the registration of the shareholders or proxies to the meeting by presenting the attendance sign-in cards.

Government or juristic shareholders may send more than one representative to a

shareholders' meeting. However, a juristic person attending a shareholders' meeting as a proxy may send only one representative to attend.

For a shareholders' meeting by video conference, the attendance registration shall be available on the video conference platform for 30 minutes immediately before the meeting. Shareholders having completed the attendance registration shall be deemed to have attended the shareholders' meeting in person.

For a shareholders' meeting by video conference, the shareholder wishing to attend by video conference shall register with the Company by 2 days before the meeting.

For a shareholders' meetings by video conference, the Company shall, at least 30 minutes before the commencement of the meeting, upload shareholders' meeting agenda handbook, annual report and other relevant materials to the video conference platform for the shareholders' meeting, which shall be continuously disclosed until the end of the meeting.

#### **Article 6 (Chairman, personnel attending in a non-voting capacity)**

The Chairman shall serve as chairman of a shareholders' meeting convened by the Board. If the Chairman has taken leave of absence or cannot attend for some reason, the Vice Chairman shall act in his stead. If the Chairman and Vice Chairman have both taken leave of absence or cannot attend for some reason, the Chairman shall designate one director to act in his stead. If the Chairman has not designated anyone to act as chairman, the directors shall jointly elect one from among themselves to serve as meeting chairman.

If a shareholders' meeting has been convened by a person with convening powers other than the Board of Directors, the convener shall serve as the chairman. If there are two or more conveners, they shall jointly elect one from among themselves to serve as the chairman.

The company may designate commissioned lawyers, certified public accountants, or other relevant personnel to attend the shareholders' meeting in a non-voting capacity.

#### **Article 7 (Audio or video recording of shareholders' meeting)**

The Company shall make an audio or video recording of the entire proceedings of the shareholders' meeting, and shall preserve the recording for at least one year. If, however, a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, such a recording shall be preserved until the conclusion of the lawsuit.

For a shareholders' meeting by video conference, the Company shall retain the records for registration, attendance registration, questions raised, voting rights exercised, and vote counting results, and the Company shall continuously make the audio and video recording across the whole video conference without an interruption.

The materials and the audio and video recording under the preceding paragraph shall be properly preserved by the Company during the Company's existence, and the Company shall provide the audio and video records to those entrusted to handle the video conference affairs for retention.

#### **Article 8 (Calculation of number of shares present, holding of meeting)**

The calculation of attendance at a shareholders' meeting of the Company shall be based on the number of shares being represented. The number of shares attending the meeting shall be calculated based on the number of shares indicated in the attendance registration cards and those registered for attendance with the video conference platform, plus number of shares being voted by electronic means, provided that there shall be no double counting of the attending shares for shares voted by electronic means while the shareholders of which attended the shareholders' meeting in person or through video conference.

When the designated meeting time arrives, the chairman shall immediately announce to commence the meeting if shareholders representing a majority of the total number of issued shares are in attendance. The chairman may announce to delay the commencement of the meeting if the statutory number of shares has not been reached. The commencement of the meeting may be delayed for no more than twice, and the total time delayed may not exceed one hour. If the number of shareholders present is still below one-third or more of the total number of issued shares after two times of delay, the chairman shall announce that the meeting has failed to be convened for lack of quorum; for a shareholders' meeting by video conference, the Company shall separately announce the same on the video conference platform.

Where the number of shares present is still insufficient after two delays under the preceding paragraph, but shareholders representing at least one-third of all issued shares are present, the meeting may make tentative resolutions with the consent of a majority of the voting rights in attendance. The Company shall then notify all shareholders of the tentative resolutions, and another shareholders' meeting shall be convened within one month. For a shareholders' meeting by video conference, the shareholder wishing to attend the meeting by video conference shall register again with the Company according to the Article 5 of the Ordinance of Shareholders Meetings of the Company.

If, after making a tentative resolution according to the procedures in the foregoing paragraph, shareholders representing a majority of issued shares become present at an in-progress meeting, the chairman may, in accordance with Article 174 of the Company Act, resubmit any tentative resolutions already made at the meeting for another vote.

#### **Article 9 (Discussion of proposals)**

The Board shall determine the agenda of a shareholders' meeting if it has convened that meeting. The meeting shall proceed in accordance with the agenda. The agenda may not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting has been convened by some person with convening powers other than the Board, the regulations of the foregoing paragraph shall still apply.

The chairman may not arbitrarily announce adjournment in the absence of a resolution to that effect before the conclusion of deliberation of items (including special motions) on the agenda determined as prescribed in the two foregoing paragraphs. If the chairman announces adjournment in violation of the rules of procedure, the attending shareholders may select a person to serve as chairman and continue the meeting with the consent of shareholders representing a majority of voting rights present.

Apart from the circumstances in the foregoing paragraph, after a meeting has adjourned, shareholders may not further select a chairman and continue the meeting at the original site or some other location.

The chairman must provide opportunities for adequate explanations and discussion in connection with proposals, revised proposals and special motions submitted by shareholders. The chairman may announce an end of discussion and put the motion to a vote when he considers it has reached the extent for making a resolution.

#### **Article 10 (Speaking)**

Before speaking, an attending shareholder or proxy shall first fill out a speaking slip specifying therein the major points of his or her speech, his or her shareholder account number (or attendance pass number), and account name. The chairman shall determine speaking order.

An attending shareholder or proxy who only submits a speaking slip but fails to actually speak shall be deemed to have not spoken. If the content of a shareholder's speech is inconsistent with that stated on his or her speaking slip, the content actually spoken shall take precedence.

An attending shareholder or proxy may question about report items on the agenda only after the chairman or person designated by the chairman has read or reported all report items. Each speaker may speak no more than twice concerning each motion, and each instance may not exceed 5 minutes. Although a speaker may speak an additional five minutes with the chairman's approval, only one such extension may be given.

When an attending shareholder or proxy gives a speech with regard to the items for ratification and discussion listed on the agenda, and to the proposals made in the special motion session, the regulations in the foregoing paragraph governing speaking time and number of speaking opportunities shall apply.

When an attending shareholder or proxy gives a speech with regard to non-proposal issues during the special motion session, the regulations in Paragraph 3 governing speaking time and number of speaking opportunities shall apply.

The chairman may stop an attending shareholder or proxy if the person's speech goes past the prescribed time limit or exceeds the bounds of the issue at hand. The chairman may direct disciplinary personnel (or security personnel) to take necessary measures to maintain order in the meeting place or ensure the smooth progress of the meeting if a speaker still refuses to stop talking or other circumstances interfering with meeting procedures occur.

Other shareholders may not interfere with a speaking shareholder or proxy without obtaining the consent of the chairman and the speaking shareholder or proxy. The chairman shall stop anyone who violates this rule, and the regulations in the foregoing paragraph shall apply.

When a government or juristic shareholder sends two or more representatives to attend the shareholders' meeting, the shareholder may designate only one person to speak on each occasion.

The chairman may personally respond, or designate another relevant person to do so, after a shareholder has spoken.

For a shareholders' meeting held by video conference, a shareholder attending the meeting through video conference may, during the period that the meeting is announced to commence until the meeting is announced for the adjournment by the chairman, raise questions in writing through the video conference platform for shareholders' meetings, provided that questions raised for each proposal shall not exceed two times, 200 words for each question, and Paragraphs 1 to 8 shall not apply.

#### **Article 11 (Calculation of number of voting shares, recusal system)**

Votes at shareholders' meetings shall be calculated on the basis of number of shares.

When votes are taken on resolutions, the number of shares held by shareholders without voting rights shall not be included in the total number of issued shares.

A shareholder may not vote on a matter, and may not appoint another shareholder to exercise his or her voting rights, if the shareholder's conflict of interest with regard the motion may be detrimental to the company's interests.

In the foregoing paragraph, the number of voting rights that may not be exercised shall not be calculated among the total voting rights of the shareholders in attendance.

With the exception of trust enterprises and agents of stock affairs approved by the competent authority in charge of securities, a single person acting as the proxy for two or more shareholders may exercise voting rights not exceeding 3% of the voting rights of total issued shares. Any excess voting rights shall not be counted.

#### **Article 12 (Voting on resolutions)**

A shareholder shall receive one voting right for each share. However, this rule shall not apply to those shareholders with restricted or no voting rights.

Although a government or juristic shareholder may appoint more than one person as a representative, the shareholder's voting rights are still calculated on the basis of the total number of shares held by that shareholder.

If, in the foregoing paragraph, a shareholder has sent two or more representatives, the representatives shall jointly exercise the shareholder's voting rights.

Proposals shall be resolved through voting by poll. Unless otherwise specified by the Company Act and the Articles of Incorporation of the Company, a resolution in favor of the proposal may be made with a simple majority of the voting rights represented by the total votes of on-site voting, voting right exercised through video conference, and electronic voting.

After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. If any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

The chairman shall determine the order for discussion and vote for the proposals made during the special motion session. The chairman may also combine proposals that are of the same type.

When the Company holds a shareholders' meeting by video conference, a shareholder attending the meeting through video conference, after the chairman announces to commence the meeting, shall vote for each proposal and election proposal through video conference platform before the chairman announces to close the voting. Voting rights shall be deemed waived for failure of doing so by the time required.

For a shareholders' meetings held by video conference, votes shall be calculated at once after the chairman announces to close the voting, and the results of resolution and election shall be announced accordingly.

When the Company holds a shareholders' meeting supported by video conference, for a shareholder having registered to attend the meeting by video conference in accordance with Article 5 of the Ordinance of Shareholders Meetings of the Company but wishing to attend the meeting in person thereafter shall, by 2 days before the shareholders' meeting and in the same manner previously used for the registration, revoke the registration. For those failing of doing so by the time required may only attend the meeting by video conference.

For those shareholders having exercised voting rights by electronic voting without revoking their expression of intent but attending the shareholders' meeting by video conference, except for the extraordinary motion, they are not allowed to vote for original proposals, raise a proposal to amend the original proposals, or vote for the amendment to the original proposal.

### **Article 13 (Monitoring the voting, counting, and retention of ballots)**

When a proposal is put to a vote on the scene of the shareholders meeting, the chairman of the meeting shall appoint two watchers for monitoring the voting and a number of counting officers to read and count the votes. Only shareholders may act as the watchers.

The votes on the proposals shall be counted in silence. The voting result on proposals, including votes cast on the site and through electronic voting, shall be announced on the site and kept as minutes on record. The watchers shall keep all counted ballot cast on the site together with the document stating the result of electronic voting in a package, affix their signatures or seals to the package, and forward the package to the Company for retention.

The calculation of aforementioned voting result through electronic voting shall be verified by a functional unit which meets the requirements provided in Article 44 – 6 of Regulations Governing the Administration of Shareholder Services before the shareholders meeting.

### **Article 13-1 (Determine the validity of the ballots cast on the site)**

If any of the following applies to a ballot cast for voting on the site of the shareholders meeting as determined by all watchers of voting, such ballot shall be deemed invalid:

1. The ballot is not prepared by the Company.
2. The ballot in the ballot box is left blank or not the one designated for voting on specific proposals.
3. The ballot is not being put in the ballot box.
4. The ballot is illegible due to damage or indistinct writing.
5. The ballot bears corrections or extraneous written text or symbols.
6. Both consent and oppose have been marked.

### **Article 13-2 (Resolution of disputes)**

The chairman shall make a decision if a shareholder disputes any matters such as the voting process, the ballot counting method, or the validity of ballots. As requested by shareholders who dispute any points, the minutes shall state the shareholder's account number and the number of voting rights, and the subject of the dispute.

### **Article 14 (Matters concerning elections)**

The proposal for the election of directors in the shareholders meeting shall be processed in compliance with the Directors Election Regulations of Chunghwa Telecom and the result of which shall be announced on the scene.

In the process of aforementioned proposal for election, watchers shall keep the ballots cast on the site together with the document stating the result of electronic voting in a package, affix their signatures or seals to the package, and forward the package to the Company for retention of at least one year, or as long as the conclusion of legal action instituted pursuant to Article 189 of the Company Act, where applicable.

### **Article 15 (Meeting minutes and signing)**

The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The chairman shall sign or affix his or her seal to the minutes. The minutes shall be issued to all shareholders within 20 days after the shareholders' meeting. The production and distribution of minutes may be performed using electronic means.

The release of the minutes of meeting on record as aforementioned may be announced by

the Company through posting at Market Observation Post System.

The minutes shall record the year, month, day, and place of the meeting, the name of the chairman, the resolution method, a summary of deliberation, and the results of deliberation (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes of shareholders' meetings must be preserved for as long as the company is in existence.

For a shareholders' meeting by video conference, the meeting minutes, other than the mandatory contents under the preceding paragraph, shall also be recorded with the commencement time and the time that the meeting is adjourned, the method for holding the meeting, the names of the chairman and secretary, and the contingency plans for disconnection issues due to natural disasters, incidents or other force majeure events that prevent the operating of the video conference platforms or that prevent shareholders from attending meetings by video conference.

For a shareholders' meeting held by video conference, in addition to complying with the provisions in the preceding paragraph, the meeting minutes shall also be recorded with alternative measures for shareholders who have difficulty in attending the shareholders' meeting by video conference.

#### **Article 16 (Public announcements)**

The company shall, on the day of the shareholders' meeting, compile a statistical table in prescribed format of the number of shares obtained by solicitors, by consigned agents and by shareholders exercising voting rights by electronic means on the day of the shareholders' meeting. This table shall be clearly displayed in the meeting venue. For a shareholders' meeting held by video conference, the Company shall, at least by 30 minutes before the meeting, upload the abovementioned materials to the video conference platform for shareholders' meeting which shall be continuously disclosed until the meeting is adjourned.

For a shareholders' meeting held by video conference by the Company, the total number of shares by shareholders attended shall be disclosed on the video conference platform when the meeting is announced to commence. Where the total number of shares and voting rights of shareholders attended are separately calculated during the meeting, the same rules shall apply.

#### **Article 17 (Maintenance of order)**

Personnel in charge of running a shareholders' meeting shall wear identification badges or armbands.

The chairman may ask disciplinary or security personnel to help maintain order at a meeting. Such personnel shall wear identification badges or armbands bearing the words "disciplinary personnel" when maintaining order at a meeting.

The meeting premises shall be equipped with loudspeaker equipment. The chairman may stop any shareholder speaking with loudspeaker equipment other than that arranged for by the Company.

The chairman may instruct disciplinary or security personnel to ask that any shareholder who violates the meeting rules of procedure and fails to heed a warning from the chairman, or impedes the progress of the meeting and fails to heed a call for restraint, to leave the premises.

#### **Article 18 (Intermission, resumption)**

The chairman may announce an intermission at an appropriate time during a shareholders'

meeting. The chairman may also temporarily suspend a shareholders' meeting in the event of Force Majeure, and, if the circumstances permit, shall announce the time at which the meeting will resume.

If the meeting premises can no longer be used for the shareholders' meeting before the conclusion of deliberation of motions on the agenda (including special motions), the shareholders may make a resolution to seek another venue and continue the meeting.

In accordance with Article 182 of the Company Act, a shareholders' meeting may make a resolution to postpone the meeting until or resume the meeting at some other time within 5 days.

#### **Article 19 (Information disclosure of the video conference)**

For a shareholders' meeting held by video conference, the Company shall, after the close of the voting, timely disclose the voting results for each proposal and election on the video conference platform for shareholders' meeting for at least 15 minutes on a continuous basis after the chairman announces to adjourn the meeting.

#### **Article 20 (Location of chairman and secretary of the shareholders' meeting by the video conference)**

When the Company holds a shareholders' meeting by video conference, the chairman and secretary shall be at the same location in the R.O.C., and the chairman shall also announce the address of the location when the meeting is announced to be commenced.

#### **Article 21 (Handling of disconnection)**

For a shareholders' meeting held by video conference, the Chairman shall, when announcing to commence the meeting, separately announce that, in addition to the situation in which there is no need to postpone or continue the meeting specified in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of shareholders services, before the Chairman announces to adjourn the meeting, if any disconnection issues occurred due to natural disasters, incidents or other force majeure events that prevent the operating of the video conference platforms or that prevent shareholders from attending meetings by video conference lasts for 30 minutes or more, the dates when the meeting shall be postponed to or continued within 5 days, provided that Article 182 of the Company Act shall not apply.

In the event that the meeting is postponed or continued under the preceding paragraph, a shareholder who have not registered to attend the original shareholders' meeting through video conference shall not attend the postponed or continued meeting.

For a meeting being postponed or continued under Paragraph 1, shareholders having registered to attend the original shareholders' meeting by video conference and completed the attendance registration, but not attending the postponed or continued meeting, the number of shares attended, the voting rights exercised and votes for the election made in the original shareholders' meeting shall be counted in the total number of shares attended, voting rights and votes for election made in the postponed or continued meeting.

Where a shareholders' meeting is postponed or continued under Paragraph 1, for a proposal that the voting and counting of votes have been completed and the voting result or the list of elected directors and supervisors have been announced, there is no need to re-discuss and resolve the proposal.

When a shareholders' meeting supported by video conference is held and the meeting cannot be continued through video conference due to the reason under Paragraph 1, the shareholders' meeting shall continue if the total number of shares attended still reaches the

statutory quorum for the shareholders' meeting after deducting the number of shares attended by video conference and it is no longer required to postpone or continue the meeting under Paragraph 1.

In the event that the meeting shall be continued under the preceding paragraph, the number of shares of shareholders attended through video conference shall be counted in the number of shares attended, provided that voting rights of which shall be deemed waived for all the proposals of the shareholders' meeting.

Where the Company postpones or continues a meeting in accordance with Paragraph 1, the Company shall, according to the provisions in paragraph 7 of Article 44-20 of the Regulations Governing the Administration of shareholders services, conduct the relevant preparatory works in the same way as the date of the original shareholders' meeting and related provisions.

For the period specified in the last paragraph of Article 12, Paragraph 3 of Article 13 of the Regulations Governing Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of shareholders services, the Company shall postpone or continue the shareholders' meeting on the date specified in Paragraph 1.

#### **Article 22 (Handling of digital divide)**

Where the Company holds a shareholders' meeting by video conference, the Company shall provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders' meetings by video conference.

#### **Article 23 (Supplementary provisions)**

Except where explicitly prescribed in the laws and regulations and the Company's Articles of Incorporation, the chairman shall decide any matters not prescribed in these rules. Any matters still disputed by shareholders shall be handled in accordance with appropriate legal procedures, and shall not constitute a pretext for obstructing or disturbing deliberative procedures.

#### **Article 24 (Enforcement)**

These meeting rules of procedure shall take effect after being passed by the shareholders' meeting; likewise in the case of revisions.

### **III. Ethical Corporate Management Best Practice Principles of Chunghwa Telecom Co., Ltd.**

1. All articles adopted by the 6th Board of Directors at the 5th meeting on December 28, 2010.
2. Amended by the 7th Board of Directors at the 2nd meeting on August 13, 2013.
3. Amended by the 9th Board of Directors at the 8th meeting on August 5, 2020.
4. Amended by the 9th Board of Directors at the 5th interim meeting on September 28, 2021.
5. Amended by the 10th Board of Directors at the 6th interim meeting on April 17, 2024.
6. Amended by the 11th Board of Directors at the 1st meeting on August 8, 2025.

#### **Article 1 (Purpose of enactment and applicable scope)**

The Ethical Corporate Management Best Practice Principles ("Principles") is enacted to assist Chunghwa Telecom Co., Ltd. and its affiliated institutions (hereinafter referred to as the "Company") to establish a corporate culture of ethical management and sound development.

The applicable scope of the Principles covers the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company (hereinafter referred to as the "Business Groups").

#### **Article 2 (Prohibition of unethical conducts)**

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company (hereinafter referred to as the "substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as the "unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and directors, supervisors, managers, employees or substantial controllers or other interested parties of the same.

#### **Article 3 (Types of benefits)**

"Benefits" mentioned in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

#### **Article 4 (Legal compliance)**

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM-listing related rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

#### **Article 5 (Policy)**

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board

of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

#### **Article 6 (Guidelines for conduct)**

The Company has established the "Procedures for Ethical Management and Guidelines for Conduct of Chunghwa Telecom Co., Ltd." (hereinafter referred to as the "Guidelines for Conduct") in order to implement the operational philosophies and policies prescribed in the preceding article, which includes operating procedures, behavior guidelines, and training, etc.

The Guidelines for Conduct established in accordance with the previous paragraph shall comply with relevant laws and regulations of the territory where the Company and its Business Groups are operating.

#### **Article 7 (The scope of the Guidelines for Conduct)**

The Company shall analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish its Guidelines for Conduct accordingly and review their adequacy and effectiveness.

The Company should refer to prevailing domestic and foreign standards or guidance in establishing the "Guidelines for Conduct", which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

#### **Article 8 (Promises and executions)**

The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and its Business Groups shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

#### **Article 9 (Engaging in commercial activities under ethics)**

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

#### **Article 10 (Prohibition of offering and acceptance of bribery)**

When conducting business, the Company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

#### **Article 11 (Prohibition of offering illegal political donations)**

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and their directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

#### **Article 12 (Prohibition of improper charitable donation or sponsorship)**

When making or offering donations and sponsorship, the Company and their directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

#### **Article 13 (Prohibition of unreasonable presents, hospitality or other improper benefits)**

The Company and their directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

#### **Article 14 (Prohibition of infringement of intellectual property rights)**

The Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

#### **Article 15 (Prohibition of unfair competition)**

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### **Article 16 (Prevent products or services from harming stakeholders)**

In the course of research and development, procurement, make, provision, or sale of products and services, the Company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and

services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

#### **Article 17 (Organization and responsibility)**

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To strengthen ethical corporate management, the Chairman of Chunghwa Telecom serves as the highest responsible officer for the Company's integrity management. The Organization and Talent Development Department (hereinafter referred to as "HR Department") is responsible for allocating resources and personnel to formulate, revise, manage, and oversee the implementation of the Company's integrity policies and codes of conduct. The HR Department also reports the execution results to the Board of Directors on a regular basis, at least once a year.

According to the provisions of the preceding paragraph, the main responsibilities of the HR Department are as follows:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

#### **Article 18 (Legal compliance for business operation)**

Directors, managers, employees, mandataries, and substantial controllers of the Company shall comply with laws and regulations and the prevention programs when conducting business.

#### **Article 19 (Interest avoidance)**

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

#### **Article 20 (Accounting and internal control)**

The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in unethical conduct, not have under-the-table accounts or maintain secret accounts, and conduct reviews from time to time so as to ensure that the design and enforcement of the systems will continue to be effective.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the guidelines for conduct. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

#### **Article 21 (Procedures and guidelines of conduct)**

The Company shall establish “Guidelines for Conduct” in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.

7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

#### **Article 22 (Education training and review)**

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's determination to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

#### **Article 23 (Whistleblowing system)**

The Company shall adopt a concrete whistle-blowing system, and should be implemented in accordance with the principle of segregation of power for the investigation of violations of the Company's employees and the guidelines for handling employee appeals. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or the Audit Committee in written form.

#### **Article 24(Disciplinary and appeal system)**

The Company shall clearly define and announce disciplinary and grievance systems for violations of ethical integrity, and immediately disclose information on violation content and handling status on the Company's internal website.

#### **Article 25(Disclosure of information)**

The Company shall collect quantitative data about the promotion of ethical corporate management and continuously analyze and assess the effectiveness of the promotion of ethical corporate management policy, and shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Company websites, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.

#### **Article 26 (Review and revision of the ethical corporate management policies and measures)**

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical corporate management.

#### **Article 27 (Enforcement)**

The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be sent to report at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

## **IV. Sustainable Development Best-Practice Principles of Chunghwa Telecom Co., Ltd.**

1. All of 32 articles adopted by the 8<sup>th</sup> Board of Directors at the 7<sup>th</sup> meeting on August 8, 2017
2. Amended by the 9<sup>th</sup> Board of Directors at the 15<sup>th</sup> meeting on November 5, 2021
3. Amended by the 10<sup>th</sup> Board of Directors at the 4<sup>th</sup> meeting on January 31, 2023
4. Amended by the 11<sup>th</sup> Board of Directors at the 3<sup>rd</sup> meeting on January 23, 2025

### **Chapter 1 General Principles**

**Article 1** Chunghwa Telecom Co., Ltd. (hereinafter referred to as the “Company”) has established the Sustainable Development Best-Practice Principles of Chunghwa Telecom Co., Ltd. (hereinafter referred to as ”Principles”) in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development and facilitate the sound management of economic, environmental and social risks and impacts.

**Article 2** The Principles apply to all operating activities conducted by the Company and its subordinate entities.

The Company actively fulfill sustainable development in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

**Article 3** In promoting sustainable development initiatives, the Company shall, in the corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

**Article 4** To implement sustainable development initiatives, the Company shall conform to the following principles:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate sustainable development information.

**Article 5** The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing the corporate policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is entitled to review and consider including it in the shareholders meeting agenda.

## **Chapter 2 Exercising Corporate Governance**

**Article 6** The Company has formulated “Code of Corporate Governance for Chunghwa Telecom Co., Ltd.”, “Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., Ltd.”, and “Code of Ethics of Chunghwa Telecom Co., Ltd.” to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

**Article 7** The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors shall give full consideration to the interests of stakeholders, including the following matters, in the Company's furtherance of its sustainable development objectives:

1. Identifying the corporate sustainable development mission or vision, and declaring its sustainable development policies, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the corporate operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall follow the Company's relevant regulations accordingly.

**Article 8** The Company organizes education and training on the promotion of sustainable development initiatives on a regular basis, including promotion of the matters prescribed in paragraph 2 of the preceding article.

**Article 9** For the purpose of managing sustainable development initiatives, the Company shall create governance structure for promotion of sustainable development, and establish the Sustainable Development Committee, an exclusively dedicated unit, to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a regular basis.

The Company formulates reasonable remuneration policies to ensure that remuneration arrangement support the strategic aims of the organization, and align with the interests of stakeholders.

The Company's employee performance evaluation system is combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

**Article 10** The Company shall respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

### **Chapter 3 Fostering a Sustainable Environment**

**Article 11** The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

**Article 12** The Company endeavors to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

**Article 13** The Company establishes a proper environmental management system based on the characteristics of Information and Communication Technology Industry. The system shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or actions plans, and examining the results of their operation on a regular basis.

**Article 14** The Company establishes a dedicated unit of environmental management for drafting, promoting, and maintaining relevant environmental management systems and concrete action plans, and should hold environmental education courses for the managerial officers and other employees on a regular basis.

**Article 15** The Company values the effect of business operations on ecological efficiency, promoting and advocating the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in

accordance with the following principles to reduce the impact on the natural environment, living organisms, and human beings from its business operations:

1. Reduce resource and energy consumption of the products and services.
2. Reduce emission of waste and dispose of waste properly.
3. Improve recyclability and reusability of products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.
7. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.

**Article 16** To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall improve environmental protection treatment facilities to avoid polluting water, air and land, and make the best effort to reduce adverse impact on human health and the environment by adopting the optimal practical pollution prevention and control measures.

**Article 17** The Company assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company adopts standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and make disclosures thereof, the scope of which includes the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heat or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

The Company compiles statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The corporate carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

#### **Chapter 4 Preserving Public Welfare**

**Article 18** The Company shall comply with relevant domestic laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill the responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

**Article 19** The Company shall provide information for the employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.

**Article 20** The Company provides safe and healthful work environments for the employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company organizes training on safety and health for the employees on a regular basis.

**Article 21** The Company creates an environment conducive to the development of the employees' careers and establish effective training programs to foster career skills.

The Company shall endeavor to establish industry-academia collaboration projects to cultivate future industry talents.

The Company shall establish and implement responsible employee welfare measures (including remuneration, leave and other welfare, etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

**Article 22** The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information and express their opinions on the Company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among the employer, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts on employees.

**Article 23** The Company treats customers or consumers of its products or services in a fair and reasonable manner, including the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, protection of the right to complain, professionalism of salespersons, etc. The Company shall also develop relevant strategies and specific measures for implementation.

**Article 24** The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, operations and services, the Company shall ensure the transparency and safety of its products and services. The Company shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

**Article 25** The Company shall ensure the quality of the products and services by following the laws and regulations of the government and relevant standards of the industry.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, the products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

**Article 26** The Company evaluates and manages all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company provides a clear and effective procedures for accepting consumer complaints to fairly and timely handle consumer complaints, and shall comply with laws and regulations related to the Personal Data Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

**Article 27** The Company may assess the impact of the procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with the suppliers to jointly implement the corporate social responsibilities initiatives.

The Company may establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company may assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of the major suppliers, the content may include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time by the Company if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

**Article 28** The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company may, through equity investments, commercial activities, endowments, volunteering service or other charitable professional services, etc., dedicate resources to organizations that commercially resolve social or environmental issues, or participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

**Article 28-1** The Company may, through endowments, endorsements, investments, procurements, strategic collaboration, corporate volunteer technical services or other support model, continually inject resources to cultural and artistic events or cultural creativity industry to promote cultural development.

## **Chapter 5 Enhancing Disclosure of Sustainable Development Information**

**Article 29** The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and shall fully disclose relevant and reliable information relating to the sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.

6. Other information relating to sustainable development initiatives.

**Article 30** The Company shall adopt internationally widely recognized standards or guidelines when producing the Environmental, Social, Governance (ESG) Report, to disclose the status of its implementation of the sustainable development policy and obtain a third-party assurance or verification for reports to enhance the reliability of the information in the report. The report includes:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

## **Chapter 6 Supplementary Provisions**

**Article 31** The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve the Company's established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

**Article 32** The Principles shall be implemented upon the approval of the board of directors; the same shall apply to any subsequent amendment thereto.

## **V. Procedures for Acquisition or Disposal of Assets of Chunghwa Telecom Co., Ltd.**

1. All 38 articles adopted by Annual General Meeting on June 25, 2004.
2. Articles 1, 3, 4, 5, 6, 7, 8, 11, 12, 18, 19, 20, 21, 22, 24, 30, 31, 33, 36, and 38 amended by Annual General Meeting on May 30, 2006.
3. Articles 1, 3, 6, 8, 11, 14, 17, 18, 22, 24, 31, 33, and 37 amended by Annual General Meeting on June 15, 2007.
4. Articles 7, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 40, and 44 amended, and articles 9, 12, 21, 22, and 47 added by Annual General Meeting on June 19, 2008.
5. Articles 6, 7, 8, 9, 10, 11, 12, 13, 14, 18, 22, 23, 25, 28, 29, 31, 32, 33, 37, 39, 40, 43, 44, and the title of Chapter 3 amended, and Article 47 deleted by Annual General Meeting on June 19, 2009.
6. Articles 2, 8, 10, 11, 12, 13, 14, 15, 16, 31, 33, 39, 40, 41, 42, 43 and 44 and the titles of Chapter 4 and 5 amended by Annual General Meeting on June 22, 2012.
7. Articles 4, 7, 8, 16, 19, 23, 25, 26, 29, 31 and 44 amended by Annual General Meeting on June 25, 2013.
8. Articles 1, 3, 4, 11, 12, 13, 14, 16, 17, 22, 30, 39 and the title of Chapter 3 amended by Annual General Meeting on June 24, 2014.
9. Articles 12, 14, 16, 31, 33, 39 and 40 amended by Annual General Meeting on June 23, 2017.
10. Articles 2, 3, 4, 5, 8, 11, 12, 13, 14, 16, 17, 18, 19, 25, 30, 33, 38, 39 and 42 and the titles of Chapter 3 and 4 amended by Annual General Meeting on June 21, 2019.
11. Articles 5, 8, 12, 14, 16 and 39 amended by Annual General Meeting on May 27, 2022.

### **Chapter 1 General Principles**

#### **Article 1**

The Company has determined the Procedures for Acquisition or Disposal of Assets of Chunghwa Telecom Co., Ltd. (herein referred to as the "*Procedures*") in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies (herein referred to as the "*Regulations*") of the Financial Supervisory Commission.

#### **Article 2**

Except when prescribed by financial laws, regulations, or the Company's Articles of Incorporation, in which case, such Regulations shall take precedence, the acquisition or disposal of assets by the Company shall be conducted in accordance with these Procedures.

#### **Article 3**

The scope of applicability of the term "*assets*" as used in these Procedures shall be as follows:

1. Long-term and short-term investments including stocks, government bonds, corporate bonds, financial bonds, negotiable securities in funds, depositary receipts, call (put) warrants, beneficiary securities, asset-backed securities, and etc.;
2. Real property (including land, houses and buildings, and investment property) and equipment;
3. Memberships;
4. Intangible assets including patents, copyrights, trademarks, concession rights, and etc.;
5. Right-of-use assets.

6. Derivatives;
7. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with law; and
8. Other major assets.

#### Article 4

Terms used in these procedures are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Acquisitions or assignment of shares in accordance with law: Assets acquired or disposed through mergers, splits, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, or other laws, or the acquisition of shares of another company through issuance of new shares of its own as the consideration therefore (herein referred to as "*Assignment of shares*") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: A real property appraiser, intangible asset appraiser, or other persons authorized by law to engage in the value appraisal of real property, equipment or intangible assets.
5. Date of occurrence: The date of transaction contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or other date sufficient to confirm the counterpart and amount of the transaction, whichever date is earlier. However, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval from the competent authority shall apply.
6. Mainland area investment: Investments in China approved by the Investment Commission, Ministry of Economic Affairs or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
9. Shareholder's equity: Means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
10. All audit committee members: Should be counted as the actual number of persons currently holding those positions.
11. All directors: Should be counted as the actual number of persons currently holding those positions.

## Article 5

When the Company obtains an appraisal report or a written opinion from a CPA, attorney, securities underwriter, or intangible asset appraisal organization, the professional appraiser and its appraisal personnel, or the CPA, attorney, securities underwriter, or intangible asset appraisal organization shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall follow the self-regulatory rules of the respective associations and comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When performing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the adequacy and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

## Article 5-1

The calculation of the transaction amounts referred to in Article 8, Article 12 and Article 14 shall be done in accordance with Article 39, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

## Article 6

When acquiring or disposing of assets through court auction procedures, the Company may employ verification documents provided by the court instead of an appraisal report or CPA's opinion.

## Article 7

The Company's acquisition or disposal of assets shall be approved by the Board of Directors in accordance with these Procedures or other laws and Regulations. Before being submitted to the board, the transactions should be approved by more than half of all audit committee members.

If approval of more than half of all audit committee members as required in the

preceding paragraph is not obtained, the transaction may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.

## **Chapter 2 Acquisition or Disposal of Securities**

### Article 8

Appraisal procedures for the Company's acquisition or disposal of securities are as follows:

1. Before acquiring securities, the responsible department shall perform relevant financial analysis of the investment target, forecast returns that may be generated, and assess possible investment risk.
2. Method of determining prices when acquiring or disposing of securities and reference basis:
  - (1) When the Company acquires or disposes of securities that are already traded on the securities exchange or OTC, transactions shall be determined on the basis of market prices.
  - (2) When the Company acquires or disposes of securities that are not traded on the securities exchange or OTC, the Company shall, prior to the date of occurrence of the event, refer to the target company's financial statement for the most recent period that has been audited or revised by a CPA. If the securities are bonds, the Company shall determine whether to perform the transaction after referring to the market price and interest rate at that time, and the debtor's credit.
  - (3) When the value of a transaction in which the Company acquires or disposes of securities reaches NT\$300 million or more, prior to the date of occurrence of the event, the Company shall request a CPA to express an opinion concerning the reasonableness of the transaction price. The case shall not be subject to this restriction, however, if the securities in question have quoted prices in active markets, or other regulations of the Financial Supervisory Commission apply.

When the Company engages in a discretionary investment, it shall be proceed in accordance with the Company's discretionary investment guidelines, and the regulations in the foregoing paragraph shall not apply.

### Article 9

The total value of securities acquired by the Company may not exceed 50% of the shareholder's equity on the Company's financial statement for the most recent period.

The amount of any individual security acquired by the Company may not exceed 5% of the shareholder's equity on the Company's financial statement for the most recent period.

When the Company invests in other companies as a limited liability shareholder, the cumulative total of all investment may not exceed the Company's total paid-in capital, and cumulative total investment in non-telecommunications enterprises may not exceed 20% of the Company's total paid-in capital.

### Article 10

The Company's operating procedures for the acquisition or disposal of securities shall be implemented in accordance with the Company's relevant operating guidelines and the Powers and Duties Chart of BOD and the Management.

## **Chapter 3 Acquisition or Disposal of Real Property, Equipment and Right-of-use Assets thereof**

#### Article 11

When the Company acquires or disposes of real property, equipment or right-of-use assets thereof, the responsible department shall be charged with prudently assessing the necessity and reasonableness of the transaction based on the Company's current state of operations and finances and future development plans.

When acquiring or disposing of real property, the Company shall refer to the real property's publicly announced current value, appraised value, actual transaction prices of nearby real property, or appraisal report provided by a professional appraisal organization.

When acquiring or disposing of equipment, the Company shall proceed by means of price inquiries, price comparison, price negotiation, or request for bids.

The total value of real property and right-of-use assets thereof acquired by the Company for non-operating use may not exceed 3% of shareholder's equity on the Company's most recent financial statement.

#### Article 12

When the transaction amount for the acquisition or disposal of real property, equipment or right-of-use assets thereof reach NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on leased land, or acquiring or disposing of equipment or right-of-use assets thereof held for operating use, shall obtain an appraisal report using the format requested by the Financial Supervisory Commission prior to the date of occurrence of the event, and shall further comply with the following provisions:

1. In the event of special circumstances such as a limited price, specified price or a special price which must be given as a reference basis for the transaction price, such transaction shall be submitted in advance to the Board for approval; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Appraisals from two or more professional appraisers shall be obtained when the transaction amount is NT\$1 billion or more.
3. When the professional appraiser's appraisal results in any one of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to provide an opinion regarding the reason for the discrepancy and appropriateness of the transaction price:
  - (1) Where the discrepancy between the appraisal and the transaction amount is 20% or more of the transaction amount.
  - (2) Where the discrepancy between the appraisals of two or more professional appraisers is 10% or more of the transaction amount.
4. When an appraisal is conducted before a contract establishment date, no more than three months may pass between the date of the appraisal report and the contract establishment date. However, when the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.

#### Article 13

The Company's acquisition or disposal of real property, equipment, or right-of-use assets thereof shall be performed in accordance with the Company's relevant operating guidelines and the Powers and Duties Chart of BOD and the Management.

### **Chapter 4 Acquisition or Disposal of Intangible Assets and Right-of-use Assets thereof and Memberships**

#### Article 14

When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches NT\$300 million or more, except in transactions of telecommunications licenses and spectrum with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion on the reasonableness of the transaction price.

The Company's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be performed in accordance with the Company's relevant operating guidelines and the Powers and Duties Chart of BOD and the Management.

### **Chapter 5 Related Party Transactions**

#### Article 15

When acquiring or disposing assets from or to a related party, the Company shall perform relevant resolution procedures and assess the reasonableness of the transaction terms in accordance with Chapter 2, Chapter 3, Chapter 4 and this Chapter.

When determining whether a transaction counterpart is a related party, in addition to legal formalities, the substantive relationship shall also be considered.

If the competent authority has otherwise provided or released it, it shall be handled in accordance with its regulations or interpretation

#### Article 16

When acquiring or disposing real property or right-of-use assets thereof from or to a related party, or when acquiring or disposing assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the Board of Directors:

1. The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets;
2. The reason for choosing the related party as a transaction counterpart;
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding assessment of the reasonableness of the anticipated transaction terms in accordance with the provisions of Articles 17 and 18;
4. The date and price at which the related party originally acquired the real property, the original transaction counterpart, and that transaction counterpart's relationship to the Company and the related party;
5. Monthly cash flow forecasts for the year commencing from the anticipated month of contract signing, and assessment of the necessity of the transaction and the reasonableness of the use of funds;
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 8, Article 12 and Article 14; and
7. Restrictive conditions and other important stipulations associated with the transaction.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the transaction may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.

For the transaction referred to Paragraph 1, the Company or its subsidiary that is not a domestic public company, if the transaction amount reaches 10% of the total assets of the Company, the Company may not proceed to enter into a transaction contract or make

a payment until the matters in Paragraph 1 have been approved by the shareholders meeting. However, the transactions between the Company and its subsidiary, or between its subsidiaries, are exempted from the resolution of the shareholders meeting.

The calculation of the transaction amounts referred to Paragraph 1 and the preceding paragraph shall be made in accordance with Article 39, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to the Powers and Duties Chart of BOD and the Management delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for operating use.
2. Acquisition or disposal of real property right-of-use assets held for operating use.

#### Article 17

When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer in accordance with law. "*Necessary interest on funding*" is taken as the weighted average interest rate on borrowing in the year the Company purchases the assets. However, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total appraisal loan value from any financial institutions when the related party has previously created a mortgage on the target as security for a loan. However, the actual cumulative amount loaned by such financial institutions shall have been 70% or more of the financial institutions' appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply when such a financial institution is a related party of one of the transaction counterparts.

When land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the foregoing paragraph.

The Company shall also engage a CPA to check the appraisal and render a specific opinion when acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with the two foregoing paragraphs.

When the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the provisions of the foregoing article and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than five years have elapsed between the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the

- related party, or through engaging a related party to build real estate, either on the company's own land or on rented land.
4. The real property right-of-use assets held for operating use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

#### Article 18

When the results of the Company's appraisal conducted in accordance with the provisions of Article 17, paragraphs 1 and 2 are uniformly lower than the transaction price, the matter shall be conducted in compliance with the provisions of Article 19. However, when the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA. This preceding restriction shall not apply to the following:

1. When the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - (1) When undeveloped land is appraised in accordance with the means in the foregoing article, and the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price, the "*reasonable construction profit*" shall be deemed the average gross operating profit margin of the related party's construction department over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  - (2) Transactions by other unrelated parties within the preceding year involving other floors of the same property or in neighboring area when the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. When having acquired real property or obtaining real property right-of-use assets through leasing from a related party, the Company provides evidence that the transaction terms are similar to the terms of the transactions in neighboring area conducted by other unrelated parties within one year and that the parcels are of similar size.

Transactions in neighboring area specified in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. Similarly sized parcels in principle refers to transactions conducted by other unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. "*Within one year*" refers to one year from the date of acquisition of the real property or right-of-use assets thereof.

#### Article 19

When the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following shall be done:

1. The difference between the price of the transaction of real property or right-of-use assets thereof and the appraised costs shall be allocated as special reserve in accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act and may not be distributed or used for capital increase and issuance of bonus shares. If an invested company appraised by the Company using the equity method has the foregoing circumstances, the Company shall also list as special reserve under Article 41, paragraph 1 of the Securities and Exchange Act its share of the allocated portion in proportion to its shareholding.
2. Independent directors shall comply with the provisions of Article 218 of the Company

Act.

3. The circumstances of handling under the foregoing two subparagraphs shall be reported at the shareholders meeting and the detailed content of the transaction shall be disclosed in the annual report and public prospectus.

After allocating a special reserve under the foregoing paragraph, the Company may not utilize such special reserve until it has recognized loss due to price decline for the assets it purchased or rented at a premium, or such assets have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and the Financial Supervisory Commission (FSC) has given its consent.

The Company shall also adhere to the provisions of the two foregoing paragraphs when acquiring real property or right-of-use assets thereof from a related party if there is other evidence indicating that the transaction is in any way inconsistent with regular business practices.

## **Chapter 6 Derivatives Trading**

### Article 20

The derivative transaction, by trading attributes, can be classified into two types: the hedging-purpose transaction and the trading-purpose transaction. The purpose to engage in the hedging-purpose transaction is to avoid or smooth the price fluctuations incurred by exchange rate or interest rate on the Company's asset or liability. The purpose to engage in trading-purpose transaction is to make a profit through price gaps in products and, meanwhile, shoulder risks.

The derivative transaction the Company can engage in shall be confined to hedging-purpose transaction. The Company shall not engage in trading-purpose derivative transaction.

### Article 21

The Company may engage in derivative trading which are confined to only such categories as defined under Article 4, Paragraph 1 and Subparagraph 1.

### Article 22

When the Company engages in the trading of derivatives for hedging purposes, the target of hedging shall be limited to foreign currency deposits, financial assets already held by the Company, liabilities that have already occurred, and the demand for foreign currency under business contracts.

The total notional amount of derivative contracts traded by the Company shall not exceed the sum of the Company's recognized foreign currency deposits, financial assets, liabilities, and the demand for foreign currency under business contracts.

### Article 23

The maximum loss limits on each individual and total derivative contracts traded by the Company are as follows:

1. The maximum loss limit on each individual derivative contract is 15% of each individual contract's notional amount.
2. The maximum loss limit on total derivative contracts is 15% of total contracts' notional amount.

If either individual's or total contracts' maximum loss limit in the foregoing paragraph is reached, Senior Executive Vice President, Finance/CFO or a designee shall

immediately convene relevant personnel at a meeting to discuss responses.

#### Article 24

The derivative trading contract and such documents shall be executed by the CEO or the designee thereof for and on behalf of the Company.

#### Article 25

When the Company engages in derivative transaction, each department's duties shall be as follows:

1. Finance Department:

(1) Regularly tracking the Company's overall demand position and relevant domestic and foreign information concerning traded products, trading within authorized limits at opportune moments, and tracking income from positions resulting from past transactions.

(2) Forwarding of receipts from derivative trading and income-related information to the Accounting Department for bookkeeping.

2. Accounting Department: Bookkeeping of receipts from derivative trading and income-related information forwarded by the Finance Department.

3. Audit Department:

(1) Conducting regular and irregular audits in accordance with internal audit operating regulations.

(2) Periodically making a determination of the suitability of internal controls on derivatives and conducting a monthly audit of how faithfully derivatives trading by the trading department adheres to the Procedures for engaging in Derivatives Trading, and preparing an audit report. If any material violation is discovered, the audit committee and independent directors shall be notified in writing.

#### Article 26

The Company shall not engage in derivative trading until each and every case of trading is signed and approved in writing within the limit levels of authorization enumerated below:

<b>Managerial levels</b>	<b>Limit in amounts authorized for each case of trading</b>
Board of Directors	NT\$2 billion (exclusive) up
CEO	NT\$1.5 billion (exclusive) up, below NT\$2 billion
President	NT\$1 billion (exclusive) up, below NT\$1.5 billion
Senior Executive Vice President, Finance/CFO	NT\$500 million (exclusive) up, below NT\$1 billion
Vice President, Finance Department	Below NT\$500 million

Remarks: The amount of each trading case shall be calculated based on the maximum possible face amount that could be incurred by the derivatives, contract amount or nominal principal.

The amount limit and levels for derivatives which the Company consigns professional investment institutions to invest and operate shall be pursuant to the requirements set forth in "Power & Responsibility Classification table for the Board of Directors and Managerial Departments". The provision set forth in the preceding paragraph is not applicable to such trading.

#### Article 27

The management department is authorized to formulate the Standard Operation

Procedure (SOP) for Handling Derivative Products separately.

#### Article 28

The performance of derivatives shall be assessed on the basis of the sum of the gains or losses of the derivative position and the gains or losses of the position being hedged.

#### Article 29

The Company shall adopt the following risk management measures when engaging in derivative trading:

1. Credit risk: Transaction counterparties shall, in principle, consist of organizations with excellent credit.
2. Market price risk: the Company shall constantly undertake to control the risk of changes in the market value of traded derivatives due to interest rate or exchange rate fluctuations or other factors.
3. Liquidity risk: Traded derivatives shall chiefly consist of derivatives with relatively high liquidity; The Company shall maintain sufficient funds and credit to meet the need for funds at time of settlement.
4. Cash flow risk: The Company shall constantly undertake to control the risk of changes in cash flow and gains/losses from the traded derivative at the time of settlement due to interest rate or exchange rate fluctuations or other factors.
5. Operating risk: Relevant departments and personnel shall strictly comply with derivative regulations in these Procedures.
6. Legal risk: All contracts shall be reviewed by legal affairs department before signing with counterparties.
7. Other:
  - (1) Personnel at the Finance Department authorized to perform derivative trading and trade confirmation shall be assigned by Senior Executive Vice President, Finance/ CFO.
  - (2) Personnel engaging in derivative trading should not serve concurrently in other operations such as confirmation and settlement.
  - (3) Personnel responsible for assessment, oversight, and control of derivative risk shall belong to a different department than the personnel in Item 2 of this subparagraph, and shall regularly report to senior management personnel.
  - (4) The derivative position held by the Company as a result of its hedging activities shall be assessed at least twice per month; assessment reports shall be submitted to senior management personnel.
  - (5) Senior management personnel shall constantly monitor and control derivative trading risk, regularly evaluate whether derivative trading performance complies with predetermined hedging strategy and whether the risk undertaken in within the Company's permitted scope of tolerance, and regularly assess whether the risk management measures currently in use are appropriate and are implemented in accordance with “the Regulations” and “the Procedures”; assessment results shall be submitted to the Board.
  - (6) Senior management personnel shall supervise trading and the state of gains or losses, and must adopt necessary response measures and immediately report to the Board if any abnormalities are discovered; independent directors shall be present at the resulting Board meeting and express their opinions.
  - (7) The senior management personnel mentioned in Items 3-6 shall refer to the same senior manager designated by the CEO under the Board's authorization, where that manager should not bear responsibility for derivative trading or position decision-making.

#### Article 30

The Company shall prepare a memorandum book for transactions of derivative financial products recording the type, amount, date of passage by the Board of Directors, and matters required to be carefully evaluated under Paragraph 1 Subparagraph 7 Items 4 and 5 of the preceding article.

Where the Company's transactions of derivative products are authorized by the relevant personnel pursuant to the Procedures, the information relevant to the transactions, including the amounts, contractual period, counterparts, and important trading terms and conditions, shall be reported to the soonest meeting of the Board of Directors after the transactions.

## **Chapter 7 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares**

### **Article 31**

When the Company engages in mergers and consolidations, splits, acquisitions, and strategic investments, relevant operating procedures and authorized amount limits shall be determined on the basis of the Company's Inter-Company's Investment Operating Guidelines and the Powers and Duties Chart of BOD and the Management.

When the Company engages in a merger or consolidation, split, acquisition, or assignment of shares, the responsible department shall, prior to convening the Board of Directors to resolve on the matter, engage a CPA, attorney, or securities underwriter to express an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for discussion and approval.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

### **Article 32**

When participating in a merger or consolidation, split, or acquisition, the Company shall, prior to the shareholders' meeting, prepare a public report to shareholders detailing important contractual content and relevant matters concerning the merger or consolidation, split, or acquisition, and include it along with the expert opinion referred to in Paragraph 2 of the foregoing Article when sending shareholders notification of the shareholders meeting. These materials shall provide reference information when shareholders decide whether to approve the merger or consolidation, split, or acquisition. However, this restriction shall not apply when other laws or regulations exempt a company from convening a shareholders meeting to approve the merger or consolidation, split, or acquisition.

When the shareholders meeting of the Company or other company participating in a merger or consolidation, split, or acquisition fails to convene or to approve a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders at the shareholders meeting, the Company shall immediately publicly explain the reason, subsequent handling measures, and the anticipated date of the next shareholders meeting.

### **Article 33**

When participating in a merger or consolidation, split, or acquisition, except when another law prescribes otherwise or special factors must be reported in advance to the Financial Supervisory Commission for approval, the Company shall conduct Board

meetings and shareholders meetings on the same day as the company that participates in the merger or consolidation, split, or acquisition, and shall resolve matters concerning the merger or consolidation, split, or acquisition.

When participating in an assignment of shares, the Company shall call a Board meeting the same day as the other company participating in the assignment of shares, except another law prescribes otherwise or special factors must be reported in advance to the Financial Supervisory Commission for approval.

When the Company participates in a merger, split, acquisition, or assignment of shares, the following information in its entirety shall be recorded in writing, preserved for five years, and made available for inspection:

1. Basic information on personnel: includes persons who, prior to public knowledge thereof, participated in plans to carry out mergers, splits, acquisition, or assignment of shares, or those persons implementing the plan. Details of each person should include occupation, full name, ID number (passport number in the case of a foreign national).
2. Important dates: includes dates of signing of letters of intent and memorandums; commissioning of financial services or legal advisors; signing of contracts and Board of Directors meetings.
3. Important documents and meeting minutes: includes plans regarding mergers, splits, acquisitions or assignment of shares; letters of intent or memorandums, important contracts, and Board of Directors meeting minutes.

When the Company participates in a merger, split, acquisition, or assignment of shares, it shall, within the filing time limits of “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities”, report and submit the information according to prescribed format from Subparagraphs 1 and 2 of the foregoing paragraph to the Financial Supervisory Commission for reference via an Internet data system.

When the Company engages in a merger, split, acquisition, or assignment of shares with a company that is not listed on the stock exchange or whose stock is not sold at securities brokerages, the Company shall sign an agreement with the said company, and implement the transaction according to the preceding two paragraphs.

#### Article 34

Every person of the Company who participates in or privy to a plan for merger or consolidation, split, acquisition, or assignment of shares shall complete a confidentiality agreement, may not disclose the content of the plan prior to public disclosure of the information, and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company connected with the plan for merger or consolidation, split, acquisition, or assignment of shares.

#### Article 35

When the Company participates in a merger or consolidation, split, acquisition, or assignment of shares, the share exchange ratio or acquisition price may not be arbitrarily altered except under the following circumstances, and the merger or consolidation, split, acquisition, or assignment of shares contract shall specify circumstances permitting alteration:

1. Cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity based securities.
2. Action, such as a disposal of major assets, that affects the Company's financial operations.
3. Event, such as a major disaster or major technological shift, that affects shareholder equity or share price.

4. An adjustment when any party participating in the merger or consolidation, split, acquisition, or assignment of shares buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in.
6. Other conditions that the contract specifies may be altered and that have been publicly disclosed.

#### Article 36

When the Company participants in a merger or consolidation, split, acquisition, or assignment of shares, the contract shall explicitly state the rights and obligations of all parties, and shall also state the following:

1. Handling of breaches.
2. Principles for the handling of equity-based securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is split off.
3. The amount of treasury stock that participating companies may buy back after the record date of calculation of share exchange ratio calculation, and relevant handling principles.
4. The method of handling increases or decreases in the number of participating entities or companies.
5. A plan implementation progress schedule, and anticipated completion date.
6. The scheduled date of the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

#### Article 37

After public disclosure of the information, if the Company or any company participating in the merger or consolidation, split, acquisition, or share assignment intends further to carry out a merger or consolidation, split, acquisition, or share assignment with another company, procedures or legal actions that had been performed for the purpose of the original merger or consolidation, split, acquisition, or share assignment shall be re-implemented by all participating companies; except when the number of participating companies is decreased and a participating company's shareholders meeting has resolved and authorized the Board to change limits of authority, such company may be exempted from calling another shareholders meeting to resolve on the matter anew.

#### Article 38

When a company participating in a merger or consolidation, split, acquisition, or assignment of shares is not a public company, the Company shall sign an agreement with the non-public company, and shall comply with the provisions of Articles 33, 34, and the preceding article.

### **Chapter 8 Public Disclosure of Information**

#### Article 39

When acquiring or disposing of assets, the Company shall publicly announce and report relevant information in accordance with its type on the Financial Supervisory Commission's designated web site in the prescribed format within the filing time limits of "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities", if the competent authority has otherwise provided or released it, it shall be handled in accordance with its regulations or interpretation:

1. Acquisition or disposal of real property or right-of-use assets thereof from a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches NT\$300

million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Merger or consolidation, split, acquisition, or assignment of shares.
3. Losses from derivative trading exceeding the overall limit or individual contract limit specified in these Procedures.
4. Where the type of asset acquired or disposed is equipment or right-of-use assets thereof held for operating use, the transaction counterparty is not a related party, and the transaction amount reaches NT\$1 billion or more.
5. Where real property is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches NT\$300 million or more; provided, this shall not apply to the following circumstances:
  - (1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan.
  - (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amounts of the transactions in the foregoing paragraph shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of target with the same transaction counterparty within one year.
3. The cumulative transaction amount of the acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project during one year.
4. The cumulative amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security during one year.

As used in preceding paragraph, during one year refers to a period of one year after the date on which the transaction took place. Items announced in accordance with regulations need not be included.

#### Article 40

The Company shall compile monthly reports on the status of derivative trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies, and shall enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the tenth day of each month.

When the Company at the time of public announcement makes an error or omission concerning an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.

When any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the foregoing paragraph, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission within the filing time limits of "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities":

1. Change, termination, or dissolution of a contract signed in connection with the original transaction.
2. The merger or consolidation, split, acquisition, or assignment of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and filed information.

## **Chapter 9 Supplemental Provisions**

### **Article 41**

When the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, memorandum books, appraisal reports, and CPA, attorney, securities underwriter, or intangible asset appraisal organization opinions at the Company headquarters, where they shall be preserved for at least five years except when other laws stipulate otherwise.

### **Article 42**

The acquisition or disposal of assets by a subsidiary of the Company shall be conducted in accordance with the following regulations:

1. A subsidiary shall determine its asset acquisition and disposal procedures on the basis of the "Regulations", and shall submit its procedures to the Company for future reference after approval by its board and shareholders' meeting; likewise in the case of revisions.
2. A subsidiary's acquisition or disposal of assets should be performed in accordance with the "Regulation" and its asset acquisition and disposal procedures, and the relevant matters to be carried out should be included in the self-inspection items under the annual internal control project. The Company's Audit Department shall check the self-inspection report submitted by each subsidiary.
3. Total amount of non-operating real property and right-of-use assets thereof and securities, and limit amount on each individual security acquired by the subsidiary company shall be determined by each subsidiary itself.
4. When a subsidiary is not a domestic public company, the Company shall publicly announce the subsidiary's acquisition or disposal of assets requiring public announcement as prescribed in Chapter 8.

### **Article 43**

If managers or relevant implementing personnel of the Company violate the Regulations or the Procedures while engaging in matters connected with the acquisition or disposal of assets, disciplinary action shall be taken in accordance with the Company's personnel regulations.

### **Article 44**

After receiving approval of the Board of Directors, the Procedures shall be submitted to the shareholders meeting for approval. Any amendment hereof shall require the same process.

Starting from the 7th Board of Directors, the amendment of the Procedures should be approved by more than half of all audit committee members firstly before submitting to the Board. If the requirement above is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting

## Appendix : Shares held by the Directors

As of March 31, 2026 (book closure date for 2026 AGM)

Title	Name	Term	Representative	Number of shares	Shareholding ratio
Chairman and Chief Executive Officer	MOTC	2025/5/29 - 2028/5/28	Chih-Cheng Chien	2,737,718,976	35.29%
Directors	MOTC	2025/5/29 - 2028/5/28	Rong-Shy Lin		
			Sheng-Yuan Wu		
			Ching-Hwi Lee		
			Chi-Hwa Chern		
			Lee-Feng Chien		
			I-Jen Su		
			Shiow-Long Horng		
Independent director	Su-ming Lin	2025/5/29 - 2028/5/28		0	0%
Independent director	Yi-Chin Tu	2025/5/29 - 2028/5/28		0	0%
Independent director	Ikujin Ko	2025/5/29 - 2028/5/28		0	0%
Independent director	Ching-Feng Hsueh	2025/5/29 - 2028/5/28		0	0%
Independent director	Jer-Liang Yeh	2025/5/29 - 2028/5/28		0	0%
Total				2,737,718,976	35.29%

### Notes:

1. The shareholding ratios in this table are based on a total of 7,757,446,545 outstanding shares as of the book close date before this year's Annual General Meeting.
2. According to Article 26 of the Securities and Exchange Act and Article 2, Paragraph 1, Subparagraph 7 and Paragraph 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies: the minimum number of shares that shall be held by all directors of the Company is 124,119,144.