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Chairman's Remarks





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Chunghwa Post (CHP), being a state owned company with 26,000 employees and more than 1,300 post offices, is mandated to conduct postal, saving and life insurance businesses. Clinging to the principle of Universal Service Obligation (USO), CHP has strived to provide affordable postal service to every address of the nation. The USO spirit also applies to banking and insurance services to as many households as possible.



Financial Performance

Chunghwa Post is frequently identified as a quasi-financial institution. Though CHP has chosen a conservative path, its overall performance has been acceptable. If compared with the country's 16 financial holding companies, CHP appears to outperform most of them. Last year, the Company's EPS amounted to NT\$3.03, ranking the third among them. Return on Equity (ROE) also reached a comfortable level of 8.55%.

Chairman *Wangchiang Ong*

In the meantime, CHP has kept improving its capital structure by raising capital base from NT\$40 billion to NT\$65 billion with the goal of up to NT\$100 billion in the next few years. The move will enable the company to better manage risks and provide superior services.

CSR Related matters

Chunghwa Post has a network of 1,324 branches in townships, cities and remote areas. When it comes to providing care to the most needed, CHP is automatically thought of as a role model. In 2014 alone, for example, postmen and women paid more than 70,000 visits to elderly people living by themselves, many in remote areas. Our staff chose to do so voluntarily and without remuneration.

The Company also helped small farmers sell their produce directly to consumers through our E-commerce portal of Post Mall. The marketing approach was well received because farmers would be able to sell faster with more revenue. For consumers, they could enjoy fresh produce and in the meantime, helping small farmers to avoid middle-man exploitations.



Chairman's remarks

Attracting Young Postal Service Users

According to our own investigation, about 65% of our clientele are older than 50. Attracting the younger generation to use the postal service has thus become critically important. A few measures have been taken so far.

In January this year, the Company set up a brand new Family Postal Museum to attract young visitors. In April, the Company launched a social media (LINE) corporate account, attracting 6.5 million fans, who regularly receive our messages through smartphones. In the same month, the Company hosted the 30th Asian International Stamp Exhibition, with special themes catering to young stamp lovers. The Company also invited school kids from around the country to enjoy the fair. In September, CHP released the "Ancient Chinese Blue and White Porcelain Stamps" and stamp folios. CHP turned the issuing ceremony into an auction, inviting a renowned songwriter to join in. The proceeds were then given to charity groups to help the less privileged young.

Building a Happy Family

The Company is making every effort to build a pleasant working environment for the employees in the belief that employees are the most valuable asset of the Company. Measures includes a pay raise for the lower one-third of the employees, providing newly designed uniforms for 22,000 frontline workers and eliminating business lines that are not really relevant and profit making. The Company hopes that when the post offices open every day, our happy employees will make the clients feel happy too, thus making the community a better place.

Conclusion

In a survey on "The Most Influential Brands in Taiwan" conducted by the Business Week and IPSOS in April this year, CHP was ranked the 1st in the transportation and logistics category and the 2nd as Taiwan's most influential original brand. CHP is proud to receive the awards and is committed to providing best services, like it has been doing for more than a century, to all its clients.

In the era of new technology and mounting competition, we are fully aware of the challenges ahead. As the chairman of the Company, I will work harder and smarter to take the management to stay on the course of sustainable growth.