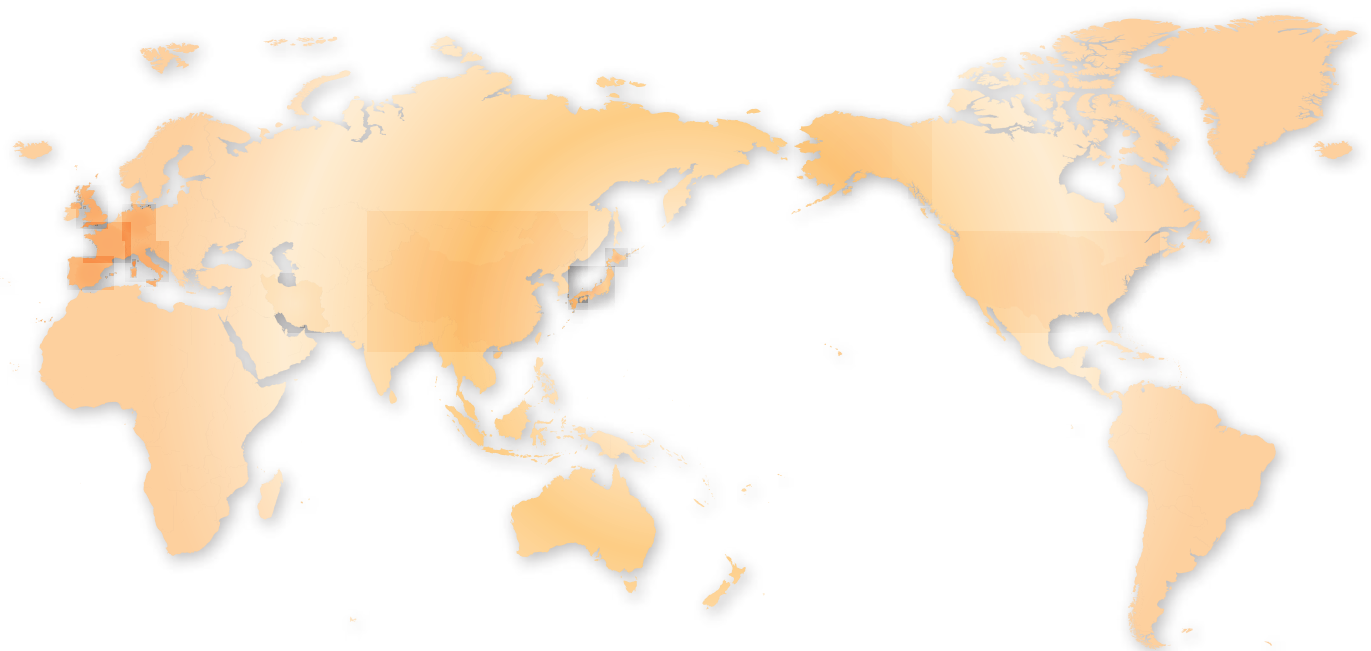


2019

Annual Report Of Chunghwa Post



Pursue excellence,
trusted forever

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I Chairperson's Remarks

Looking back at 2019, affected by the US-China trade disputes and rising geopolitical risks, the momentum of the global economy has weakened. However, with the concerted effort of all colleagues, Chunghwa Post has still managed to attain the goal of surplus transfer to the Treasury.

At the onset of 2020, the Severe Pneumonia with Novel Pathogens (COVID-19) has spread all over the globe. To align with national epidemic prevention policies, Chunghwa Post has undertaken the task of distributing resources for epidemic prevention and won recognition from all sectors. President Tsai Ing-wen and the Premier Su Tseng-chang in turn offered encouragement and expressed approval in person. As the epidemic ebbs, Chunghwa Post continues to undertake the mission of transporting, distributing, collecting, and cashing triple stimulus vouchers to help "rescue" and "revitalize" the economy. Chunghwa Post has played a role and served various purposes during different periods of time. All colleagues in the company, both enthusiastic and persevering, take pride in being the guardian for the health and welfare of all citizens.

The pandemic has induced changes in people's lifestyle and consumption pattern while accelerating the progression of digitization, which in turn expedites adjustments in the industry structure as well as the operation pattern of the enterprise. To keep abreast of international trends as well as modern developments, and to become more competitive, Chunghwa Post continues to optimize digital transformation by making an inventory of all available places for warehousing and mail forwarding to develop a network of "smart





Chairperson

Wu, Hong-Mo



logistics"; to form cross-industry alliance and expand the ecosphere of "digital finance" by expediting the progress of "Postal Co-branded Visa Debit Card" that will have an increased scope of services and become a handy "everyday card"; and to ensure a comprehensive life and economic security for citizens by designing life insurance products for all age groups and any type of groups. Meanwhile, Chunghwa Post also helps young and small farmers nationwide market agricultural specialties and produce via postal channels for place-making and revitalizing the development of tourism.

To create asset value, Chunghwa Post has strategically activated real estate assets by turning post offices into a multi-purpose place for commerce and public welfare with cinemas, gyms, offices, accommodation facilities, and long-term care centers, etc. Moreover, Chunghwa Post has also actively participated in urban renewal and assisted in the development of national innovation, creativity, and finance center for "Taipei City Western District Gateway Project" to boost local economy. To increase operational fitness and improve the efficiency and performance of various businesses and services, Chunghwa Post also takes initiative to cultivate and nurture talent. In addition to recruiting professional talent that meets the needs of business development, there are more on-the-job training opportunities for colleagues to sharpen their skills and develop second expertise, which enriches the talent pool for the Company. Moreover, supervisors are encouraged to be considerate, respectful, empathetic, and caring about the rights and welfare of staff and to create a warm family at the postal company.

Lastly, I would love to encourage all of my colleagues to undertake the important mission of following the past and heralding the future with the spirit and mindset of honesty, bravery, simplicity, and perseverance as usual, to adhere to the post and develop neighborly relations with the community, to fulfill corporate social responsibility, and to continue to serve citizens with professionalism, integrity, and efficiency.



II

Business Report

8 I. 2019 Operation Results

9 II. 2020 Outline of Operation Plan





President

Chiang, Jui-Tang



Looking back at 2019, as political uncertainty continues and trade investment weakens, the global economy has lost the momentum for growth ^[1]. Domestically, the economic growth rate in 2019 was 2.71%. The monitoring indicator continued to be green light in December along with the leading indicator and coincident indicator shown a growing trend, suggesting that the economy is gradually recovering. Looking forward to 2020, though the U.S. and China reached a preliminary trade agreement, the global economy is still weak and perhaps even worse compounded by the spread of the pandemic COVID-19. Taiwan has benefited from the continuous expansion of production capacity by manufacturers, and the accelerated investment in high-end manufacturing processes for 5G and semiconductor, both conducive to inject capital for domestic demand ^[2]. However, affected by the uncertainty that arises from the epidemic, the Directorate-General of Budgeting, Accounting, and Statistics (under Executive Yuan) has predicted an economic growth rate of 2.37% in 2020 ^[3].

With a business model that comprises the services of mails, savings and remittances, and life insurance, Chunghwa Post is the most trusted state-owned enterprise that provides comprehensive, quality, and local services to citizens around the country in order to meet their basic needs.

In the face of a severe and ever-changing environment, Chunghwa Post has encountered many challenges in regard to national missions and its own operation. Thanks to the constant effort of all colleagues, Chunghwa Post again attains its operational goals in 2019. The operating results in 2019 and a summary of operational goals for 2020 are presented as follows:

[1] Based on the analysis of domestic and foreign economic situations done by the Committee of Research and Development, Ministry of Economic Affairs on December 31, 2019.

[2] Based on the presentation slides on current economic situation done by National Development Council on February 5, 2020.

[3] Based on the statistics of national income and the press release about the domestic economic prospect from the Directorate-General of Budgeting, Accounting, and Statistics (under Executive Yuan) on February 12, 2020.



I. 2019 Operation Results

(I) Major Operation Items: Budget Estimation and Execution

Operation Item	Unit	Balance This Year	Budget	Balance Last Year	Execution Rate	Growth Rate
Mail Operations	1000 pcs	2,061,379	2,004,943	2,190,191	102.81%	-5.88%
Philately	NT\$1000	550,991	610,956	658,827	90.19%	-16.37%
Savings (Average Daily Balance)	NT\$100 million	62,741.72	65,643	61,496.16	95.58%	2.03%
Domestic Remittances (Amount of Request)	NT\$100 million	16,411.87	16,040	17,172.88	102.32%	-4.43%
Simple Life Insurance (Premium Income)	NT\$100 million	1,277.94	1,400	1,336.72	91.28%	-4.40%
Agential Services (Amount of Request)	NT\$100 million	61.68	86.65	156.19	71.18%	-60.51%

Notes: 1. Compared with last year, there was a slight decrease in the number of mail pieces processed, primarily due to the development of electronic communications, social networking services, and the governmental policies of going paperless by adopting electronic official documents, electronic bills, etc.

2. Compared with last year, there was a decrease in the amount of philately income due to a long-term decrease in number of philately subscribers and orders and the fact that the philately market in the recent years has cooled down.

3. Compared with last year, there was a decrease in the total amount of remittances, primarily because the business is being replaced by other automated banking services (such as ATM, iPost/ePost banking, and web banking) and electronic payment services for mobile payment transfer (such as Line Pay iPass, JKOPAY, Taiwan Pay, etc.).

4. Compared with last year, the premium income of Simple Life Insurance decreased because many insurance policies matured this year and the amount of renewal premium declined.

5. Compared with last year, the total amount of agential services decreased primarily because the company was not able to carry on the business of awarding prize money for Taiwan receipt lottery this year.

(II) Capital Utilization

Postal capital utilization is institutionalized in accordance with Article 18 of the Postal Remittances and Savings Act and Article 27 of Postal Simple Life Insurance Act. Below is the tabular presentation of the postal capital utilization as of the end of December 2019:

2019 Postal Capital Utilization

Unit: NT\$100 million

Item	As of the end of December 2019	Percentage in Postal Capital (%)	As of the end of December 2018	Increase/Decrease (%)
Demand Deposits (including reserves against deposits in the Central Bank of the R.O.C. and the revolving funds in all branch offices.)	2,681	3.80%	2,449	9.47%
Time Deposits (including time savings deposits)	20,361	28.84%	19,734	3.18%
Interbank Call Loans and Short Term Notes and Bills	16,649	23.59%	16,049	3.74%
Bonds (including government bonds, corporate bonds, and financial bonds)	19,474	27.59%	20,155	-3.38%
Overseas Investment	9,646	13.66%	9,323	3.46%
Stocks and Mutual Funds (including investment outsourcing)	1,216	1.72%	1,184	2.70%
Mortgage Loans on Certificates of Deposit, Insurance Policies and Real Estate.	463	0.66%	487	-4.93%
Real Estate Investment	101	0.14%	101	0%
Total	70,591	100%	69,482	1.60%

(III) Financial Status and Profitability Analysis

In fiscal year 2019, the total revenue (including operating revenue and non-operating revenue) amounted to NT\$252,033.44 million and the total expenditure (including operating costs, operating expenses, and non-operating expenses) totaled NT\$238,726.74 million. Profit before tax was NT\$13,306.70 million, and the income tax payable was NT\$3,958.36 million, and the net profit was NT\$9,348.34 million, with an increase of NT\$ 263.75 million over the estimated NT\$9,084.59 million. The ROA (return on assets), ROE (return on equity) after tax and net profit margin for the year were 0.13%, 5.13%, and 3.71% respectively.



(IV) Research and Development

The relevant business units of the Company conducted analyses of financial situations and investigations on industrial dynamics and trends, both at home and abroad, on a regular and irregular basis, and compiled referential business reports for the benefit of operation. What follows is a list of major research developments in 2019 that deserves attention:

1. Three hundred and fifty four (354) reports done regularly on the analyses of domestic and international financial situations.

- (1) Analytical reports on domestic and international macroeconomics (monthly).
- (2) Analytical reports on domestic fixed income market (weekly)
- (3) Analytical reports on domestic stock market (weekly).
- (4) Analytical reports on international investments (weekly and monthly)

2. Seven (7) overseas study reports.

3. Four (4) research projects commissioned to experts and academic institutes, with each project listed as follows:

- (1) Performance assessment of Chunghwa Post Customer Service Center
- (2) Assessment of the establishment of an institutional long-term care juridical entity
- (3) Feasibility study into the application of Internet of Things for the management of wire mesh logistics trolleys
- (4) Green energy assessment (outsourced) on the carbon footprint of the postal system

II. 2020 Outline of Operation Plan

(I) Strategy

We aim to offer comprehensive and quality services of mails, savings and remittances, and life insurance to meet people's everyday needs; to actively accelerate the transformation of postal services and work towards the three business objectives, "smart logistics, digital finance, and long-term care"; to enhance the utilization of postal capital and boost the effectiveness of asset activation to enlarge operational capacity; to continue with the promotion of public services to fulfill the corporate social responsibility.

(II) Policy

1. Related to implementing government policies

- (1) To be in line with economic policies, expand investments in public construction plans and support investment plans of the private sectors to gather momentum for economic growth.
- (2) To be in line with financial policies, offer basic economic protection for our people and help construct a social security network.
- (3) To be in line with cross-strait policies, enhance the interaction and cooperation so as to offer convenient services to people.
- (4) To be in line with the asset policies, enhance asset management and utilization to enlarge operational capacity.
- (5) To be in line with New Southbound Policy, promote the exchange and cooperation with the postal businesses in the Southeast Asian countries.

2. Related to Management

- (1) To strive for deregulation and integrating postal resources so that more common and quality services for mails, savings and remittances, and life insurance can be developed and made available.



- (2) Develop service of smart logistics to broaden the scope of postal service, create demand for parcel and package delivery, and gain greater advantage to Chunghwa Post's operation.
- (3) Allocate assets properly, enhance the effectiveness of capital utilization, activate asset utilization, and promote the effectiveness of such developments.
- (4) Make good use of our information technology, enhance information security, improve the operating procedures, and strengthen the overall effectiveness of our service.
- (5) Enhance management of human resources and actively cultivate talents to improve competitiveness.
- (6) Enhance corporate governance, optimize the financial structure and improve the risk management.
- (7) Actively advocate for various charitable activities, continue organizing events for the elderly, take social responsibility and create a positive corporate image.
- (8) Introduce electric vehicles and gradually replace existing fossil fuel vehicles in order to save energy and cut down on carbon emission for environmental sustainability.
- (9) Promote the transition into digital finance and provide an O2O service in response to the digitization of financial services.

3. Related to Coordinating Supply and Demand

- (1) To enhance service quality and work effectiveness, relocate and renovate post office branches, improve facilities, and create a bright, comfortable and friendly postal environment for clients.
- (2) To enhance operational efficiency, expand information appliances and upgrade operating systems to meet the diverse needs of clients.
- (3) To be in line with business developments, construct postal logistics park, offer supporting services for related businesses, and strengthen our corporate competitiveness.
- (4) In response to the trend of automation, provide a 24/7 self-service smart logistics box (ezPost) for receiving or sending mails.
- (5) In response to the trend of Internet economy, construct a public platform and network of comprehensive cross-border logistics, internally accelerating the transformation of traditional postal services and externally facilitating the expansion of local enterprises into global market.

(III) Operation Goals

- 1. Mail:** Estimate to handle 1 billion and 945.17 million pieces.
- 2. Philately:** Estimate a revenue of NT\$610.96 million.
- 3. Savings:** Estimate an average daily balance of NT\$6,597.1 billion year-round.
- 4. Remittances:** Estimate a total amount of NT\$1,636.1 billion year-round.
- 5. Simple Life Insurance:** Estimate a total amount of premium income of NT\$131 billion year-round.
- 6. Agential Services:** Estimate to handle a total amount of NT\$4 billion and 710 million year-round.

(IV) Surplus Goal

Estimate to generate a profit before tax of NT\$11 billion and 156.09 million.



III

Company Profile

- 12 I. History
- 13 II. Vision
- 13 III. Core Values
- 13 IV. System





I. History

In 1888, Liu Minchuan, the first Qing Governor of Taiwan Province, issued 16 Articles of Taiwan Postal Service on February 21, created a new postal service, and established the Taiwan General Post Office (GPO) in Taipeh Prefecture on March 22. The GPO provided stamps and mail delivery service; however, this innovative postal service was not available in the mainland area. After the first Sino-Japanese War, the Japanese colonial government established the Field Command Post Office in 1895. In the next year, the Field Command postal service was abolished and the regular postal service was resumed.

In 1895, Sir Robert Hart was the Inspector-General of China's Imperial Maritime Custom Service (IMCS). He drafted modern postal regulations that included 4 items and 44 articles in total and presented it to the emperor through the Zongli Yamen, the Qing equivalent of the Foreign Office, on March 20, 1896. The regulations were soon passed on the same day and the Imperial Chinese Post was established with Sir Robert Hart as supervisor. To commemorate the beginning of modern postal service in our country, March 20 was therefore set as a memorial day by the Ministry of Transportation and Communications in 1947.

The Imperial Chinese Post was initially under the supervision of the IMCS. In 1911, the Ministry of Posts and Communications took over and established the Directorate General of Posts. A year later the Ministry was reorganized as the Ministry of Transportation and Communications and the Imperial Chinese Post was renamed as Chunghwa Post. Later, the General Postal Remittances and Saving Banks was established in 1930 and renamed to the Directorate General of Postal Remittances and Saving Banks after the Postal Act was announced in 1935. Subordinate to the Directorate General of Posts, the Directorate General of Postal Remittances and Saving Banks started providing life insurance service. The year 1936 saw the enforcement of the Postal Act and its supplementary rules, which laid the foundation for the Company.

In 1946 the Administrative Bureau of Posts and Telecommunication was established yet in 1949 the bureau was authorized to be divided into two: The Administrative Bureau of Posts and Administrative Bureau of Telecommunications. That same year the Directorate General of Posts and the Directorate General of Postal Remittances and Saving Banks both retreated to Taiwan. The next year (1950) the Directorate General of Posts was instructed by the Ministry of Transportation and Communications to terminate the operation of the Directorate General of Postal Remittances and Saving Banks while the Administrative Bureau of Posts would continue providing postal savings and remittance service under the direct supervision of Directorate General of Posts. However, in 1962 the Directorate General of Postal Remittances and Saving Banks was reinstated to help encourage saving and revitalize the financial sector. In 1980, the Directorate General of Posts reorganized the Administrative Bureau of Posts into three bureaus situated in northern, central, and southern regions of Taiwan to develop business and strengthen management.

In response to fierce competition in the market as well as the need to broaden the scope of service, the amendments to the Postal Act were passed in July 2002. In January of the following year (2003), the Directorate General of Posts of the Ministry of Transportation and Communications was officially reorganized into Chunghwa Post Company Limited with the Ministry of Transportation and Communications as its one and only shareholder. Chunghwa Post Company Limited has evolved from a government agency to a government-owned enterprise, taking over all the assets and debts of the Directorate General of Posts and continuing all the services.

Chunghwa Post Company Limited was once renamed Taiwan Post Company Limited in February of 2007. However, the amendment process of four acts that govern postal services had been pending and therefore the legal name of the Company was changed back to Chunghwa Post Company Limited in accordance with the law. The Company's rights, obligations, and scope of service all remain the same.



The Company has aimed to make postal service ubiquitous and adopted a business model that provides mails, savings and remittances, and life insurance service altogether. Putting the customers first has always been the spirit the Company upholds to fully understand the various needs of its clientele. Since 2003, the Company has continued to develop new businesses and improve the operating procedure. In recent years, the Company has also striven to renovate all postal offices, activate its real estate assets, create a friendly and harmonious working environment, and fulfill its social responsibility by actively participating in public welfare activities.

To date the establishment of Chunghwa Post has been 124 years and spanned 3 centuries. After several organizational reforms, Chunghwa Post is now a big family with more than 26,000 employees and many offices located in different administrative divisions nationwide that provide a wide range of services such as mails, savings and remittances, and life insurance for all citizens. With the trust and the confidence the citizens have in the Company over the past 12 decades, Chunghwa Post will continue to uphold the values of "honor, responsibility, and commitment," strive for sustainable management, and help create a better society.

II. Vision

To run a postal administration that provides excellent services and is trusted by all citizens.

III. Core Values

Putting the customers first and providing services in honesty and efficiency.

IV. System

(I) The management and governance of the Company adopts a two-tier system: The chairperson of the board and the president of the Company.

The chairperson of the board should take full responsibility for the Company's operations. The president of the Company should be one of the board directors and must be nominated and appointed by the board.

(II) The personnel policy of the Company adopts a double-track system for the time being.

After the reorganization of postal services, the Act of Establishment stipulates that original personnel policies still apply to current employees. However, new recruits will adhere to new personnel policies and no longer work as civil servant. With a flexible, incentivizing payment and bonus system, the Company is able to promote and reward eligible employees according to the business needs and the market price. All employees will be evaluated based on their actual performance concerning a promotion, new appointment, pay raise, or bonus. This system is hoped to encourage a right working attitude among employees and create a refreshing atmosphere at the Company.

(III) Implementing the Responsibility Center System

Post offices (or Responsibility Center Offices) in all tiers under Chunghwa Post are the units of administration and management (supervision) in charge of implementing the policies instructed by the headquarters and they form an independent and comprehensive team to run the business. To faithfully present the operation performance of each Responsibility Center Office, assessment items and criteria for performance will be reviewed on a regular basis in hopes that the grading system can be more diverse and the assessment criteria more reasonable. In addition, performance bonuses will be integrated into the responsibility center system as a stimulus.



IV

Organization

15 I. Organizational Structure

18 II. Information about Board of Directors and
Supervisors, President, Vice Presidents, Department
Heads and Managers of Various Branches





I. Organizational Structure

(I) Structure

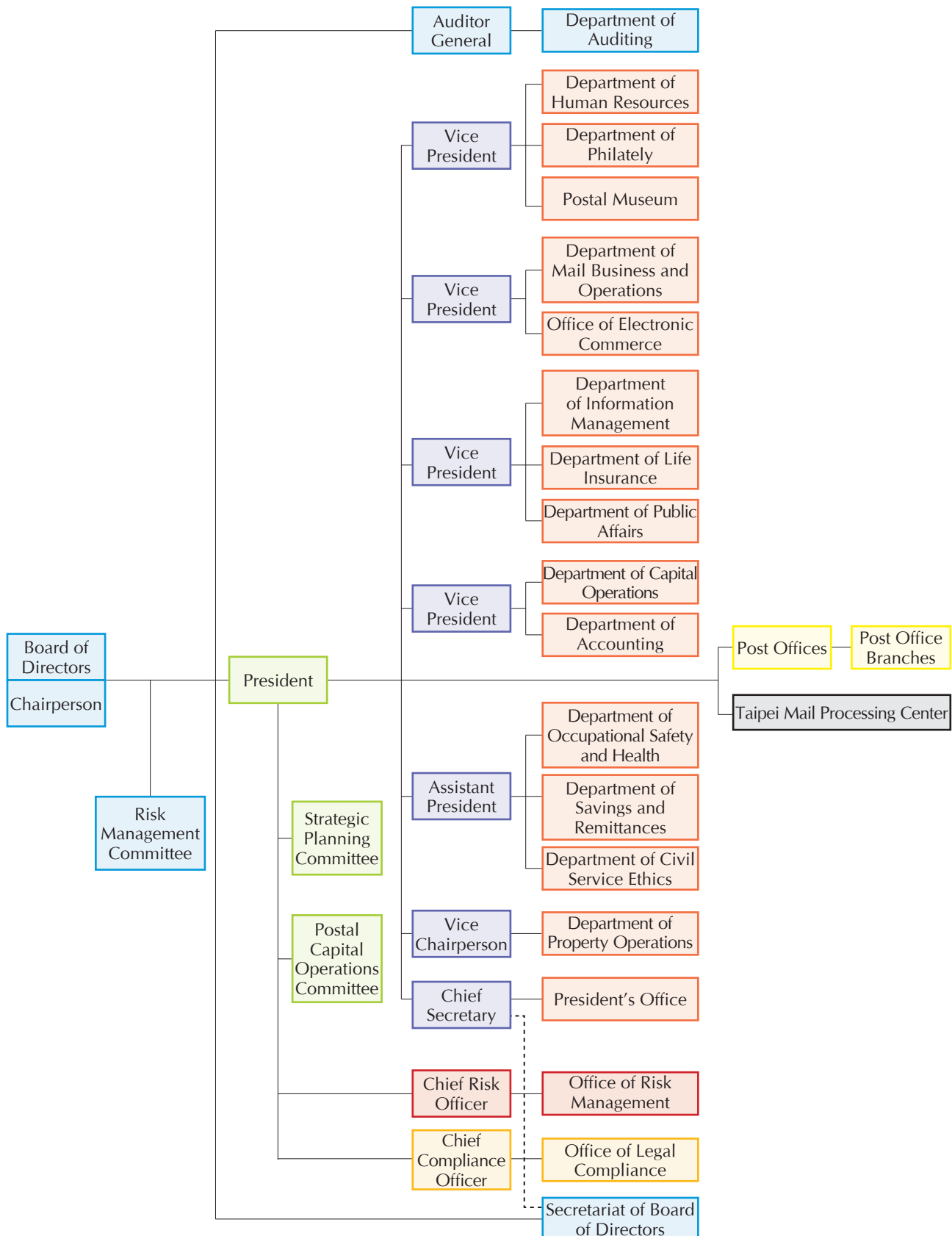
The Company is under the command of the Ministry of Transportation and Communications and has an organizational structure as follows:

1. The board of directors comprises eleven to fifteen members. In accordance with the law and the Company's Articles of Incorporation, the board has the authority to make decisions for the Company's operations while the Secretariat of Board of Directors is in charge of all related administrative affairs.
2. Three supervisors are elected pursuant to the law and the Company's Articles of Incorporation to oversee the financial and business operations.
3. In conformity with the law, the Company's Articles of Incorporation, as well as decisions made by the board of directors, the president is appointed to oversee the Company's operations and supervise all staff and departments. Four vice presidents, one assistant president, and one chief secretary are assigned to assist the president. President's Office is set up with the chief secretary in charge. Multiple sections may further set up to meet the business needs.
4. The chief risk officer is responsible for overseeing risk management. The Office of Risk Management is set up with one director. Multiple sections may further set up to meet the business needs.
5. The chief compliance officer is responsible for overseeing the compliance to the law, anti-money laundering, counter-financing of terrorism, and other legal matters. Multiple sections may further set up to meet the business needs.
6. The auditor general is appointed by the board of directors. The Department of Auditing (right under the command of the board) is responsible for conducting the Company's audits and reporting to the board as well as supervisors on a regular basis.
7. The Strategic Planning Committee has one chairperson, a position that can be held concurrently by the president. The committee also consists of five vice chairpersons (one of whom works on a full-time basis) and several committee members.
8. The Company also sets up the Department of Mail Business and Operations, the Department of Philately, the Department of Savings and Remittances, the Department of Life Insurance, the Department of Property Operations, the Department of Capital Operations, the Department of Human Resources, the Department of Civil Service Ethics, the Department of Accounting, the Department of Information Management, the Department of Occupational Safety and Health, the Department of Public Affairs, Office of Electronic Commerce, and Postal Museum.
9. Nineteen post offices are designated as Responsibility Center Offices to serve as administrative and supervisory bodies, each forming an operational team with their subordinating branch offices to meet the business needs.
10. To meet the demand for mail business operations, a mail processing center is established in Taipei to coordinate mail processing operations, mail delivery network, as well as mail routes. In addition, the mail processing center utilizes a high-performance automatic system to process the mail.



(II) Organization Chart

Record Date: 2018/04/02





(III) Structural Division and Its Adjustments

The current organizational structure is divided into administrative branch and business branch. The business branch is further sub-divided into self-management branch and agential service branch. As of the end of 2019, the total number of the offices reached 2,250. The administrative branch ran 20 offices, including the head office and 19 post offices. The business branch ran 2,230 offices, out of which 1,299 belonged to self-management sub-branch, including 1 mail processing center and 1,298 post office branches. The other 931 offices fell into the agential service sub-branch, including 542 post agencies and 389 stamp-sales agencies.

Branches of Postal Services

Unit: Office

Types		2018	2017	Growth %
Administrative Branch	Headquarters	1	1	0%
	Post Offices	19	19	0%
	Subtotal	20	20	0%
Business Branch	Mail Processing Center	1	1	0%
	Self-Management Branch Offices	1,298	1,298	0%
	Temporary Post Offices	0	0	0%
	Subtotal	1,299	1,299	0%
	Post Agencies	566	542	-4.24%
	Stamp-Sales	412	389	-5.58%
	Subtotal	978	931	-4.81%
Total		2,297	2,250	-2.05%



Management Team (From left to right) L. L. Chien, Chief Secretary; W. C. Tsai, Vice Chairperson; Y. K. Pang, Vice President; K. H. Li, Vice President; J. T. Chiang, President; H. M. Wu, Chairperson; R. C. Chou, Vice President; C. Y. Kuo, Vice President; S. C. Lan, Assistant President; H. C. Huang, Auditor General



II. Information about Board of Directors and Supervisors, President, Vice Presidents, Department Heads and Managers of Various Branches

(I) Information about Directors and Supervisors

2020/07/24

Title	Name	Education	Major Experience(s)	Date Elected
Director	H. M. Wu	Ph. D in Marine Environment and Engineering, National Sun Yat-sen University	Minister, Ministry of Transportation and Communications, Executive Yuan, R.O.C.; Chairman, Taiwan International Ports Corporation, Ltd.; Minister without Portfolio and Minister of the Public Construction Commission, Executive Yuan, R.O.C.; Deputy Mayor, Kaohsiung City Government.	2019.06.28
Director	J. T. Chiang	Department of Law, National Taiwan University	Vice President and Chief Secretary, CHP; Manager of Taichung, Taoyuan Post Office, and Assistant Manager of Changhua Post Office	2019.05.17
Director	Y. C. Liu	Department of Land Economics, National Chung Hsing University	Deputy Director; Section Chief, National Property Administration, Ministry of Finance	2018.05.11
Director	F. G. Chan	Institute of Economics, National Chengchi University	Special Commissioner, Deputy Director General, and Director General of Council for Economic Planning and Development, Executive Yuan	2015.05.11
Director	M. R. Chen	Master in Law, Fu Jen Catholic University	Counselor and Concurrent Chief Secretary, Mongolian & Tibetan Affairs Commission; Special Commissioner, Legal Affairs Committee, Executive Yuan	2017.02.14
Director	H. M. Tsai	Department of Economics, National Taiwan University	Research Fellow; Section Chief, Economic Research Division, Central Bank	2018.05.11
Director	Y. T. Chen	Master in Shipping and Transportation Management, National Taiwan Ocean University	Section Chief of Customs Services; Chief Secretary of Customs Administration, Ministry of Finance; Director, Taichung Customs and Taipei Customs, Customs Administration, Ministry of Finance	2020.04.13
Director	M. R. Luo	Master for Eminent Public Administrators, Module for Financial Policies, National Cheng Chi University	Chief Accountant, Food and Drug Administration, Ministry of Health and Welfare; Chief Accountant, Banking Bureau of Financial Supervisory Commission	2018.05.11
Director	Y. C. Lu	Ph. D in Economics, University of Missouri; Department of Agricultural Economics, National Taiwan University	Executive Director, Global Research & Industry Alliance, Feng Chia University; Director, Economic Development Bureau, Taichung City Government; Research Fellow, Director, Deputy Director, Project Director, Taiwan Institute of Economic Research; President, Taichung Meat Market Co., Ltd.; Director, Taiwan Water Corporation; Director, Taichung BRT Co., Ltd.	2019.04.08
Director	Y. Y. Lin	Studied in Graduate Institute of Social Welfare, National Chung Cheng University.	Deputy Mayor, Taichung City Government; Executive Director, Hondao Senior Citizen's Welfare Foundation; Executive Secretary, Old Five Old Foundation.	2019.04.08
Director	C. C. Tao	Ph. D, Technical University of Berlin	Director, Transportation and Logistics Research Center; Chair, Department of Transportation Management, Tamkang University	2018.05.11
Director	Y. H. Chan	National Open University	Director, CPWU Taichung Division for the 3rd – 6th terms; Deputy Director, CPWU Taichung Division for the 2nd term; Director of Secretariat, CPWU Taichung Division for the 1st term; Section Chief, Welfare Section, CPWU Central Taiwan	2019.04.22
Director	C. W. Wu	Department of Chemical Engineering, 2-Year College affiliated with Nantai University of Science and Technology	Director, CPWU Kaohsiung Division for the 4th & 6th terms; Deputy Director, CPWU for the 4th and 5th terms	2018.05.11
Director	R. C. Lin	Department of Engineering, Yilan Vocational College	Deputy Secretary-general, CPWU; Specialist, Delivery Unit, Shih Lin Branch Office	2018.05.11
Supervisor	Y. R. Chen	Master in Political Science, National Taiwan University	Counselor, Ministry of Transportation and Communication; Counselor, Taipei City Government	2018.04.01
Supervisor	M. Chen	Master in Applied Statistics, Fu Jen Catholic University	Director, Department of Statistics, Ministry of Health and Welfare	2017.02.23
Supervisor	R. W. Liu	PH. D. in International Business, National Taiwan University	Director, Statistics Office, Control Yuan; Special Commissioner, Senior Executive Officer, Section Manager, Directorate-General of Budget, Accounting, and Statistics, Executive Yuan.	2018.05.11

Note: Said officers are all nationals of R.O.C.



(II) Information about President, Vice Presidents, Department Heads, and Managers of Various Branches

2018/04/06

Title	Name	Education	Major Experience(s)	Date Elected
President	J. T. Chiang	Department of Law, National Taiwan University	Vice President, Chunghwa Post Co., Ltd. (CHP)	2019.05.17
Vice President	R. C. Chou	Department of Journalism, Chinese Culture University	Vice Chairman, Strategic Planning Committee, CHP	2015.05.29
Vice President	K. H. Li	Department of Chemical Engineering, Tamkang University	Assistant President, CHP	2018.03.23
Vice President	C. Y. Kuo	Master in Law, Soochow University	Assistant President, CHP	2019.09.16
Vice President	Y. K. Pan	Master in Finance, National Taiwan University	Auditor General, CHP	2020.05.21
Assistant President,	S. C. Lan	Department of Political Science, National Taiwan University	Chief Secretary, CHP	2018.01.16
Deputy Commissioner, Strategic Planning Committee, CHP	W. C. Tsai	Master in Mechanical Engineering, National Taiwan University	Manager, Taoyuan Post Office	2019.09.24
Auditor General	H. C. Huang	Department of Public Finance, National Chung Hsing University	Manager, Panchiao Post Office	2020.05.21
Chief Secretary	L. L. Chien	Master in International Business, Tamkang University	Director, Department of Philately, CHP	2018.03.09
Director, Department of Mail Business and Operations	C. H. Chen	Department of Law, National Taiwan University	Director, Taipei Mail Processing Center	2019.09.24
Director, Department of Philately	Y. T. Chen	Supplementary Open Junior College For Public Administration, National Chengchi University	Deputy Director, Department of Philately, CHP	2018.10.29
Director, Department of Savings and Remittances	C. L. Chen	Master in Business Administration, San Diego State University, USA	Commissioner, CHP	2019.07.16
Director, Department of Life Insurance	Y. H. Chien	Department of Economics, Soochow University	Director, Department of Occupational Safety and Health, CHP	2019.09.23
Director, Department of Property Operations	S. M. Hsieh	Ph.D in Electrical Engineering, National Chung Hsing University	Director of Operations, Department of Property Operations, CHP	2019. 08.23
Director, Department of Capital Operations	C. C. Huang	Executive Master of Business Administration, National Chengchi University	Deputy Director, Department of Capital Operations, CHP	2016.01.15
Deputy Director, (Concurrently Acting Director) Department of Human Resources	P. K. Lee	Department of Industrial Management, National Taiwan University of Science and Technology	Deputy Director, Department of Human Resources, CHP	2020. 05.21
Director, Department of Public Affairs	S. E. Kuo	Department of law, National Chengchi University	Director, Department of Philately, CHP	2018.09.05
Director, Department of Civil Service Ethics	L. L. Chou	Master in Business Administration, National Tsing Hua University	Director, Department of Property Operations, CHP	2019.07.25
Deputy Director, (Concurrently Acting Director) Department of Accounting	H. M. Chu	Master in Accounting, National Taiwan University	Deputy Director, Department of Accounting, CHP	2020.01.20
Director, Department of Information Management	H. Y. Cheng	Department of Business Administration, Fu Jen Catholic University	Deputy Director, Department of Information Management	2018.09.03
Director, Department of Occupational Safety and Health	M. N. Chang	Executive Master of Business Administration, National Chengchi University	Director, Postal Museum. CHP	2019.09.23
Chief Risk Officer; Acting Director of Risk Management Office	C. A. Liao	Master in Accounting, National Chengchi University	Chief Compliance Officer, CHP	2019.07.16
Chief Compliance Officer	H. H. Yang	Master in Law, University of Auckland, New Zealand	Commissioner, CHP	2019.07.16
Director, Legal and Compliance Office	H. F. Tang	Department of Law, Chinese Culture University	Section Chief, Occupational Safety and Health Section (General Affairs Section), Taipei Post Office	2019.10.01
Director, Office of Electronic Commerce	C. F. Lin	Department of Journalism, Shih Hsin School of Journalism	Section Chief, Cross border Logistics Section, Office of Electronic Commerce, CHP	2017.08.30



Title	Name	Education	Major Experience(s)	Date Elected
Director, Postal Museum	C. R. Wang	Department of Commerce, Providence University	Director, Department of Accounting, CHP	2020.01.16
Manager, Taipei Post Office	H. E. Chiu	Department of Public Administration, Dominican University of California	Manager, Kaohsiung Post Office	2020.01.15
Manager, Panchiao Post Office	S. C. Yang	Department of Business Administration, National Taiwan University	Director, Department of Human Resources, CHP	2020.05.21
Manager, Taoyuan Post Office	M. C. Hsueh	Master in Management, Ming Chuan University	Director, Department of Mail Business and Operations, CHP	2019.09.24
Manager, Taichung Post Office	C. H. Chiu	Department of Law, National Chengchi University	Manager, Taoyuan Post Office	2019.01.15
Manager, Tainan Post Office	L. C. Huang	Master in College of Management, National Chiayi University	Manager, Sanchung Post Office	2019.07.16
Manager, Kaohsiung Post Office	H. L. Wu	Master in Business Administration, Dayeh University	Manager, Chiayi Post Office	2020.01.15
Manager, Keelung Post Office	L. C. Chang	Department of Law, National Chung Hsing University	Deputy Director, Department of Occupational Safety and Health, CHP	2016.11.23
Manager, Sanchung Post Office (concurrently Committee Member, Strategic Planning Committee, CHP)	W. R. Wang	Department of Law, National Taiwan University	Assistant Manager, Taichung Post Office	2019.07.16
Manager, Hsinchu Post Office,	C. Y. Tseng	Department of Administration, Junior College of National Open University	Manager, Miaoli Post Office	2020.01.16
Manager, Changhua Post Office	C. L. Wu	Department of Administration, Junior College of National Open University	Manager, Yunlin Post Office	2020.01.16
Manager, Chiayi Post Office	L. H. Peng	Department of International Business, Soochow University	Assistant Manager, Taoyuan Post Office	2020.01.15
Manager, Miaoli Post Office	H. T. Wu	Master in Insurance, Chaoyang University of Technology	Assistant Manager, Nantou Post Office	2020.01.16
Manager, Nantou Post Office	Y. C. Wang	Department of Business Administration, Tunghai University	Section Chief, Marketing Section, Department of Life Insurance, CHP	2019.08.05
Manager, Yunlin Post Office	S. C. Wu	Department of Textile Engineering, Oriental Institute of Technology	Section Chief, Occupational Safety and Health Section (General Affairs Section), Taichung Post Office	2020.01.16
Manager, Pingtung Post Office	L. Y. Liang	Department of Commerce, National Open University	Section Chief, Mail Business Section, Tainan Post Office	2010.03.17
Manager, Yilan Post Office	K. F. Chou	Master in Management Sciences, Tamkang University	Assistant Manager, Sanchung Post Office	2018.07.03
Manager, Hualien Post Office	Y. C. Chen	Master in Public Policy and Management, Shih Hsin University	Section Chief, Mail Business Section, Panchiao Post Office	2020.03.17
Manager, Taitung Post Office	C. H. Hsu	Department of Business Administration, Tamsui Institute of Business Administration	Section Chief, Marketing Planning Section, Kaohsiung Post Office	2019.07.16
Manager, Penghu Post Office	A. R. Yeh	Supplementary Open Junior College For Public Administration, National Chengchi University	Assistant Manager, Penghu Post Office	2019.01.06
Acting Director, Taipei Mail Processing Center	H. C. Lin	Department of Tourism Business, Tamsui Institute of Business Administration	Deputy Director, Taipei Mail Processing Center	2019.09.24

Note: Said officers are all nationals of R.O.C.



V

Fulfilling Our Social Responsibility

22	I. Promoting Corporate Governance
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25	III. Developing Sustainable Environment
27	IV. Protecting Our Clients' Rights and Interests
29	V. Caring for Our Employees
31	VI. Reinforcing Information Disclosure and Other Related Services





I. Promoting Corporate Governance

- (I) The management philosophy of Chunghwa Post consists of the following three principles: putting our clients on top priority; devoting ourselves to a corporate culture based on reliability, geniality, efficiency and innovation; and striving to improve with the society. We devise our annual business plans in accordance with the government's policies. In addition, we make timely adjustments by taking social changes into consideration. Our business policies and executive performance are periodically reviewed, and we also modify our management strategies and style when necessary.
- (II) We hold departmental management meetings on a regular basis. The Chairperson holds a high-level management meeting once every two weeks. Business reports and department meetings are held on a monthly basis. In order to strengthen the cooperation between senior managers and operative executives, debriefings of business expansions are conducted on a quarterly basis, so as to establish the foundation for decision formulation and implementation.
- (III) We provided postal capital in the amount of NT\$1,612,600 million to support the government's major construction projects, and also to offer project financing for private investments.
- (IV) A total of 91 directors and supervisors attended the corporate management courses offered by the Securities and Futures Institute, the Taiwan Corporate Governance Association, the Ministry of Transportations and Communications, the Ministry of Labor, the Ministry of Finance, and the Taiwan Academy of Banking and Finance in 2019.
- (V) In order to enhance our robust operation, a set of internal control procedures are stipulated and should be followed by the board of directors, management personnel and all staff members, so as to ensure the attainment of the following objectives:
 - 1. To boost the efficiency of our company operation and to maintain the security of our assets.
 - 2. To ensure the credibility and integrality of our financial and management information.
 - 3. To abide by related laws and regulations.
- (VI) An employee who puts our corporate ethics into practice can be recommended by the department head to participate in our company's "Outstanding Postal Service Personnel Competition" or the "Exemplary Civil Servant Competition" held by the Ministry of Transportations and Communications.
- (VII) Online courses on public administration ethics, management ethics, and public service ethics are designed and provided on the Chunghwa Post e-University website to facilitate online learning for all employees.



President Tsai Ing-wen attended the commendation ceremony for postal staff caring for the elderly living alone



II. Maintaining Social Welfare

- (I) We have continuously offered disaster relief donations accounts for the Ministry of the Interior with the exemption of administration fees. Additionally, we have devised and continuously practiced the "Guidelines for Promoting Social Welfare via Postage Discounts" to aid disadvantaged groups. The discounted postage reached NT\$7,410,000 in total in 2019.
- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 921 scam cases in 2019, thereby securing approximately NT\$154.94 million from scammers.
- (III) We have continuously set up barrier-free ATMs at appropriate sites to provide physically challenged customers with easy access to ATMs. By the end of December 2019, 2,077 barrier-free ATMs in total have been installed at 1,320 sites. Moreover, 97 ATMs with voice features suitable for visually impaired customers have been set up by the end of December 2019, and more will be installed at appropriate locations in the future.
- (IV) In order to be in line with the government's public welfare policies, we have continued to provide discounts for physically and mentally challenged customers. Physically and mentally challenged depositors can enjoy inter-bank ATM transactions free of processing fees 3 times per month after filing applications to our company. The number of the applicants totaled 3,417 by the end of December 2019.
- (V) In order to be in line with the government's policies to support economically disadvantaged families, we have helped to process the payment and saving collections of the "Saving Accounts for the Future Education and Development of Children and Teenagers". Through the cooperation between public and private sectors in promoting the saving mechanism, the government and families can together help accumulate future education and career development funding for the saving accounts of children and teenagers. The number of saving collections processed in 2019 totaled 54,536.
- (VI) We have continued to run the "Post Office Cares for Solitary Elderly Citizens Campaign" and encouraged our postmen to send greetings to solitary elderly citizens and watch out for their daily needs while delivering mails. Our postmen reached out to 82,519 elders in total in 2019.
- (VII) We organized a series of nationwide blood donation campaigns called "Donate Hot Blood to Send Warm Love" from March 1 to March 31 in 2019, collecting 41,005 bags of blood in total, each containing 250cc. per
- (VIII) We offered "Scholarship for Postal Life Insurance Clients' Children" in 2018. The scholarship totaling NT\$4,775,000 was awarded to 2,855 recipients.



Care for the Elderly Living Alone



"Donate Your Blood – Post Your Heart", a blood donating event



- (IX) We held the “Postal Life Insurance National Table Tennis Contest for the Physically and Mentally Challenged” in September 2019. A total number of 24 teams and 152 contestants and team staff members attended the event.
- (X) We held a series of elderly fitness activities called “Chunghwa Post Senior Citizens Outing Trips,” and the number of participants reached 3,161.
- (XI) We held 49 Mother’s Day postcard-writing events from April to May in 2019, attracting 22,223 participants in total; we also held 21 Teacher’s Day postal card-writing events in September, attracting 8,615 participants in total.
- (XII) To help promote quality local produces and support Taiwanese farmers, we have selected local farm produces suitable for package or express mailing and created a “Postal Calendar for the Transportation and Marketing of Local Agricultural Products” to help local farmers market their products. Furthermore, as we offer on-call pickup and delivery services, consumers can enjoy fresh produces delivered straight from the source. In addition, our partner farmers donate a small portion of their loans to aid local disadvantaged groups, thus creating a multiple-win situation among farmers, consumers and disadvantaged groups. In 2019 we organized 15 marketing campaigns for local agricultural products, with the sum of public interest donations reaching NT\$760,000. The donations went to 15 public interest groups, including Disability Employment Assistance Association, Kaohsiung City; Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District, Kaohsiung City; Daniel A. Poling Memorial Babies’ Home, Taichung City; Private Tainan Luway Opportunity Center of Catholic; Catholic Holy Cross Hospice for the Chronically Ill; Genesis Social Welfare Foundation Douliu Branch; Yi-xin Children’s Home; Genesis Social Welfare Foundation Pingtung Branch; Pingtung County Chiaote Elementary School; Erhlin Happy Christian Homes; Genesis Social Welfare Foundation Caotun Branch; Yilan Hushan Elementary School; Watch Tower Bible and Tract Society Branch Office in Taiwan; Hualien 193 County Rd. Care Center; Put-lin Private Disability Care Home, Tainan City.



Joyous Hike for the Silver-haired by Chunghwa Post



Postal card writing event for Mother’s Day



Support for Aboriginal Young Farmers



Care for Agricultural Produce Marketing



III. Developing Sustainable Environment

- (I) We established the Taiwan Occupational Safety and Health Management System (CNS 45001).
- (II) We provide our employees with a safe and healthy work environment. All of the offices are equipped with central air conditioning systems and sufficient lighting, comfortable workspaces, evacuation routes and emergency exits. Elevators are checked and maintained regularly. Fire protection facilities are installed all over the buildings, and fire drills are practiced periodically. Access control systems are implemented to ensure staff security.
- (III) When our buildings undergo construction projects, contractors will be given the "Guidelines for the Work Environment and Hazardous Factors of Contract Projects" and will be advised to follow the guidelines, in order to improve the safety of our work environment and reduce the occurrence of occupational accidents. In addition, we organize "Educational Trainings of General Laborers' Safety and Health" to raise our employees' awareness of safety and health.
- (IV) Cleaning, waxing, disinfection and disease prevention are periodically performed in our offices. We add an extra tinge of beauty to our work environment by constantly cleaning up wastes and tending potted plants. Several staff members are designated to patrol the offices and keep a close check on the environment.
- (V) Specialist staff members are assigned to be in charge of the cleaning, disinfection and disease prevention tasks of our workplaces. In addition, all of our employees attended the four-hour long Work Environment Education and Training Session in 2019.
- (VI) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 99.54% in 2019, surpassing the annual goal of 90%.
- (VII) We have digitalized our business process by establishing the "Public Key Infrastructure," and have practiced paper-free policies by promoting online signatures of official documents.



UAV logistics test in remote areas of Alishan Township



Unveiling ceremony for "Incoming Air Mail Terminal Warehouse"



2019 Audit by the central authority Committee on Transportation and Procurement Affairs, the Control Yuan



The delegation led by the Deputy Prime Minister, Belize, visited the Postal Museum



- (VIII) We regard neatness as a core value of our corporate culture. By regularly holding cleaning contests and environment assessments, we create comfortable workspaces and postal environments, improve our service quality, and cultivate a positive corporate culture and image that emphasize cleanliness.
- (IX) We make the first day of every month our car-free day to protect our planet by saving energy and reducing carbon emissions.
- (X) We promote green architecture by installing solar power generation systems on the rooftops of several post offices to save energy and reduce carbon emissions. Also, dual-flush toilets have been installed in the restrooms, the faucets have been replaced with water-saving ones, and water leaks have been reported.
- (XI) We have launched the introduction plan of electric vehicles to gradually reduce carbon emissions, aiming to achieve green logistics with low noise and zero carbon emission.
- (XII) We have been replacing fluorescent lamps with LED lamps year by year, and the replacement has been completed within the specified time period. In order to accelerate the replacement of old lamps and air conditioners, the device replacement schedule of affiliated units is released periodically on the "Action Program for Energy Saving in Government Agencies and Schools" website.
- (XIII) The total electricity consumption in 2019 was 112,733,238 kWh. Compared to the 121,179,496kWh in 2015 (the base year), we saved 8,446,258 kWh of electricity, with a power saving rate up to 6.97%.
- (XIV) We have compiled a corporate social responsibility report. We have checked greenhouse gas emissions since 2019 and have been promoting various energy-saving measures according to the "Energy Conservation Action Plan for the "Ministry of Transportation and Communications and its Affiliated Agencies" formulated by the Ministry of Transportation and Communications.
- (XV) We have complied with energy management regulations to create an energy-saving and safe environment; we have expanded the purchase of energy-saving products to improve energy efficiency; we have strengthened energy management communication and optimized energy management systems; we have supported energy-saving innovative designs and continuously improved energy performance. In 2019, the Chunghwa Post Jinshan Building and Taipei Juguang Post Office passed the ISO 50001:2018 energy management system certification.





IV. Protecting Our Clients' Rights and Interests

- (I) Dormant postal passbook saving accounts have automatically restarted interest accruals since 20 March 2014. As for joint passbook saving accounts, in addition to applying for account termination or transfer at post offices nationwide, depositors can also report the loss of passbooks or seals and close the accounts after making new replacements at post offices nationwide free of charges. However, for depositors without joint passbook saving accounts, such settlements should be made at the post office where the account is opened.
- (II) When a beneficiary applies for death benefits, our computer system will jointly search for all the tracking numbers of valid contract policies that the insured has yet claimed settlements, thus enabling related units to notify the relevant beneficiary upon death or accident of the insured to initiate the procedures of claim settlements as soon as possible.
- (III) Units in charge of life insurance claims conduct cross comparisons between the data of the deceased insured provided by the Life Insurance Association with the data of our insured clients on a daily basis. If the insured is found deceased and has yet filed for claims, the bureaus in charge of processing the life insurance contract will be notified to contact the contract beneficiary to apply for relevant claims and payments.
- (IV) We have established a "Database of Unclaimed Benefits." When an insured client visits our post office counters to make relevant life insurance transactions or consult with our staff at our Customer Service Center, our staff member will notify the client to claim relevant benefits as soon as possible if data of unclaimed benefits is retrieved. As for the unclaimed benefits of the insurance contracts that have filed changes in addresses, we will resend notices of benefits claim according to the new addresses every six months.
- (V) We have set up different levels of postal service establishments all over Taiwan. As of the end of 2019, a total of 2,230 establishments have been founded, including 1,299 self-run post office branches, 542 postal agencies and 289 licensed stamp distributors.
- (VI) By offering quick, dependable and efficient services and establishing sufficient postal facilities, we have expanded the "Non-Commercial Postal Service Areas" to offshore islands and other rural areas. Regardless of regional differences, the postage fees are fixed at reasonable rates. Approximately 234 post office branches have been established in the non-commercial postal service areas nationwide.
- (VII) We offer mailings, savings and remittances, and life insurance services to help improve people's livelihood, maintain social stability and meet national policy requirements. Chunghwa Post aims to safeguard the confidentiality, authenticity and availability of important personal and trading information in our information security control system, and the system has been reinforced to ensure the safety of private information, operating system, hardware equipment and Internet network. By adopting innovative information security techniques and practicing tight information protection procedures, we create a reliable trading environment and provide high-end services for our clients.
- (VIII) We respect every client's right to privacy. Any act with regards to collecting, processing, utilizing and protecting our clients' personal information should be governed and regulated by the R.O.C. "Personal Information Protection Law" and our company's policies concerning the protection of personal information. Necessary actions will be taken when needed as per the two sets of regulations.
- (IX) We plan to establish a dual-mainframe Parallel Sysplex environment to reduce planned and unplanned outages and their duration with parallel processing so as to achieve our goal of zero interrupts of information services and increase our user satisfaction; We have been working on the implementation of a single-mainframe Parallel Sysplex since July 2018 and we will achieve the full implementation in May, 2020. After the overall operations and management are stabilized, we will continue to establish the dual-mainframe Parallel Sysplex environment as planned.



- (X) In response to Microsoft's termination of SQL Server 2008 technical support and security updates on July 9, 2019, we completed the transfer of the SQL database of each business application system to Microsoft SQL Server 2016 in December 2019.
- (XI) In order to prevent hackers from using advanced continuous attacks or other unknown malicious programs break through the defense at the gateway, we introduced an endpoint threat defense management system in June 2019 to strengthen our network defense by enhancing the capabilities of detecting abnormal information security activities and analyzing them afterwards.
- (XII) In order to strengthen the company's ability to prevent data leakage, we launched the email personal information transfer supervisor review mechanism system in December 2019 to implement the pre-review and post-review mechanisms. In order to strengthen the file transmission control of the Network Neighborhood, a mechanism for inspection of personal data and retention of access traces was activated in October 2019.





V. Caring for Our Employees

- (I) In compliance with related labor laws, to protect the legitimate rights and interests of our employees and regulations, we have devised appropriate management methods and procedures:
 1. The legitimate rights and interests of our employees are stipulated in laws and regulations. Our code of conduct and human resource service regulations are devised in accordance with administrative laws such as the Labor Standards Act. Additionally, our employees are enrolled in civil servant insurance, labor insurance, national health insurance, and retirement pension plans.
 2. To enhance our employees' physical and mental health, ensure their quality of life, and enable them to realize their full potential at work without worries, we provide regular health checks and psychological counseling sessions for our staff.
- (II) To enhance the expertise of our employees so as to improve the overall competence of our company, we hold educational trainings of various business operations as per each year's annual training plan. Moreover, a great variety of online self-study courses are offered on our e-University website. Also, we organize lectures and keynote speeches delivered by distinguished celebrities.
- (III) We boast a well-rounded remuneration system and a fair promotion structure. We foster talents with concrete step-by-step measures. Specifically speaking, we organize educational training programs for managerial staff of low, middle and high ranks, and job rotations are practiced periodically. In so doing, we recruit and retain great talents to make contributions for our company.
- (IV) We hold labor-management meetings periodically. Labors and managers communicate and negotiate with each other in terms of improving labors' working conditions, employees' rights, interests and welfare, so as to maintain stable and harmonious management-union relations between both sides.
- (V) We stipulated a set of Guidelines for Prevention, Complaint and Investigation of Sexual Harassment at Workplace and founded the Sexual Harassment Complaint and Investigation Commission pursuant to the Sexual Harassment Prevention Act and Act of Gender Equality in Employment. Appropriate preventive, corrective, or punitive measures are taken upon the occurrence of sexual harassment cases in order to protect the rights, interests and privacy of our employees.



Mr. WU HONG-MO, chairperson of Chunghwa Post, led the staff to kick off the event of Sports Day



Book launch of "Postal Love in Sight", a special book dedicated to postal offices



(VI) Implementing "Newcomer Partnership Program":

Our "Newcomer Partnership Program" is implemented in order to take care of new employees and offer all kinds of information. By helping newcomers adapt to the workplaces and fit into their departments as early as possible, we hope to foster a sense of belonging and an enthusiastic urge to serve among our employees, thereby creating a benign corporate culture. We believe through this program, the important cultural assets and practical work experiences can be passed on to newcomers, resulting in positive outcomes such as increasing our employee retention rate and boosting our company's competitiveness.

(VII) We formulate and implement the Management Plan of Occupational Safety and Health every year.

(VIII) By holding cleaning contests and environment assessments, we create comfortable workspaces and postal environments, so as to improve our service quality and cultivate a positive corporate culture and image that emphasize cleanness.

(IX) Every year we hold educational trainings on safety and health regularly to reduce the occurrence of occupational accidents. In addition, health checks are performed as per relevant regulations to ensure the health of our employees.

(X) Nursery rooms have been set up to create a friendly environment for female colleagues to breastfeed at work without worries. The Jinshan building and Ai-Kuo building of our company have been granted the "Badge of Excellent Breastfeeding Room" by the Department of Health of Taipei City Government.

(XI) We cooperated with the Health Service Center of Daan District, Taipei City to hold workplace promotion health activities in order to encourage the health management of the staff with the goal of healthy weight loss, and we were granted the "Excellent Workplace" award.



Identity verification service for the postal savings account



VI. Reinforcing Information Disclosure and Other Related Services

- (I) Essential information such as our business operations, interest rates, exchange rates and service fees are fully disclosed on our website.
- (II) In order to protect our clients' privacy, all of the necessary information that our staff should clearly notify our clients upon collecting their personal data is fully disclosed on our website as per the regulations of the "Personal Information Protection Act."
- (III) The "Instructional Document for Public Disclosure of Life Insurance Information" was drafted pursuant to the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises." In addition to posting the electronic file of the document on the "Public Information Observatory of Insurance Industry" website of the Insurance Bureau and Chunghwa Post global website, paper copies are also available for public inspection at post offices providing life insurance services.
- (IV) We created a webpage about micro-insurance on our website to reinforce information disclosure, so as to make our products and sales information more transparent, and to promote the product and concept of micro-insurance.
- (V) The Certification Standards for Our Certified Products or Information Services:
 1. We have completed the installation of the "Personal Data Protection and Management System" by stages. During the first stage, we focused on certain sections for certification, including savings and remittances, life insurance, online PostMall, and information operations. We received the BS10012:2009 certificate of personal information management system from the British Standards Institution (BSI) in August 2012. During the second stage, we extended the scope of certification to the remaining operations of our company, including printing and packing operations. With our efforts in expanding the certification scope, we were granted the BS10012 international standards certificate in October 2013. We also passed the reexaminations in June 2015 and July 2018, successfully readjusting our system to comply with the BS10012:2017 international standard, and the certificate remains valid by successively passing the biannual reexaminations.
 2. Our ePost printing and packing operations obtained the ISO27001:2005 information security certificate. The certificate was upgraded to the ISO27001:2013 version in July 2015, and it passed the reexaminations in December 2015 and July 2018. The certification remains valid by successively passing the biannual reexaminations.
 3. Our "Savings and Remittances Operation System" received the BS7799 information security certificate in February 2005 and was upgraded to the ISO27001:2005 version in January 2007. The certification scope was extended to our Disaster Recovery Center in Taichung on 27 November 2009, and the certificate was upgraded to the ISO27001:2013 version in January 2015. The certificate passed the reexaminations in December 2015 and July 2018, and it remains valid by successively passing the biannual reexaminations.



VI Capital Raising

33	I. Capital and Shares
34	II. Financial Bonds
34	III. Preferred Shares
34	IV. Overseas Depositary Receipts
34	V. Employee Stock Option Certificates
34	VI. Mergers and Acquisitions of other Financial Institutions
34	VII. Plans for Capital Investment and Utilization





I. Capital and Shares

(I) Source of Capital

Currency: NT\$

Month and Year	Issuance Price	Authorized Share Capital		Paid-up Capital	
		No. of Shares	Amount	No. of Shares	Amount
April 2019	10	10 billion	100 billion	7.2376 billion	72.376 billion (*)

* Total amount of NT\$ 72.376 billion after capital surplus of 0.294 billion transferred to capital on April 30, 2019, as approved by Ministry of Economic Affairs Shangzi Letter No. 1080105630 dated May 21, 2019

(II) Share Capital Structure, Distribution of Shares Ownership, and a List of major Shareholders:

At the end of 2019, our paid-up capital amounts to NT\$ 72.376 billion, and with a par value of NT\$10, totaling 7.2376 billion shares. The Company is 100% owned by the MOTC, and the shares are not available for the public.

(III) Market Price, Net Worth, Earnings, and Dividends per Share in the Past 2 Years:

Unit: NT\$

Item			2018	2019
Net Worth per Share	Before Distribution		23.76	27.88
	After Distribution		22.51	**
Earnings per Share	Weighted Average No. of Shares		7.2082 billion shares	7.2376 billion shares
	Earnings before Adjustment		2.00	1.29
	Earnings after Adjustment ***		1.99	
Dividends per Share	Cash Dividends ***		1.16	**
	Stock Grant	Stock Dividend from Retained Earnings	0.041	**
		Stock Dividend from Capital Reserve	—	**
	Accumulated Dividends		—	**

* CHP is 100% owned by MOTC, neither a public-listed nor an OCT company. Therefore there is no market price information available.

** The 2019 earnings have not been distributed.

*** On April 30, 2019, the company transferred capital surplus to capital, making a total paid-up capital of NT\$ 72.376 billion. Therefore there are readjustments in 2018's Net Worth per Share, Earnings per Share, and Dividends per Share.

(IV) Policies and Implementation of Dividends

1. In accordance with Article 18 of the company's Articles of Incorporation, after payment of taxes and before the distribution of surplus, the Company shall allocate 25% of the surplus as legal reserve.
2. In accordance with the "Guidelines for Profits from State-Owned Enterprises to be paid to the Treasury," any surplus after replenishment of loss of previous years and allocation for legal reserve shall be paid to the National Treasury. The amount to be paid should be specified in the annual financial statement, and the payment should be made within a month of the end of the fiscal year. In the event that there is a difference in amount as determined by the Directorate General of Budget, Accounting, and Statistics of the Executive Yuan and the National Audit Office of the Control Yuan, the Company should make up the difference or proceed to refund within two weeks of the notice.



3. The following table summarizes the distribution of surplus cash in the past 5 years.

Unit: NT\$ 1,000

Item		2015	2016	2017	2018	2019 (*)
Stock (State – owned) Dividends and Bonuses	Cash	6,128,450	7,032,645	6,795,801	8,383,857	—
	Stock Grant	2,311,000	2,168,000	2,603,000	294,000	—
Legal Reserve		2,919,199	2,451,650	2,658,242	4,549,948	—
Special Reserve		2,629,150	322,304	1,178,924	5,265,988	—
Replenishment of Loss		102,833	—	—	—	—
Surplus not Allocated		—	—	—	—	—

* The 2019 surplus has not been distributed.

** The Replenishment of Loss in 2015 was the retroactive adjustment made by retaining of surplus in accordance to IAS 19 Employee Benefit.

(V) The effects of stock grant on the company's performance and earnings per share as put on agenda at the last shareholders' meeting: None

(VI) Employees' bonuses, remunerations to directors and supervisors: None

(VII) Share repurchasing: None

II. Financial Bonds: None

III. Preferred Shares: None

IV. Overseas Depositary Receipts: None

V. Employee Stock Option Certificates: None

VI. Mergers and Acquisitions of other Financial Institutions: None

VII. Plans for Capital Investment and Utilization: None



VII

Operations Summary

36	I. Scope of Business
61	II. Employee Composition
63	III. Labor-management Relations
64	IV. IT Facilities





I. Scope of Business

Chunghwa Post may, in accordance with Article 5 of the Postal Act, engage in the following businesses:

1. Mail delivery
2. Postal savings
3. Remittance services
4. Postal simple life insurance
5. Philately and related merchandise
6. Management of postal assets
7. Chunghwa Post may, subject to the approval of the Ministry of Transportation and Communications (MOTC), operate as an agent for other businesses, make investments or engage in relevant businesses as described in subparagraphs 1 to 6 of this article hereof.

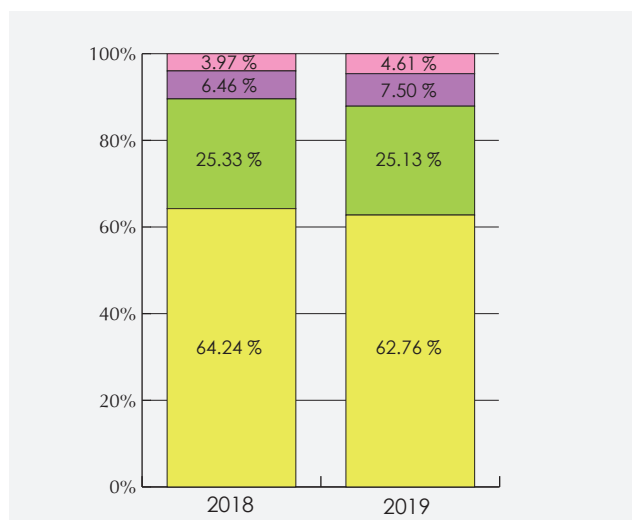
Percentage of Major Assets and Liabilities to Total Assets, 2018 and 2019

Unit: NT\$1,000; %

Major Items	2018		2019	
	Amount	%	Amount	%
Total Assets	7,124,671,642	100.00	7,288,948,545	100.00
Mutual Funds and Long-Term Investment	4,576,876,827	64.24	4,574,507,365	62.76
Due from Central Bank	1,804,930,412	25.33	1,831,436,833	25.13
Cash and Due from Other Banks	460,451,682	6.46	546,312,157	7.50
Other Assets	282,412,721	3.97	336,692,190	4.61
Total Liabilities	6,961,764,831	97.71	7,087,190,522	97.23
Deposits and Remittances	6,163,002,573	86.50	6,271,041,028	86.03
Insurance Liabilities	690,955,768	9.70	724,179,541	9.94
Amount Dues	54,572,539	0.77	64,642,511	0.89
Other Liabilities	53,233,951	0.74	27,327,442	0.37

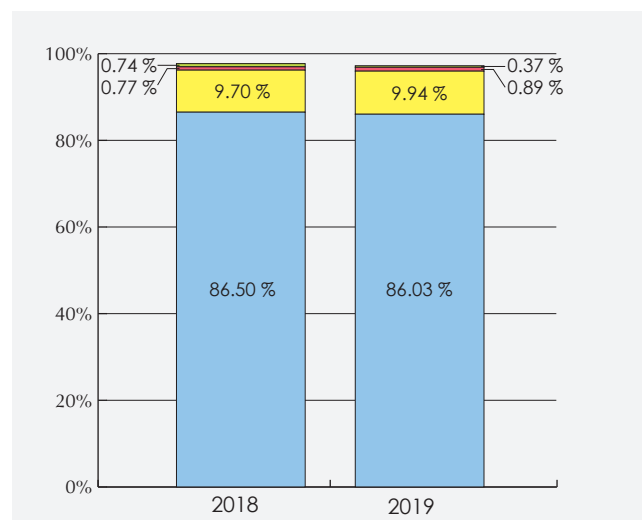
Note: Figures for 2018 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2019 are CPA approved.

Comparison Chart of Asset Allocation, 2018 and 2019



■ Cash and Due from Banks
■ Due from Central Bank
■ Mutual Funds and Long-term Investments
■ Other Assets

Comparison Chart of Liabilities, 2018 and 2019



■ Deposits and Remittances
■ Insurance Liabilities
■ Amount Due
■ Other Liabilities



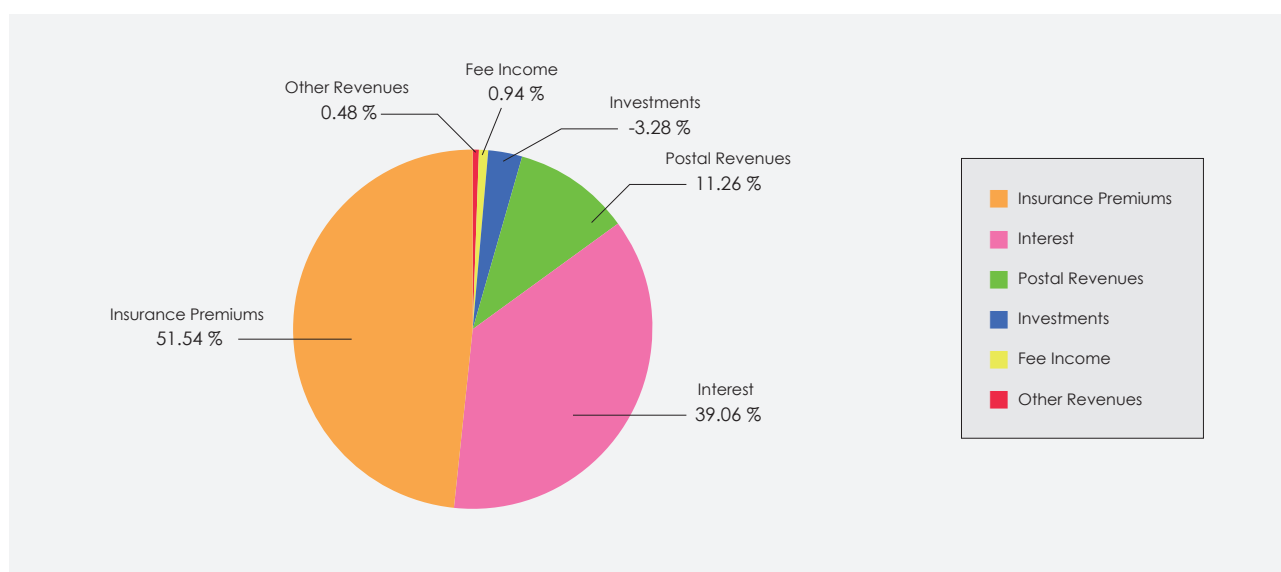
Percentage of All Business Revenues, 2018 and 2019

Unit: NT\$1,000; %

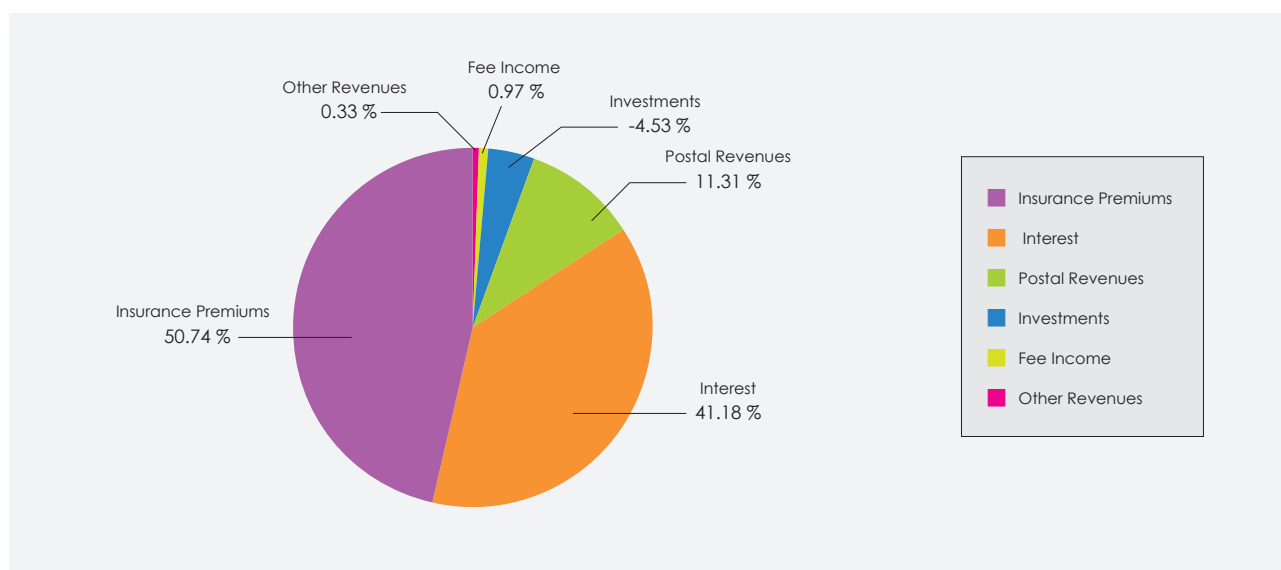
Item	2018		2019	
	Amount	%	Amount	%
Insurance Premiums	133,671,585	51.54	127,794,006	50.74
Interest	101,297,225	39.06	103,702,731	41.18
Postal Revenues	29,202,395	11.26	28,479,178	11.31
Investments	(8,506,737)	-3.28	(11,401,986)	-4.53
Service Income	2,440,224	0.94	2,434,470	0.97
Other Revenues	1,259,101	0.48	849,842	0.33
Total Revenues	259,363,793	100.00	251,858,241	100.00

Note: Figures for 2018 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2019 are CPA approved.

Sources of Business Revenues, 2018



Sources of Business Revenues, 2019



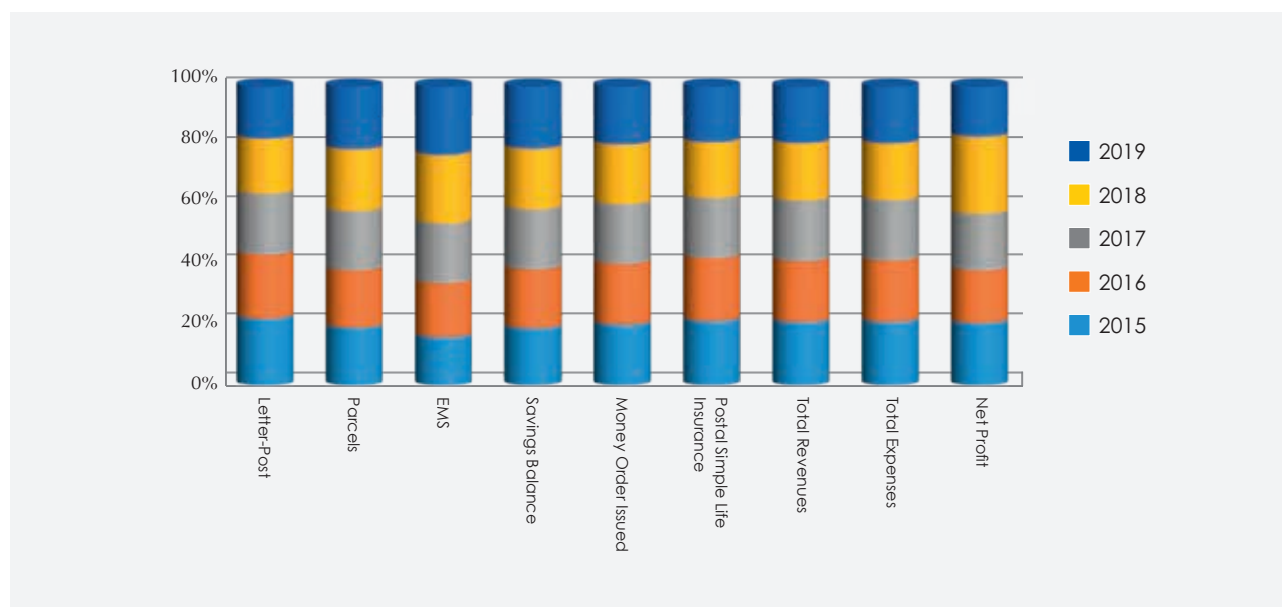


Business Highlights over the Past 5 Years

Item	Unit	2015	2016	2017	2018	2019
1. Letter-Post	Million pcs.	2,612	2,504	2,352	2,152	2,023
2. Parcels	Thousand pcs.	24,172	23,833	24,605	25,737	25,946
3. EMS	Thousand pcs.	8,859	9,806	10,849	12,457	12,364
4. Savings Balance	Million NT\$ Dollars	5,822,490	6,003,341	6,074,316	6,171,759	6,279,948
5. Money Order Issued	Thousand pcs.	17,187	17,114	16,769	16,890	16,174
6. Postal Simple Life Insurance	Thousand pcs.	2,665	2,585	2,465	2,308	2,270
7. Total Revenues	Million NT\$ Dollars	286,692	272,120	271,936	259,616	252,033
8. Total Expenses	Million NT\$ Dollars	274,912	262,313	261,328	245,185	242,685
9. Net Profit	Million NT\$ Dollars	11,780	9,807	10,608	14,431	9,348

Note: Figures for 2015-2018 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2019 are CPA approved.

Business Highlights over the Past 5 Years



(I) Mail services that cross all boundaries

1. Letter-post items

The rapid development of information technology in recent years has promoted the widespread use of the Internet and e-mail. As it is becoming more and more convenient for clients to obtain information services, the use of mail delivery, a traditional way of communication, has gradually declined. Letter-post service nowadays is faced with a number of challenges. In addition to the price war initiated by private corporations, telecommunications operators and banks have also started to send more than one bills in a single letter, while some bills are even e-mailed only.

The offshoring of some industries also makes the quality and number of letter-post items sent and received hard to grow. Besides, the price adjustment of delivering a domestic letter has been applied



since August 1, 2017, and this caused the items sent and received in 2019 thus dropped to 1,976.54 million pieces, which is 6.27 % lower than the 2,108.7 million pieces in 2018. The correspondence posted per capita was 83.7.

Mainly because of an increase in the "transit mail" business, international letter-post items sent and received in 2019 totaled some 46.52 million pieces, 7.46 % higher than that in 2018, which was some 43.29 million pieces.

2. Parcels

A total of 25,284,000 pieces of domestic parcels were delivered in 2019, 0.86% higher than that in 2018. In order to enhance Chunghwa Post's competitiveness in the parcels sector, we have been striving to improve the quality of our delivery services by engaging in the exchange of mailing information with online shops as well as the integration of multiple services. We have also continued to encourage local farmers to sell quality produce on our online shopping site, Post Mall, thereby promoting the sales of produce and specialties through e-commerce and increasing our revenues.

The international parcels sent and received in 2019 totaled 661,501 pieces, 0.93% lower than the 667,732 pieces in 2018.

3. Express Mail Service (EMS)

Due to the concern of logistics costs, some of the major domestic online shopping platforms organize their own logistic teams and cooperate with convenient stores more to arrange merchandise pick-up services. This has led to the drop in the percentage of delivery. Express mail delivered domestically in 2019 totaled 10,877,000 pieces, down 1.62 % compared with the previous year. Chunghwa Post will continue to offer integrated logistics services such as doorstep pick-up, express delivery, collection on delivery, and reverse logistics operations in order to meet online shopping merchants' demand for multi-channel services. In addition, the company will further promote the iBox pickup service. Services catering to senders will also be upgraded with a view to ensuring a stable growth in the number of items we are entrusted to deliver.

The volume of international express mail sent and received in 2019 amounted to 1,486,403 pieces, 6.09% higher than the 1,401,133 pieces in 2018.

The available countries (areas)

4. E-mail service

We at Chunghwa Post seeks to promote our e-mail service and ensure the security of our clients' data. Our management system has met the ISO27001 information security standard, and we are being reviewed every 6 months with an aim to further boost clients' confidence and strengthen our competitiveness. A total of 307.16 million e-mails were handled in 2019, 1.2% lower than that in 2018.

5. Cross-strait service

The completely direct mail service between both sides of the Taiwan Strait was launched on December 15, 2008. Over the past 11 years, the direct air and sea transport across the strait have seen substantial development, and related services in both Taiwan and China have also been streamlined. We at Chunghwa Post are therefore able to maintain a stable quality in our delivery of letter-post items, parcels, and express mail. Our comprehensive services have, in addition to satisfying the public's demand for mail delivery, promoted cross-strait economic and trading activities as well. In recent years, we have launched services including cross-strait postal (EMS) and cross-strait e-parcel, offering more convenient and varied options for the customers. These services can meet the needs of the general public and businesses alike such as sending and/or receiving groceries, goods purchased online, and business samples. We also continue to support the e-commerce industry in expanding consumer markets in China. Below are our achievements in 2019.



(1) Cross-strait mail delivered in 2019

The volume of mail sent from Taiwan amounted to more than 3,470,000 items, 2.36% higher than that in the previous year; more than 1,750,000 items were received from China, 21.98% lower than the volume in the previous year.

(2) Execution of the Cross-Strait Postal Service Agreement and the cooperation and communication of cross-strait postal service

We visited mainland China in May 2019 for business communications, and in September 2019, we invited the China Cross-strait Postal Exchange Association to Taiwan to exchange experiences of postal business. During these trips, we discussed and exchanged ideas about cross-strait postal service, philately, savings and remittances, insurance, information and e-commerce cooperation.

6. Cargo to Mail service

(1) In order to keep improving the Cargo to Mail service and solve the problem of a lack of operational space in sea mail and air mail services, Chunghwa Post has made the warehouse at the Wharf No. 79, Port of Kaohsiung into the operational site where the merchandise imported by sea can be transferred to mail services. In addition, an incoming air mail terminal warehouse has been set up at Taoyuan Air Mail Facility in March, 2019. The Facility will serve as the operational site for air to air and sea to air Cargo to Mail service, solving the problem of lacking an operational site near the airport and improving the overall efficiency of Cargo to Mail service. The services have processed 2,738 tons of merchandise in 2019, a 28% increase over the previous year, generating the revenue of NT\$546.8 million, up 12% from the previous year.

(2) Chunghwa Post continued to help the domestic logistics industry develop in major e-commerce areas in China by visiting logistics service providers and major e-commerce platforms for business opportunities and further promoting Taiwan's Cargo to Mail service on the export end.

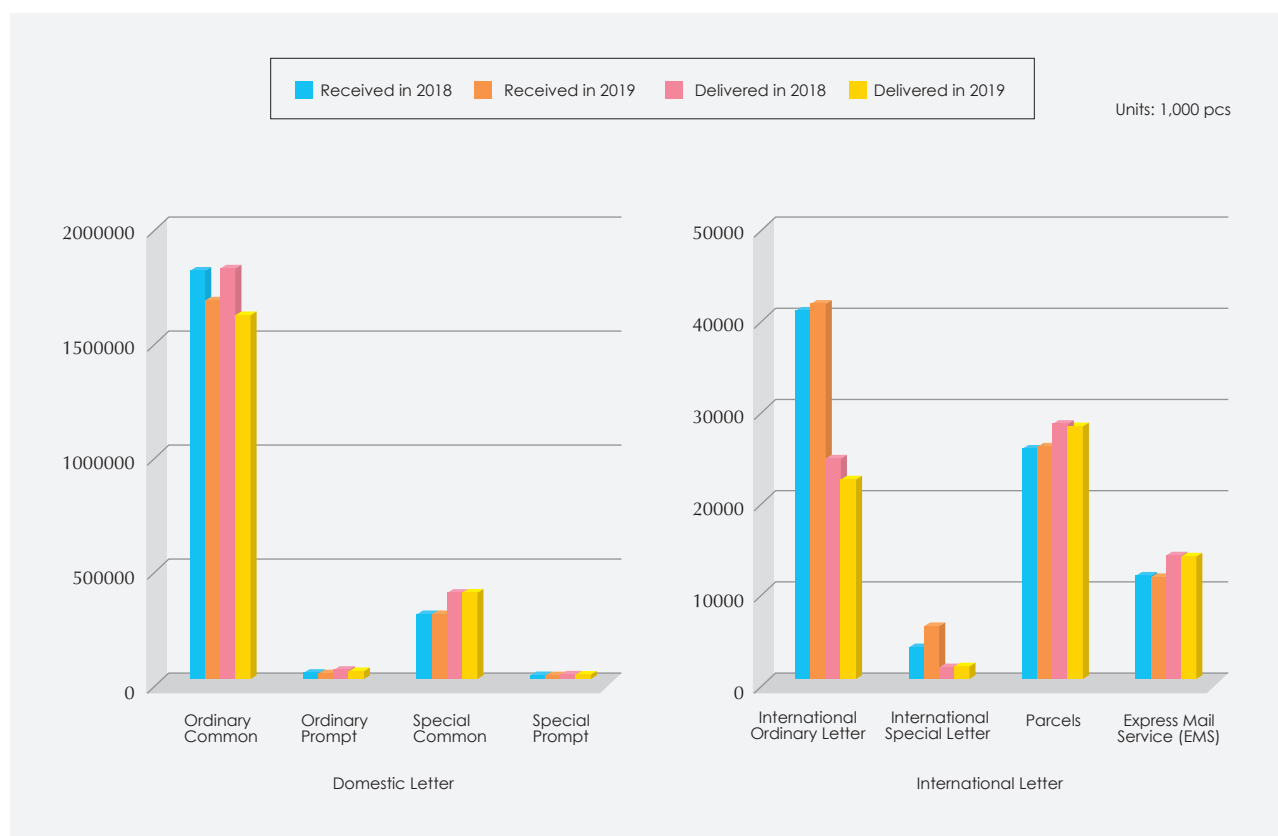
Number of Mail Items Received and Delivered, 2018 and 2019

Units: 1,000 pcs

Postal Item			Received		Delivered	
			2018	2019	2018	2019
Domestic Letter	Ordinary	Common	1,777,890	1,648,002	1,788,005	1,584,992
		Prompt	28,596	26,693	41,314	36,047
	Special	Common	283,735	284,273	376,519	377,588
		Prompt	18,481	17,576	21,555	20,286
	Sub-total		2,108,702	1,976,544	2,227,393	2,018,913
International Letter	Ordinary		40,005	40,926	23,986	21,674
	Special		3,290	5,600	1,114	1,226
	Subtotal		43,295	46,526	25,100	22,900
Parcels	Domestic		25,069	25,284	27,775	27,494
	International		668	662	681	596
	Sub-total		25,737	25,946	28,456	28,090
Express Mail Service (EMS)	Domestic		11,056	10,877	13,281	13,202
	International		1,401	1,487	2,383	2,294
	Sub-total		12,457	12,364	15,664	15,496
Total			2,190,191	2,061,380	2,296,613	2,085,399



Number of Mail Items Received and Delivered, 2018 and 2019



7. Mail routes

(1) Domestic mail routes

Efficiency, safety, accessibility, precision, and afford ability are valued in postal services. Therefore, domestic delivery is carried out with the support of a wide array of transportation resources offered by both the government and the private sector. In addition, we at Chunghwa Post also provide our own transportation vehicles and facilities, thereby constructing a delivery network which consists of highways, railroads, waterways, and air routes. By the end of 2019, the combined length of all the routes within the intricate network, which encompasses the Taiwan island, the Penghu County, the Kinmen County, and the Matsu Islands, had reached an impressive 114,288 kilometers.

(2) International mail routes

As Taiwan is an island, most international mail is delivered through air or over water. Taiwan's international mail routes start here on the island, extend overseas, and end at the exchange offices of foreign countries where cross-border mail is exchanged in bulk. By the end of 2019, the international air routes (EMS routes included) and waterways had reached 1,203,635 and 591,116 kilometers respectively.



Mileage of Mail Route, 2018 and 2019

Unit: KM

Type	2018	2019	%
I. Land	108,957	108,537	-0.39%
1. High-speed Railway	345	345	0%
2. Railroads	Suspended	Suspended	–
3. Highways	17,931	17,918	-0.07%
4. Others	90,681	90,275	-0.45%
II. Waterways	592,629	592,629	0%
1. Domestic	1,513	1,513	0%
2. International	591,116	591,116	0%
III. Air Routes	1,205,788	1,207,872	0.17%
1. Domestic	4,237	4,237	0%
2. International	1,201,551	1,203,635	0.17%

(II) Savings services offered to the general public

Developed based on the idea that postal agencies are easily accessible to the general public, the postal savings system is aimed at providing services to all Taiwanese nationals. Postal savings accounts come in three types: passbook accounts, time deposit accounts, and giro accounts. As the government continues to encourage thrift and saving, all three types of accounts have absorbed large amounts of hot money, which was subsequently used to fund major constructions of Taiwan and stabilize the domestic financial market. Despite negative factors such as the 2008 financial crisis, economic downturns, offshoring, and capital outflows, the postal savings system still outperforms all the other financial institutions in Taiwan in terms of the number of accounts and the total savings balance thanks to the robust operations of Chunghwa Post over the years. In the future, we will keep striving to expand our services in the fields of i-Post, Mobile Post APP, payroll direct deposit, online ATM, and VISA card services in order to increase our share in the passbook savings market. We will also strive to deliver services through a more diversified range of electronic channels and expand our scope of business, thereby enhancing our competitiveness.

Chunghwa Post's giro account, which allows account holders to make deposits and withdrawals as well as transfer payments and remittances, is one of the most unique services provided in the Taiwanese financial industry. Giro deposit slips are sent in the electronic form to increase the efficiency of giro payment; in the case of a giro deposit where the payer is to be specified, payer information is sent electronically to the recipient so that no manual write-off is needed. In addition, holders of giro accounts can also make transfers and request checks therefrom, which are two functions of demand deposit accounts. In the future, we at Chunghwa Post will continue to promote our online ATM, and ACH payment channels in order to make it more convenient for our clients to send and receive payments. We will also be in line with the finance digitization policy of the government, providing our clients with convenient and safe channels of mobile payment and e-payment.

By the end of 2019, the number of accounts totaled over 36,380,000, 0.72% more than that of 2018, while the balance of all accounts combined had climbed 1.75% compared with the previous year to NT\$ 6,279.9 billion, which translates into more than NT\$ 170,000 per account.



1. New services introduced in 2019

(1) Piloting Postal ATM Cards cloud payment and mobile payment services

The "Postal ATM Cards cloud payment service" and the card distribution service were piloted from March 20, 2019. Once the holders of Postal ATM Cards and Postal VISA Debit Cards apply for the services on the Taiwan Mobile Payment APP, they can transfer money, withdraw money, pay fees and tax, carry out cross-border transactions, and tap to pay or scan to pay while shopping. By the end of 2019, a total of 85,337 cards providing such service have been issued, with which a total of 1,030,470 transactions have been conducted, and the total amount has reached more than NT\$2,347.85 million.

(2) Allowing the HCE Mobile VISA Cards to be installed on mobile devices with iOS10.0 or newer versions

From April 9, 2019 onwards, HCE Mobile VISA Cards can be installed on mobile devices that carry no NFC and run iOS10.0 or Android5.0, and all the newer versions. These devices can be used to scan or tap to pay in any appointed store with the "EMV QR Code" sticker, both brick-and-mortar and online. By the end of 2019, there have been 57,513 transactions conducted with scan to pay or tap to pay services, which amounted to more than NT\$45.14 million.

(3) Setting up more digitalized branches

In 2019, we opened three model digitalized branches, including Taipei Stadium Post Office, Taoyuan Chenggong Road Post Office, and Tainan Chenggong Road Post Office. By the end of 2019, we have opened a total of 7 model digitalized branches in Taipei, Banqiao, Taichung, Kaohsiung, Taoyuan and Tainan. These branches are equipped with digital interactive walls and systems for taking numbers and filling in sheets in advance, as well as self-service areas with ATMs, passbook entry machines, ticket vending machines, iBoxes, and ECpost. These facilities allow the public to experience and understand various digital services provided by Chunghwa Post.

(4) Launching the QR Code Scan to Pay service for credit card bills

On May 28, 2019, Chunghwa Post launched the QR Code scan to pay service to keep up with VISA international organizations. Visa Debit Card cardholders can pay their credit card bills by scanning the code on their phones.

(5) Launching the Cross-border QR Code Scan to Pay service

In order to provide a more convenient cross-border e-payment service, depositors are able to use the Taiwan Pay function on the Post Guard APP to make a payment on offshore platforms since Aug 27, 2019.

(6) Accepting ATM-card payment at the mail service counters

In order to provide customers with a more convenient and more secure paying method, when sending and receiving mail items at the counters, customers can pay the postages with the ATM Cards, instead of by cash, the Company has provided new method in 160 Top-level, A-level, and some particularly busy B-level branches since October 15, 2019. In addition, from December 12, 2019, payment with ATM Cards can be accepted when purchasing stamps, envelopes, Convenient Boxes and Bags, Convenient Packages, tax stamps, and philatelic products.

(7) Launching the Postal VISA Debit Card e-invoice carrier service

The Postal VISA Debit Card e-invoice carrier service was launched on November 23, 2019, allowing depositors to carry e-invoices on the Postal VISA Debit Cards. Moreover, depositors can enter the card number, the ID number, and the last four digits of their date of birth on the website of the Ministry of Finance or kiosk machines in convenient stores to check the details of their purchases within three months and the prize-winning invoices.



(8) Launching the QR Code scan to pay service for international packages

A pilot service was launched in Taipei Customs on December 6, 2019 that allows the receivers of international packages to pay the income tax by scanning their mobile devices when the packages are delivered by mail carriers.

(9) Launching the iBox cash on delivery (COD) service

In order to keep up with the expansion of the iBox service and to provide customers with fast and convenient payment methods, the Company has provided the service, through which the COD payment of iBoxes can be made with Taiwan Pay QR Code scan since December 25, 2019.

2. Improved working procedures

To provide a convenient procedure for customers to apply and collect ATM Cards immediately, the instant card issuing service was launched on September 26, 2019, and the service will eventually be available at 168 branches. By the end of 2019, there have been a total of 521 branches around the country offering such service, which can greatly save clients' time.

3. New services for the convenience of the public

(1) Raising the balance for easy account closing process

From March 20, 2019 onwards, those who raise the balance of postal passbook or giro accounts from NT\$30,000 to NT\$60,000 or below can close their accounts with a general money withdraw process without providing identification or letters of authorization.

(2) Providing transference by fax and over printing services for time deposit

From July 24, 2019 onwards, individual account holders can apply for "transference by fax" with the certificate of deposit, identification, and signature to transfer the certificate of time deposit in person. The transference of the certificate of time deposit can be completed on site. Additional services provided include changing seals, changing passwords, ending certificates of deposit, and activating over printing service for certificates of deposit, which can save the trouble of filling in documents and make the process easier for customers.

(3) Providing deposit and withdrawal slip over printing services for postal passbook depositors

Taipei Jinnan Post Office and other nine branches piloted the deposit and withdrawal slip over printing services for postal passbook depositors from November 23, 2019. Customers who apply for the aforementioned services at the counters do not have to fill in deposit and withdrawal slips and can save the trouble of filling in documents.

(4) Adding a "comment" section for inter-bank transfer on iPost

In order to provide a more convenient service, a "comment" section was added to the inter-bank transfer function on iPost on September 25, 2019. Those who transfer money to others can leave comments for the received end, which makes it easier for both parties to check and confirm the transfer information.

(5) Adding OTP service for e-payment with postal saving accounts

In order to provide better services and expand the customer base, Chunghwa Post cooperate with e-payment platforms to provide depositors with the "paying with postal saving accounts" service. In addition to the identity verification on the Post Guard APP and online ATM, "iPost log-in with text-message OTP (One Time Password)" verification was added on November 13, 2019 to make the setting more convenient.

(6) Launching the "speedy log-in" service on iPost

In order to make the log-in process more convenient and ensure the safety of transactions on iPost, Chunghwa Post incorporates the biometric identification on mobile devices in this new function. From November 19, 2019 onwards, depositors can log in iPost with facial recognition, fingerprints, or pattern passwords.



(7) Launching iPost in English version

In order to provide foreigners with more convenient online services, the English iPost website was launched on December 26, 2019.

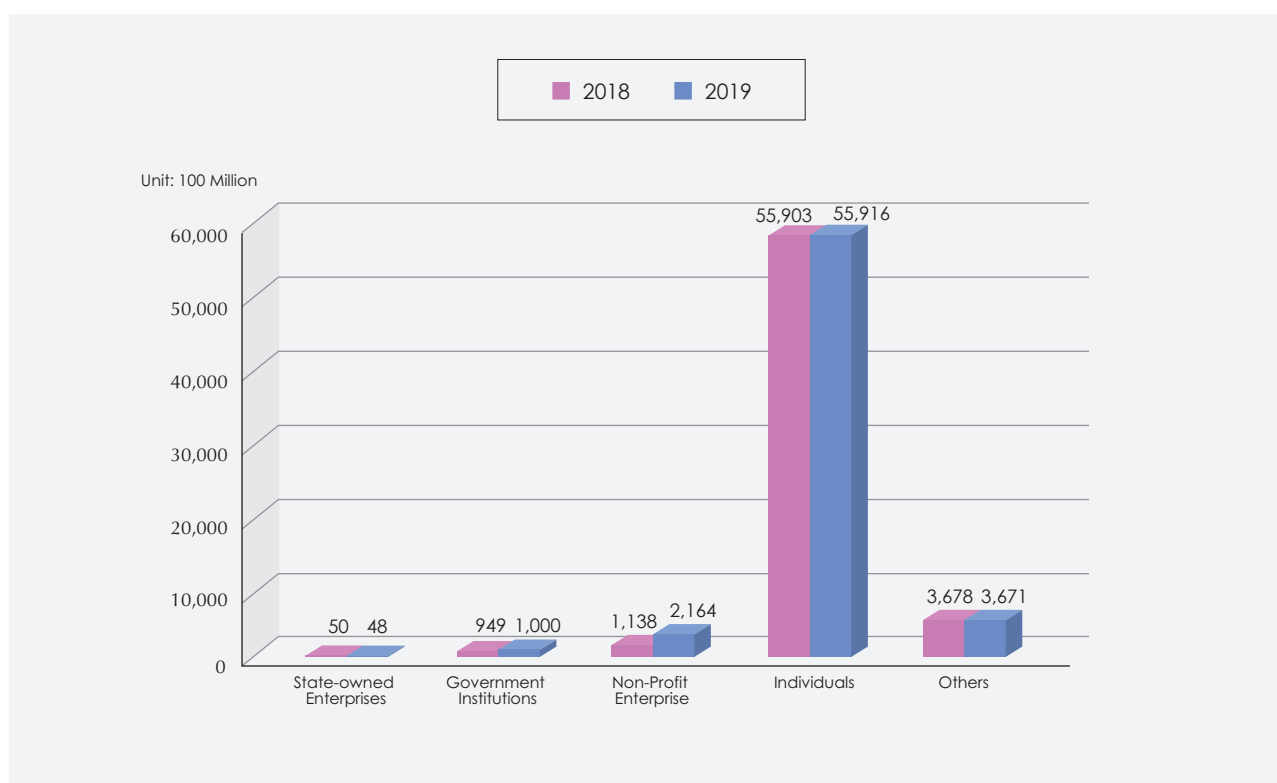
(8) To make it more convenient for remittances, the Company continuously increases the number of handling branches providing inter-bank remittances. By the end of 2019, there have been 1,259 branches providing the service.

Volume of Postal Savings Services

Unit: NT\$ Million

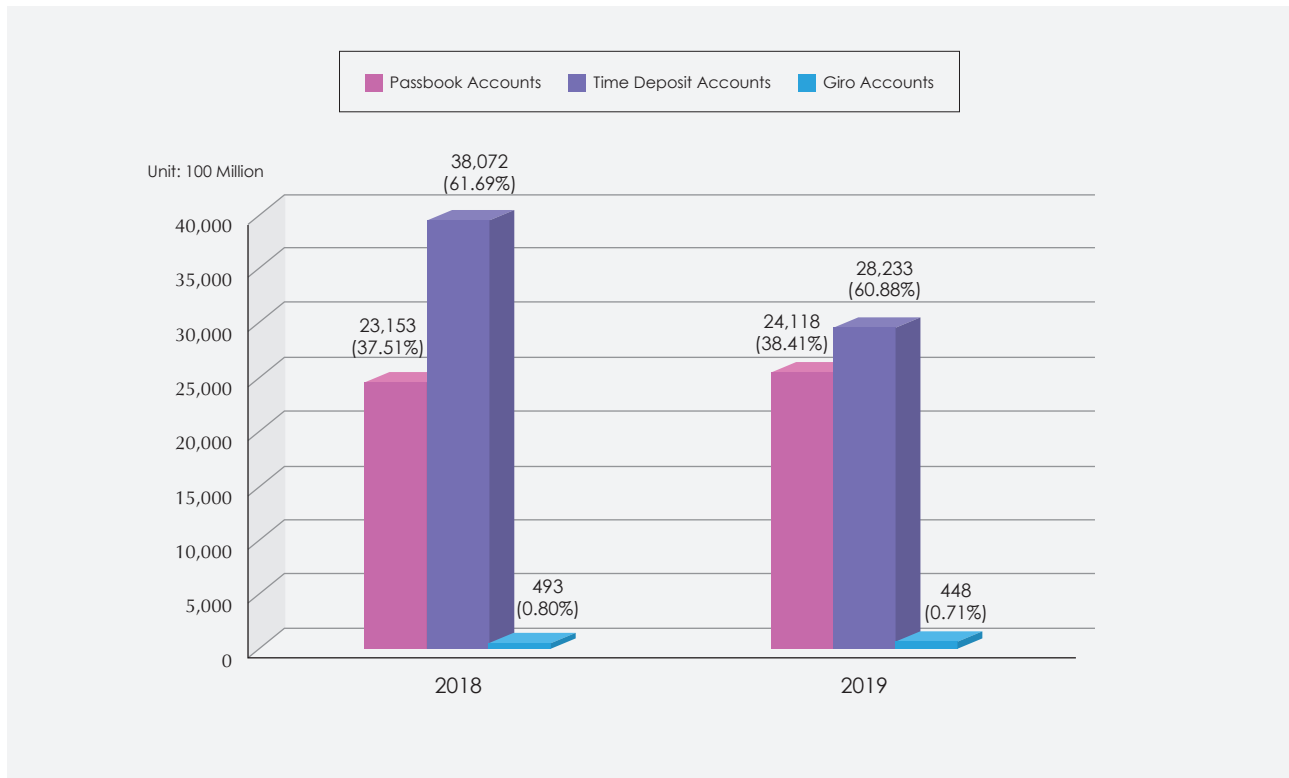
Type	Number of Deposits		Number of Withdrawals		Number of Accounts		Total Balance	
	2018	2019	2018	2019	2018	2019	2018	2019
Passbook Accounts	273,554,688	282,912,968	394,822,032	409,430,570	28,305,590	28,545,279	2,315,286	2,411,809
Time Deposit Accounts	7,296,380	7,347,454	44,385,426	43,761,000	6,233,876	6,264,117	3,807,196	3,823,355
Giro Accounts	49,048,817	46,220,222	12,350,735	12,976,803	1,584,598	1,574,797	49,277	44,784
Total	329,899,885	336,480,644	451,558,193	466,168,373	36,124,064	36,384,193	6,171,759	6,279,948

Savings Accounts Holders, 2018 and 2019

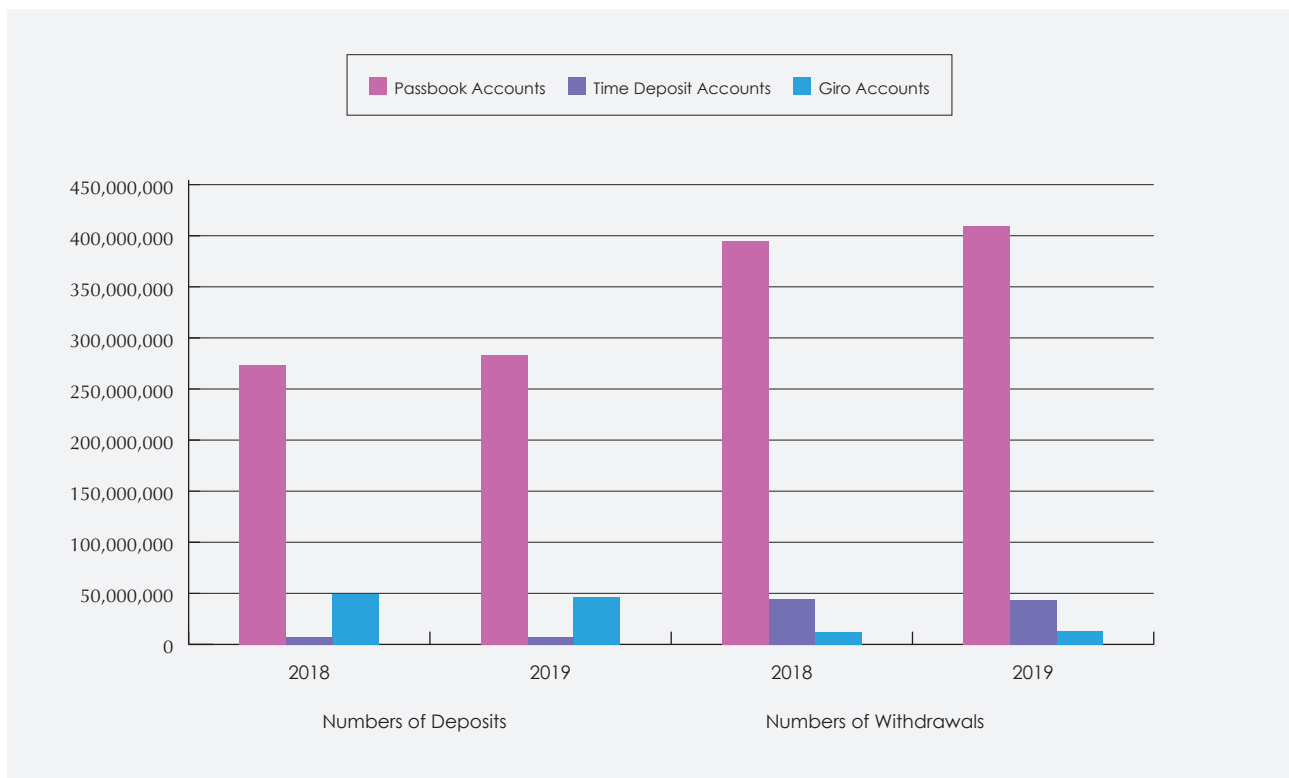




Comparison Chart of Postal Savings Services, 2018 and 2019

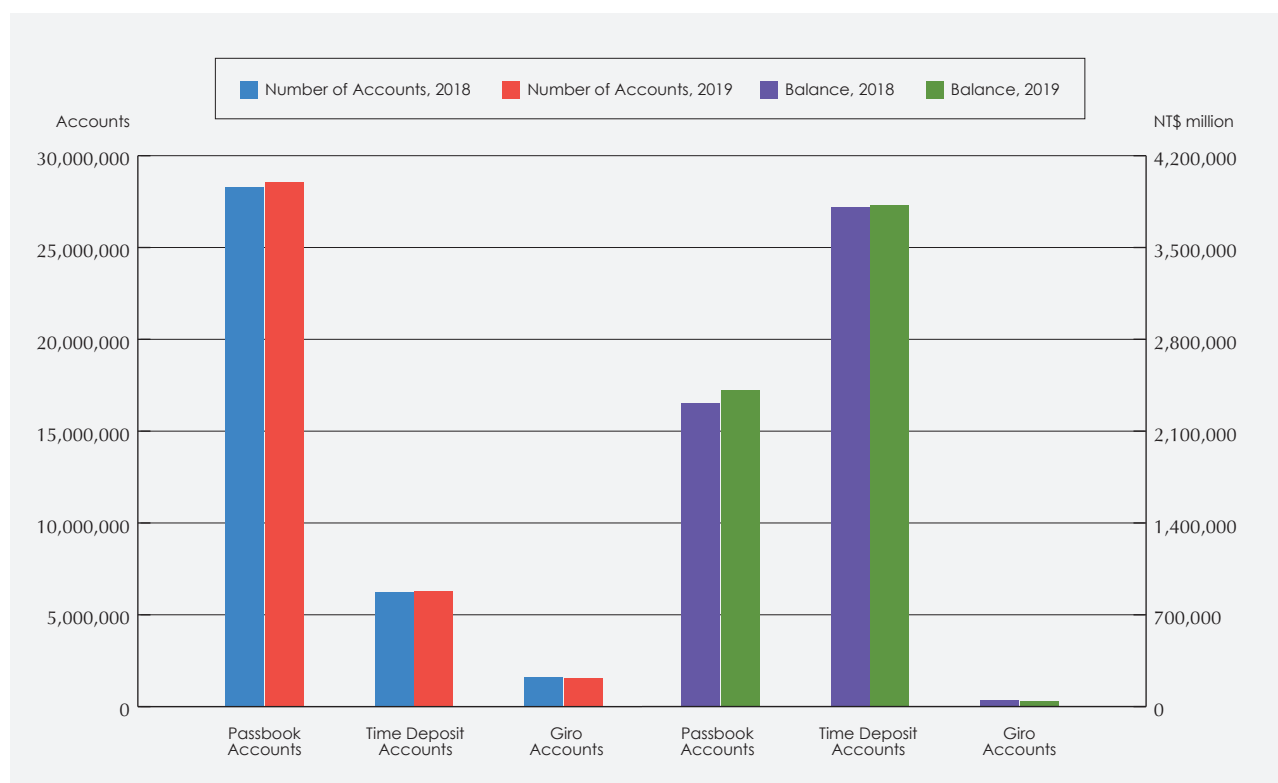


Numbers of Deposits and Withdrawals of Various Types of Accounts, 2018 and 2019





Numbers of Accounts and Balances of Various Types of Accounts, 2018 and 2019



(III) Remittance Services – Connect our clients to the world

Chunghwa Post's convenient and efficient remittance services, which are provided through a nationwide remittance network, play a significant role in stimulating the flow of funds and the financial market in Taiwan. For domestic remittances, we currently accept postal money orders, remittances between postal passbook accounts, fax money orders, postal gift coupons, as well as remittances between Chunghwa Post and commercial banks. As for the international sector, we handle international postal money orders, outward/inward international remittances, as well as the exchange of foreign currencies and travelers' checks in US dollars. By the end of 2019, the number of branches which provide international remittance services, including the trading of foreign currency, had reached 251, and the Taoyuan International Airport as well as 28 scenic areas/regional branches had been appointed to undertake the exchange of foreign currencies and the trading of US dollar travelers' checks.

In 2019, funds remitted through Chunghwa Post amounted to NT\$ 1,641.1 billion, down 4.43% compared with 2018, while money orders totaled more than 16,170,000, down 4.24% compared with 2018.

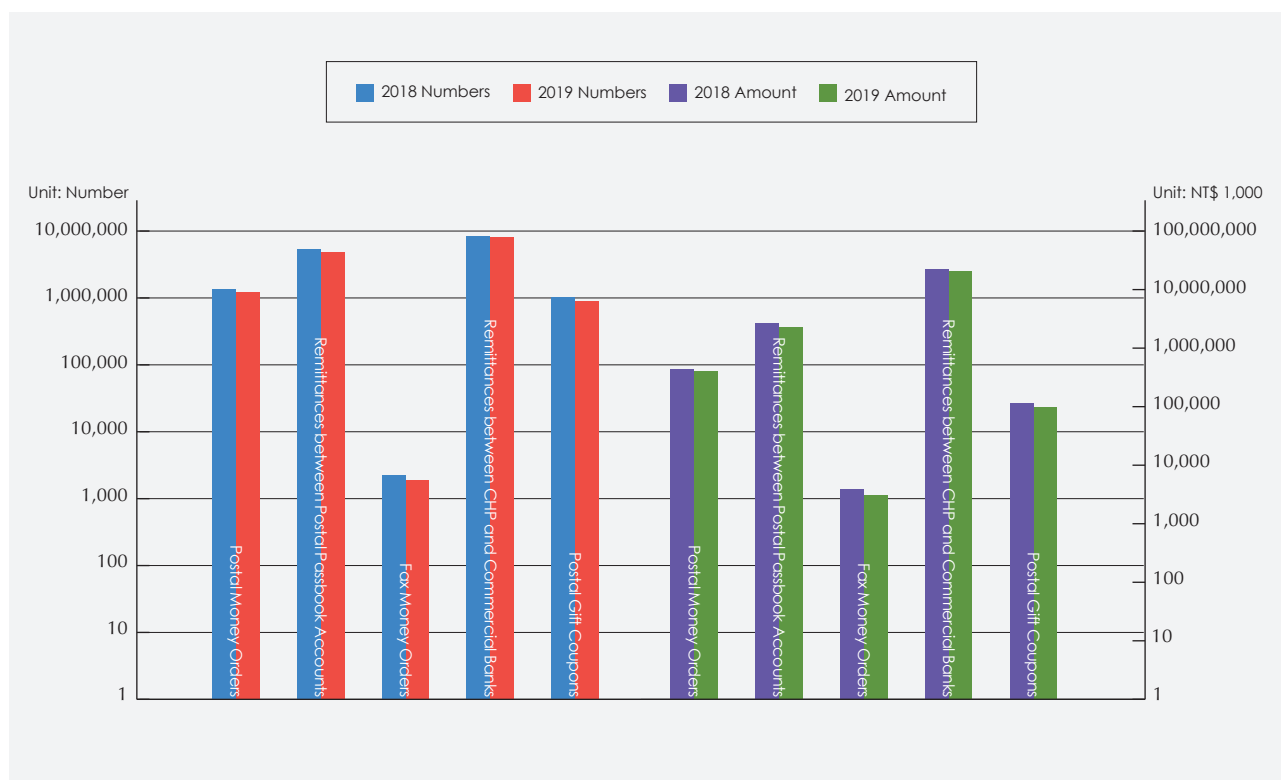


Volume of Remittance Services

Unit: NT\$ 1,000

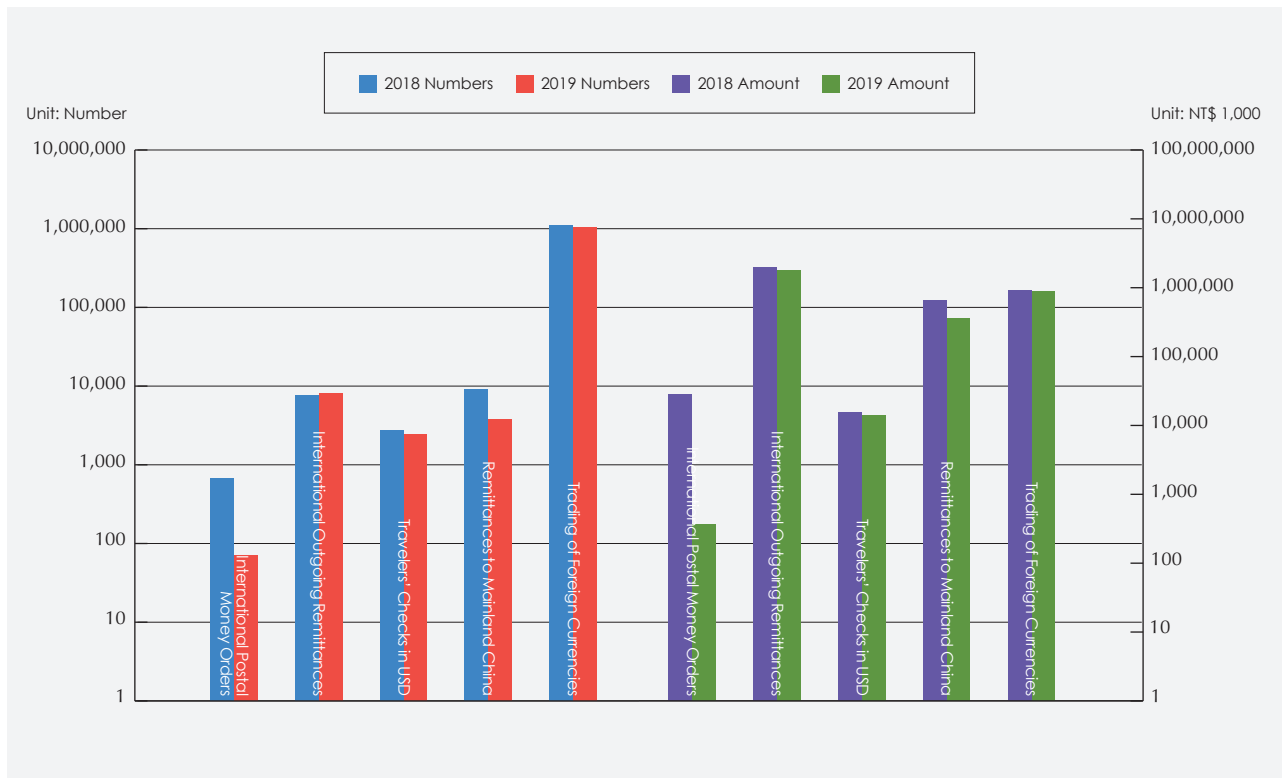
Type	Number		Amount	
	2018	2019	2018	2019
Postal Money Orders	1,266,068	1,221,697	11,172,537	10,637,170
Remittances between Postal Passbook Accounts	5,030,957	4,820,140	110,142,171	92,655,285
Fax Money Orders	2,196	1,843	26,258	22,568
Remittances between CHP and Commercial Banks	8,465,447	8,232,171	1,590,144,842	1,532,926,555
Postal Gift Coupons	995,842	841,628	2,142,643	1,842,500
International Postal Money Orders	689	71	29,482	373
International Outgoing Remittances	8,002	8,088	1,935,346	1,812,718
Travelers' Checks in USD	2,816	2,440	15,581	14,747
Remittances to Mainland China	8,947	3,954	702,031	349,462
Trading of Foreign Currencies	1,108,570	1,041,754	977,544	925,846
Total	16,889,534	16,173,786	1,717,288,435	1,641,187,224

Volume of Domestic Remittance Services, 2018 and 2019





Volume of International Remittance Services, 2018 and 2019



(IV) Postal Simple Life Insurance – The best safeguard

The Postal Simple Life Insurance is aimed at guaranteeing our nationals' basic economic security and improving the wellbeing of the society. The ubiquitous presence of postal agencies all over the country has made taking out the postal insurance policy an easy task. In addition, as no health checkup is required from the insured, and the application procedure is fairly simple, the Postal Simple Life Insurance has won the public's favor and trust.

When the Postal Simple Life Insurance was first introduced back in 1935, the then Nationalist Government expected it to be an extensively promoted service that is non-profit because it is specially administered by the government, simple and secure because it is exclusively managed by postal agencies, protective and carefree because it provides a safeguard against worrying about family financial conditions and life after retirement. This means the Postal Simple Life Insurance carries a specific significance in benefiting the general public and a policy-related mission to improve social welfare. Therefore, we at Chunghwa Post regard “ 裨益民生 ”, which means “enhance the wellbeing of the general public”, as the principle of providing the Postal Simple Life Insurance, hoping that this service will help protect our social security and contribute to a sound social security net in Taiwan.

Ever since the Directorate General of Posts was corporatized to become Chunghwa Post in 2003, we have been striving to create a favorable business environment, make full use of information technology, diversify our products, and provide a comprehensive array of services so as to satisfy customers' needs. In the future, we will continue to recruit and train professionals, hoping to win the confidence of all Taiwanese people by offering quality insurance programs that reflect our emphasis on honest, reliable, and customer-oriented services.



1. Characteristics of Postal Simple Life Insurance

(1) Types of products

The Postal Simple Life Insurance comprises pure endowment insurance, insurance against death, and endowment, as well as health insurance and accident insurance which may be provided as a rider. All nationals of the Republic of China are eligible to be insured.

(2) No health checkup required

Health checkups are not required for persons who are insured with the Postal Simple Life Insurance. However, in order to facilitate the insurer's underwriting process, the insured and the proposer shall respond with complete honesty to the questions on the insurance application form.

(3) Insured amount

No insured individual, regardless of how many policies he/she holds, is allowed to be insured for more than NT\$6 million in total.

(4) Premium payment

Unless otherwise specified, premium payments can be made on either a yearly, semi-yearly, quarterly, or monthly basis. The subsequent installments have to be transferred from the postal passbooks or giro accounts, a way of payment that trims 1% off the original transfer fees.

2. New insurance products introduced in 2019

(1) The "Postal Simple Life Insurance—Rich and Beautiful Life Increasing Endowment" was launched on March 20, 2019.

- Age eligibility: 1 to 25 (6-year premium paying term); 1 to 20 (10-year premium paying term)
- The premium paying terms are 6 years or 10 years. Clients will receive living premium within the period of insurance and a maturity premium when the term expires.
- The minimum sum insured is NT\$100,000 and the maximum sum insured is NT\$1,000,000.

(2) The "Postal Simple Life Insurance—Energy 369 Interest Sensitive Insurance" was launched on June 17, 2019.

- Age eligibility: 16 to 60.
- The premium paying term is 10 years. Clients will receive living premium at the end of the third, the sixth, and the ninth year of the period of insurance and a maturity premium when the term expires.
- The minimum sum insured is NT\$100,000 and the maximum sum insured is NT\$2,000,000.

3. New policies

In 2019, newly-issued Postal Life Insurance policies totaled 251,780, up 10.17% compared with 2018; the sum insured registered a 13.57% year-on-year increase, reaching NT\$62.06005 billion; and the first-year premium income generated therefrom increased by 4.91% to NT\$17.74389 billion when compared with the previous year.



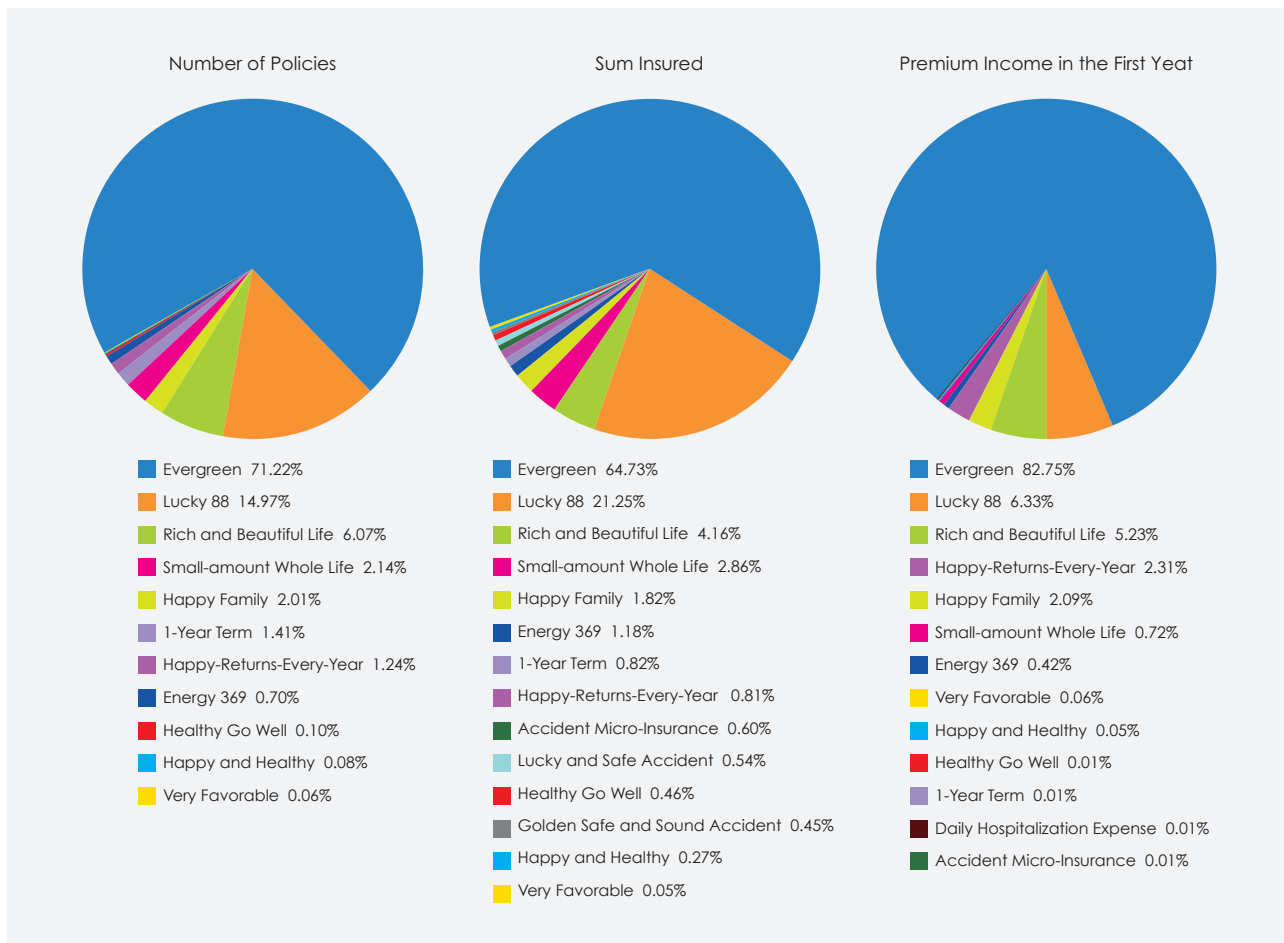
New Policies by Type

Unit of Sum Insured and Premium: NT\$1,000

Type		Number of Policies	%	Sum insured	%	Premium Income in the First Year	%
Total		251,780	100.00	62,060,045	100.00	17,743,891	100.00
Endowment	Evergreen Increasing Endowment	179,312	71.22	40,174,398	64.73	14,682,268	82.75
	Lucky 88 Endowment	37,689	14.97	13,190,152	21.25	1,123,903	6.33
	Rich and Beautiful Life Increasing Endowment	15,280	6.07	2,581,580	4.16	927,820	5.23
	Happy Family Increasing Endowment	5,065	2.01	1,126,630	1.82	371,114	2.09
	Happy>Returns-Every-Year Endowment	3,124	1.24	502,930	0.81	410,532	2.31
	Energy 369 Interest Sensitive Insurance	1,777	0.70	733,960	1.18	74,203	0.42
Insurance Against Death	Small-Amount Whole Life Insurance	5,386	2.14	1,773,283	2.86	128,171	0.72
	1-Year Term Insurance	3,548	1.41	510,290	0.82	2,058	0.01
	Healthy Go Well Term Insurance	252	0.10	288,490	0.46	1,393	0.01
	Happy and Healthy Whole Life Insurance	202	0.08	164,940	0.27	8,689	0.05
	Very Favorable Increasing Whole Life Insurance	145	0.06	31,120	0.05	10,629	0.06
Accident Insurance	Accident Micro-Insurance Rider	1,029		373,170	0.60	1,063	0.01
	Lucky and Safe Accident Insurance Rider	838		332,040	0.54	296	0.00
	Golden Safe and Sound Accident Insurance Rider	596		276,440	0.45	309	0.00
Health	Daily Hospitalization Expense Insurance Rider	536		622	0.00	1,443	0.01

Note: Accident Insurance and Health Insurance are sold as a rider and therefore not included in the total number of policies.

Percentage Distribution of New Policies by Type





4. Policies in force

In 2019, the number of in-force postal life insurance policies were 2,269,987, the sum insured amounted to NT\$ 765.46055 billion, and the premium income was NT\$127.79401 billion.

In-Force Policies by Type

Unit of Sum Insured and Premium Income: NT\$1,000

Type		Number of Policies	%	Sum Insured	%	Premium Income	%
Total		2,269,987	100.00	765,460,551	100.00	127,794,006	100.00
Endowment	Evergreen Increasing Endowment	844,487	37.20	187,031,861	24.44	70,995,060	55.55
	Lucky 6-year-Term Endowment	572,072	25.20	212,693,784	27.79	35,663,119	27.91
	Stable Family Refundable Whole Life Endowment	165,110	7.27	60,402,704	7.89	90,707	0.07
	Happy Family Increasing Endowment	70,841	3.12	15,778,351	2.06	3,923,563	3.07
	Beautiful Life Interest-Sensitive Insurance	65,688	2.90	37,076,083	4.84	3,381,038	2.65
	Others	334,835	14.75	112,829,124	14.74	12,211,440	9.55
Insurance Against Death	Safe and Peace Whole Life Insurance	83,936	3.70	56,322,047	7.36	106,046	0.08
	Safe and Smooth Double-Indemnity Whole Life Insurance	16,946	0.75	8,819,172	1.15	75,508	0.06
	1-Year Term Insurance	13,999	0.62	2,081,100	0.27	5,034	0.00
	Small-amount Whole Life Insurance	13,476	0.59	4,061,124	0.53	274,163	0.22
	Happy and Healthy Whole Life Insurance	12,797	0.57	7,868,156	1.03	419,603	0.33
	Others	75,800	3.33	49,915,948	6.52	622,371	0.49
Accident Insurance	Lucky and Safe Accident Insurance Rider	15,458		6,828,454	0.89	6,468	0.01
	Accident Micro-Insurance Rider	6,237		1,917,840	0.25	1,063	0.00
	Golden Safe and Sound Accident Insurance Rider	4,011		1,829,385	0.24	2,292	0.00
Health Insurance	Daily Hospitalization Expense Insurance Rider	4,374		5,418	0.00	16,531	0.01

Note: Accident Insurance and Health Insurance are sold as a rider and therefore not included in the total number of policies.

5. Benefit payment

(1) Payment on maturity

In 2019, a total of 241,778 payments were made on maturity, and the sum insured was NT\$92.74975 billion.

(2) Payment to claims

The year of 2019 saw 6,549 payments to claims, and the sum insured was NT\$2.51991 billion.

(3) Surrender value

The year of 2019 saw 33,791 cases of surrender, and the sum insured was NT\$8.89262 billion.

6. Policy loans

Under the circumstances where a policyholder has paid for the premiums of a still-in-force policy for no less than one (1) year, he/she may apply for a loan no greater than the non-forfeiture value of the policy as a way to fulfill his/her financial needs. The application procedure is simple and easy. In addition to consulting counters personally, policyholders can also make use of Chunghwa Post's ATMs and the postal WebATM to apply for loans in a more convenient and efficient manner.

The year of 2019 saw 107,457 cases of policy loans, and the loan balance was NT\$14.47799 billion.

7. Secured mortgage loans

Starting to be offered in 1997, Chunghwa Post's secured mortgage loans are not only available to policyholders of the Postal Simple Life Insurance but all applicants who meet the loan requirements as well. The loan service can be accessed all over the territory of Taiwan, except for the Matsu Islands, at



the 19 branches undertaking mortgage loan-related services or the 202 branches collecting required documents.

In 2019, the number of secured mortgage loans issued by Chunghwa Post totaled 13,605, and the loan balance was NT\$31.26930 billion.

(V) Philately – Educational and Entertaining

Philately is among the key business activities operated by Chunghwa Post. In order to provide better services for philatelic customers, promote philatelic culture, and fulfill corporate social responsibilities, Chunghwa Post encourages all of its branches to vigorously expand philatelic business, which generated a revenue of NT\$ 550.99 million in 2019. The philatelic business activities include:

1. Issuing new postage stamps and philatelic accessories

(1) A total of 18 sets of postage stamps were issued in 2019, including 2 set of commemorative stamps, 14 sets of special stamps and 2 sets of definitive stamps. Among them, the 100th Anniversary of the Presidential Office Building Commemorative Issue is a se-tenant strip of three stamps that features the key visual characteristics of the 100th Anniversary of the Presidential Office Building, which includes red bricks, an arcing curve, and an arrow, alluding to the connection between past, present, and future. The combination of patterns and lines symbolizes the legacy passed down through generations and the forward-looking spirit. The Calligraphy Postage Stamps – “Poetry of Hanshan and Recluse Pang” by Huang Ting-chien, Sung Dynasty is a se-tenant strip of four stamps, fully showcasing the elegance and generosity of calligraphy. The set of Jade Articles from the National Palace Museum Postage Stamps is definitive stamps that consist of two self-adhesive stamps, which are easy to use, with the denominations of NT\$8 and NT\$28 in a sheetlet of 50 pieces respectively. The Ancient Chinese Art Treasures Postage Stamps — Blue and White Porcelain (Issue of 2019) adopts the partly embossed printing technique. There is also a pair of souvenir sheets that adds more fun to stamp collecting. The Taiwan Intelligent Transportation Postage Stamps displays with creative themes the achievement of Taiwan's intelligent transportation in the past 20 years. The Sports Postage Stamps (Issue of 2019) comprises a se-tenant block of four stamps, on which there are baseball bats and balls in the gutter between the upper and lower stamps in the block. Moreover, there is also a limited edition, one exclusive sheet of four stamps, printed with serial number that is truly worth collecting. The New Year's Greeting Postage Stamps (Issue of 2019) resembles wood-block prints. The clean lines of the graphic design evoke the vitality of the Year of the Rat. Additional issues include 1 model of stamp yearbook (one in hardback and the other in loose leaf), 1 model of postage stamp catalogue, 5 models of stamp folio, 1 models of stamp pictorial, 9 models of maximum cards, 1 style of commemorative envelope, and 1 model of press sheet of New Year's Greeting Postage Stamps (Issue of 2019). Furthermore, in line with business demands, Chunghwa Post also released 2 models (vertical and horizontal designs) of domestic postal cards, festival postal cards (Mother's Day, Father's Day, Teacher's Day, and Christmas), 2 models of the Money Rat New Year Card, horizontal envelopes for domestic prompt delivery mail, and vertical/ horizontal envelopes for domestic ordinary/registered mail, 3 sets of postage labels, and 1 set of two New Year's Greeting postal cards.

(2) Issuing philatelic accessories

In our quest for diversified product development and growth in philately business, Chunghwa Post launched 16 types (26 designs) of philatelic products in 2019, including Mailbox Wooden Cell Phone Amplifier, Carrier Pigeon Cell Phone Holder, Convenience Box Desk Organizer, Passbook Spiral Notebook and Postage Stamp Ruler, Postage Stamp Ruler, Card (6 individual designs and 1 Set), 100th Anniversary of the Presidential Office Building Commemorative Issue and Framed Art, Foldable Shopping Bag (3 designs), Foldable Travel Bag (2 designs), Postman Figure Combo Kit (Issue of 2019),



The Large Dragon Stamp Fine Gold Ingot, The Money Rat Fine Gold Ingot, The Money Rat Fine Silver Ingot (2 designs), The Money Rat Fine Silver Ingot Premium Edition, The Money Rat High Relief Copper Medal, and The Money Rat Premium Collection. Additionally, Chunghwa Post authorizes its branches nationwide to design and sell a total of 112 types of philatelic products.

2. Organizing sales promotions to expand philately business

(1) Stamp Yearbook Issue of 2018 Sales Promotion

The sales promotion lasted from January 4 to May 31 in 2019. During this period, any customer who bought a 2018-issued Stamp Yearbook (either hardback or loose leaf) was rewarded with a scratch-and-win card, with 29,421 prizes given away, including OSIM Massage Chair, Apple MacBook Air, 3M Air Purifier-Humidifier, ASUS tablets, and several philatelic accessories.

(2) 2019 Stamp Beauty Pageant

The public was able to vote for the most beautiful stamps via postal card, website, mobile phone, Facebook Fan Page, and Line On Air from February 18 to March 22, 2019. A total of 648,769 votes were casted, with the top three winners being the Jiemei (Sister) Lakes of the Alpine Lakes of Taiwan Postage Stamps (III), the *Clavularia viridis* of the Corals of Taiwan Postage Stamps (Issue of 2018), and the Songluo Lake of the Alpine Lakes of Taiwan Postage Stamps (III).

3. Philately promotion events

(1) Holding the issuing ceremony of the 100th Anniversary of the Presidential Office Building Commemorative Issue

Launched on April 2, 2019, the 100th Anniversary of the Presidential Office Building Commemorative Issue consists of a se-tenant strip of three stamps and a souvenir sheet. On the same day, the issuing ceremony was held at the south garden of the Presidential Office Building to promote the new issue and allow the public to further understand the century-old architecture. Distinguished guests attending the event included Chunghwa Post former chairman Wei Chien-Hung, Secretary-General to the President Chen Chu, Vice Premier Chen Chi-Mai, Minister of Transportation and Communications Lin Chia-lung, Vice President of the General Association of Chinese Culture Chiang Chun-Nan, Presidential Office Third Bureau Director Li Nan-Yang, and Chinese Taipei Philatelic Federation chairman Chen Yu-An. A memory lane set up at the ceremony displayed the paizas of the Ministry of Posts and Communications in Qing dynasty, a copy of the Qing dynasty letter pillar-box, uniforms of mail carriers in the early years of the Republic of China, a copy of the tilted mailbox, Presidential Office Building stamps issued in the past, and award-winning collections from Philatelic Classrooms. In addition, there were philatelic tours and Writing Future Mail activities. Philatelists were in for a great treat since a temporary post office was set up on the ground floor of the Presidential Office Building, where people could send mails and collect cancellations.

(2) Organizing the 2019 Chunghwa Post Creative Stamp Design Competition

In order to educate the public about philately and provide a stage where they can unleash their creativity, the 2019 Chunghwa Post Creative Stamp Design Competition was organized. Entries were taken from May 29 to August 28, 2019. The public could vote for the five "Most Popular Stamps" on the event website from September 16 to 23, the award ceremony of which was held at the Postal Museum on October 30, 2019. The competition was divided into the Student Group and the Adult Group and a total of 642 entries were received. There were 26 prizes given out, including one Gold, one Silver, one Bronze, five Merit Awards, and five Honorable Mentions in each group, as well as the five "Most Popular Stamps." The total prize money amounted to NT\$ 300,000.

(3) Holding the issuing ceremony of the Taiwan Scenery Postage Stamps - Yilan County

Launched on July 16, 2019, the Taiwan Scenery Postage Stamps - Yilan County consists of a set of four stamps. On the same weekend, the issuing ceremony and the 123 Anniversary Party of Changhua



Post was held at the Tiu-tiu Tâng Forest in Yilan. At the ceremony, a temporary post office was set up for people to buy special philatelic products and collect souvenir cancellations. Moreover, in order to promote philately in a local fashion, the Philatelic Classrooms from Gongguan Elementary School and Sanmin Elementary School, as well as the Philately Club from Yilan Commercial Vocational High School were invited to present their fascinating works. In addition, there was a Farmer's Market where specialties from Yilan, such as tea, oval kumquats, rice, and fruits, were sold by nonprofit organizations. Last but not least, the limited Father's Day postal cards were offered at the ceremony for people to write down and send out their love.

(4) Hosting the "Taipei Night" event of the Singpex 2019 36th Asian International Stamp Exhibition

In order to promote TAIPEI 2020 38th Asian International Stamp Exhibition and invite philatelists from all over the world to visit Taiwan and participate in the event, President Chiang of Chunghwa Post led a delegation to join the Singpex 2019 36th Asian International Stamp Exhibition and set up a stand to exchange with philatelic societies, stamp dealers, and philatelists across the globe. In addition, to invite interested parties to attend the Taipei 2020 38th Asian International Stamp Exhibition, a "Taipei Night" banquet was organized at 7 p.m. of Aug 1 at Conrad Centennial Singapore. Nearly 300 distinguished guests from the Taipei Representative Office in Singapore, the Singapore Post Limited, the Fédération Internationale de Philatélie (FIP), and the Federation of Inter-Asian Philately (FIAP) joined the event, which successfully secured 17 dealers to set up 21 stands in the 2020 event.

(5) Holding the ROCUPEX 2019 Taipei & R.O.C.-Thailand Stamp Exhibition

In order to promote international exchange in philately, the ROCUPEX 2019 Taipei & R.O.C.-Thailand Stamp Exhibition was jointly held by the Taipei Post Office, the Chinese Taipei Thematic Society, the Chinese Taipei Philatelic Society, and the Philatelic Association of Thailand at the Postal Museum from September 6 to 10, 2019. The philatelic societies under the Chinese Taipei Philatelic Federation were the co-organizers of the event, which was supervised by Changhua Post and the Chinese Taipei Philatelic Federation. The exhibits included 100 precious stamp collections from Thailand and 250 competitive and non-competitive collections from Taiwan. To commemorate the occasion, Changhua Post launched the Formosan Serow Postage Label and its maximum card on the opening day, which were great collections for philatelists to acquire. During the period of the exhibition, Taipei post offices set up four pop-up post offices and four postage label vending machines on site to serve the customers. In addition, Stamp Exhibition postage labels and stamp folios, stamp collections, the Personal Greeting Stamps – Classic Artifacts from the National Palace Museum, and postcard sets were also available. There was also a series of brilliant activities including philatelic lectures, Philatelic Classrooms, and exhibition and collection tours.

(6) Holding the issuing ceremony of the Taiwan Intelligent Transportation Postage Stamps

The Taiwan Intelligent Transportation Postage Stamps, which consists of a set of four stamps and one souvenir sheet, was launched on September 25, 2019 to promote Taiwan's achievements in developing intelligent transportation and educate the public about intelligent transportation. On the same day, the issuing ceremony was held at the ground-floor hall of the building of the Ministry of Transportation and Communications. Philatelists were in for a great treat since a temporary post office was set up at Taipei Renhang Post Office, where stamp items and limited edition commemorative cards for issuing ceremony were available. Furthermore, cancellation service was also provided at site.

(7) Holding the issuing ceremony of the Sports Postage Stamps (Issue of 2019)

To help promote sports activities and commemorate Taiwan being the host of the Group B games of the 2019 WBSC Premier12, the baseball-themed Sports Postage Stamps (Issue of 2019), a set of four stamps, was launched on November 1, 2019. On the same day, the issuing ceremony was held at 2 p.m. at the Philately Service Center on the third floor of Taichung Minquan Road Post Office to kick off the 2019 WBSC Premier12. The ceremony was attended by Changhua Post chairman of the board



Wu Hong-mo, Head of Technical Committee for WBSC World Baseball Softball Confederation Peter Caliendo, Secretary-general of Chinese Taipei Baseball Association Lin Tsung-cheng, Taichung City Sports Bureau Director Li Yu-jui, the Fubon Guardians players Chiang Chih-hsien and Chang Cheng-wei, and other distinguished guests. Taichung post offices also set up a temporary post office at the ceremony from 9 a.m. to 4 p.m. on the day for visitors to purchase stamp items, limited-edition commemorative cards for issuing ceremony, stamp folios, and limited-edition convenient boxes. Furthermore, cancellation service was also provided at site.

(8) Sponsoring philatelic societies to participate in philatelic events at home and abroad

- i. Subsidizing the 2019 annual membership fees for the Chinese Taipei Philatelic Federation to join the FIP and FIAP.
- ii. Subsidizing delegates of the Chinese Taipei Philatelic Federation to attend the general assembly and the conferences held by the Board of Directors of the FIP and FIAP, and to participate in China 2019 World Stamp Exhibition, and the Singpex 2019 36th Asian International Stamp Exhibition.
- iii. Supporting philatelic societies and other groups nationwide to organize philatelic exhibitions and stamp-collection promotions, totaling 71 times.
- iv. Honoring, on the awarding ceremonies of 2019 Postal Day and 2019 National Stamp Exhibition, Ma Lan-mao and other 22 outstanding philatelists who either won awards in international stamp/philatelic exhibitions or made special contributions in the year of 2018, and 3 philatelic societies which organized national stamp exhibitions in 2018. In total, 1 plaque and 33 medals were awarded, and an amount of NT\$820,000 was given away.

(9) Organizing various youth-oriented philatelic events:

- i. Holding 2019 Family Camp, attracting 1,486 philately fans.
- ii. Establishing a total of 195 Philatelic Classrooms in schools nationwide in 2019, recruiting 4,707 members.
- iii. Supporting senior high and vocational schools as well as universities, colleges and junior colleges to start philatelic clubs, of which 39 have been established so far.

(10) Organizing exhibitions and activities at the Postal Museum

The Postal Museum was established for collecting, preserving, displaying and conducting researches on postal artifacts, so as to carry on postal missions, promote postal culture, and provide the public with a recreational place to learn about postal business and appreciate the beauty of stamps. In the year of 2019, 11 stamp exhibitions and special exhibitions, 12 philatelic lectures, and 2 community activities were held at the Postal Museum, attracting a total of 132,609 visitors. Stamp sales and site renting generated a revenue of NT\$5,997,146.

i. Holding stamp exhibitions and special exhibitions to promote philately and aesthetics

Chunghwa Post cooperated with other museums, the industry, and philatelic societies to organize a wide array of great exhibitions at the main museum and its branches.

Six exhibitions held at the main museum included "Bills, coins, and stamps special exhibition," 2019 The Year of the Pig zodiac stamps from around the world, "Postal art exhibition and 2019 Chinese culture philately seminar," "The beautiful world of stamps," "Happy at 99—senior stamp exhibition," and "Money Rat—zodiac stamps special exhibition."

Five exhibitions held at the branches of the museum included Valentine's Day Stamps Exhibition, "Stamps about the East—story stamps special exhibition," Once Upon a Time... fairy tale stamps special exhibition, "The Mystic Sky—fantastic starry sky stamps special exhibition," and "New Year Fortune—festive stamps special exhibition."

ii. Organizing philatelic lectures to encourage philately

To promote philatelic exchange and educate philatelists, the Postal Museum has cooperated with the Chinese Taipei Philatelic Federation to hold stamp monthly lectures on every third Saturday.



Philatelic experts are invited to introduce stamp collections and pass down their knowledge, as well as to share the joy of philately. Every lecture draws a crowd of enthusiastic philatelists.

iii. Participating in community activities to enhance corporate image

To implement the corporate philosophy of "caring about the community and giving back to the society," Chunghwa Post has actively participated in community activities. Chunghwa Post organized charitable activities such as donating books, writing time-travel letters, and puzzle games at "2019-Interesting Journey in Southern Taipei City," held by the General Association of Chinese Culture on April 4 and 5 and 2019 and the "18th Guling Street Books & Creative Bazaar" on December 14 and 15, 2019. It is the hope of Chunghwa Post that the public can understand our good intention.

(VI) Agential Business – Inclusive of Everything

1. In accordance with Paragraph 7 Article 5 of the Postal Act, Chunghwa Post may operate as an agent for other business. At the present, the Company has been commissioned to sell 21 types of merchandise, including revenue stamps, anti-tuberculosis stamps, enrollment guidelines, web account ID and telephone cards, prepaid cards, tickets and accommodation vouchers, DVDs, clothes and ornaments, commemorative coins and gold/silver bars/bricks, beauty products, health products, health drinks (edible oil), wine, rice, 3C appliances, art gifts, coupons, festival gift items, daily supplies, organic foods and books.
2. Chunghwa Post keeps expanding its Postal Mall to integrate postal logistics and distribution business. In the year of 2019, the number of franchise stores reached 2,222 and more than 174,000 items were provided for sale. To develop the Postal Mall into a distinctive E-commerce platform, three online sections have been set up to exclusively promote agricultural products, green products, charitable sales, and Taiwan special farm products to help individual farmers and micro-enterprises expand sales channels.
3. To meet multifaceted investment needs of deposit account clients, Chunghwa Post has designated 1,096 branch offices to sell 131 domestic funds by the end of 2019.
4. The Application Forms of Comprehensive Credit Report and Financial Institution Debtor Listing provided by the Report Joint Credit Information Center can now be collected and verified by branches on all levels.

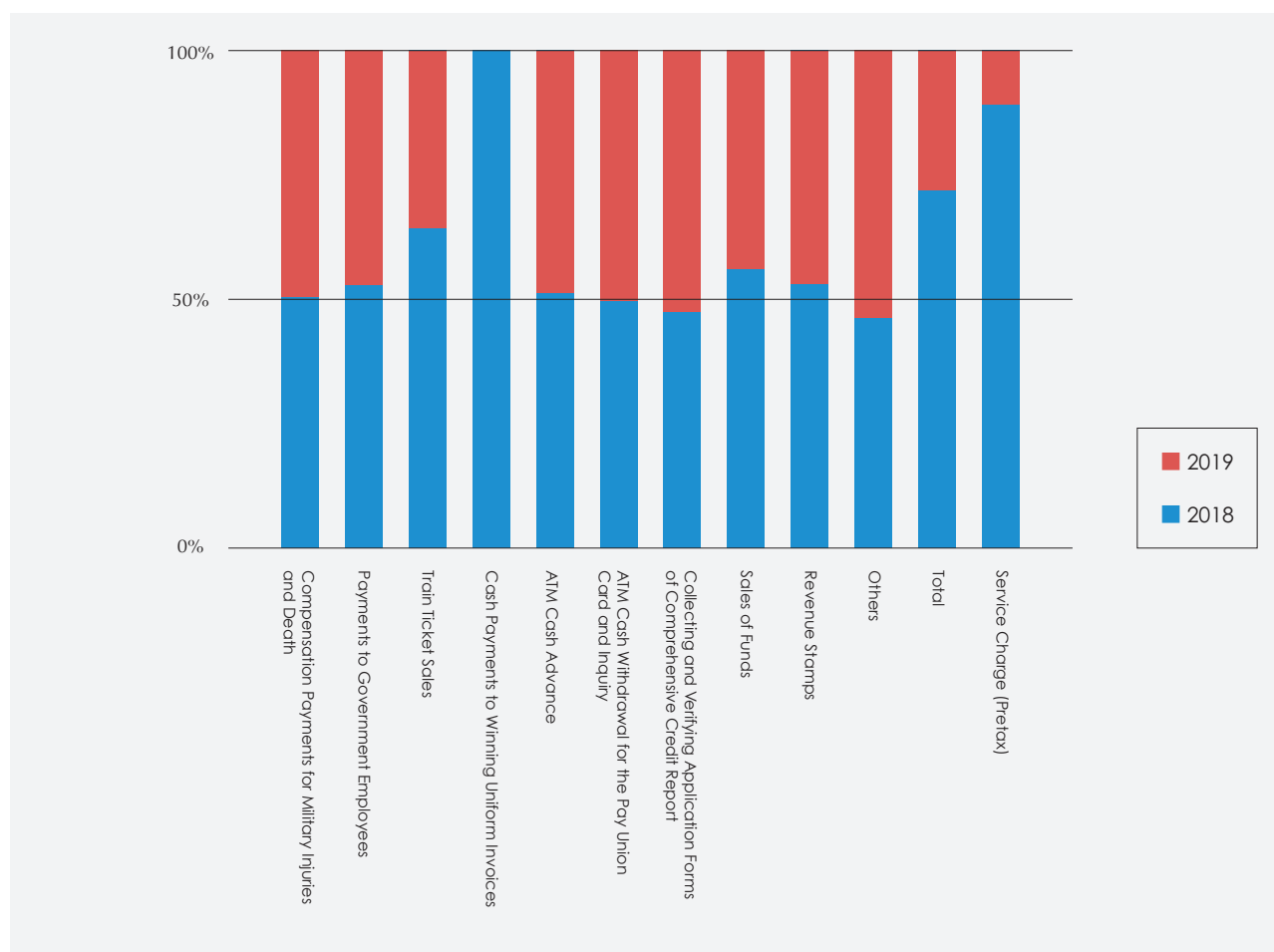
Volume of Agential Business (exclusive of bonds and military honorable discharge pension funds)

Unit: NT\$10,000

Item	2018	2019	Growth %
Compensation Payment for Military Injuries and Death	106,336	105,675	-0.62%
Payments to Government Employees	2,429	2,172	-10.58%
Train Ticket Sales	2,094	1,181	-43.60%
Cash Payments to Winning Uniform Invoices	926,325	0	-100.00%
ATM Cash Advance	37,680	35,722	-5.20%
ATM Cash Withdrawal for the Pay Union Card and Inquiry	307,463	313,393	1.93%
Collecting and Verifying Application Forms of Comprehensive Credit Report	119	133	11.76%
Sales of Funds	49,110	38,421	-21.77%
Revenue Stamps	115,069	101,984	-11.37%
Others	15,253	18,143	18.95%
Total	1,561,878	616,824	-60.51%
Service Charge (Pretax)	55,937	6,609	-88.18%



Comparison Chart of Agential Business, 2018 and 2019



(VII) Asset Management – Asset Activation

Real properties under the management of Chunghwa Post are used to operate businesses such as postal service, savings and remittances services and life insurance. Paragraph 6 of Article 5 of the Postal Act provides that Chunghwa Post may engage in the management of postal assets. Moreover, according to the Plans for Strengthening the Management and Utilization Efficiency of State-owned Assets formulated by the Ministry of Finance, post offices and mail processing centers at all levels, while in compliance with objectives, originally designated purposes or profit-seeking businesses of Chunghwa Post, may properly utilize spare space or provide it to others at a cost after reviewing the actual utilization of real properties registered under their names. Such plans are aimed at increasing revenues, making full use of postal resources and boosting the rate of return on assets.

In order to enhance the utilization efficiency of postal assets, Chunghwa Post managed to better utilize postal real properties and aggressively repurposed spare space in 2019. Details are as follows:

1. Asset lease

(1) The lease of property assets is as follows:

- i. Renting out spare space after review and adjustment of the workspace configuration.
- ii. Renting out business premises for marketing display.
- iii. Allowing mobile communication companies to rent roofs of post offices for base station installation.



- iv. Renting out the interior and outer walls (or space) for posting ads.
- v. Others: renting out meeting rooms, auditoriums, parking lots and the employee training classrooms.
- (2) All post offices and Taipei Mail Processing Center were asked to make an inventory of the actual use of their own real properties. Where there was spare space or any underused property, short-, mid- and long-term use improvement plans had to be proposed to guide the implementation of relevant asset revitalization program.
- (3) Post-tax revenue from rent was NT\$279.83 million in the year of 2019, up NT\$17.45 million or 6.65% compared with NT\$262.38 million generated in 2018.

2. Asset development

Chunghwa Post participated in a number of urban renewal projects:

- (1) Participated in 3 urban renewal projects launched by the private sector.
- (2) Participated in 1 urban renewal projects launched by the government.
- (3) Launched by ourselves 1 urban renewal project.

3. Continuing to demolish and rebuild old post offices to enhance the quality of service and use the space more efficiently

- (1) If the assets of Chunghwa Post (old office buildings or lands having yet to be used) locate in urban areas (that are convenient, well-developed, and densely populated), potentially great locations, or scenic spots, Chunghwa Post is going to rebuild them to enhance the quality of service.
- (2) In response to the change in the type of operation, Chunghwa Post evaluates the business performance and potential for development of post offices of all levels and Taipei Mail Processing Center, and accordingly adjusts the use of space. To utilize the real estate more efficiently, the old office buildings or lands of Chunghwa Post located in residential or business districts are rebuilt into or used for multi-purpose (commercial) buildings.

4. Building a positive corporate image

- (1) Setting up more beautified post offices as examples, which provide bright, comfortable, convenient environments for the public to use the postal service and enhance the service quality. By the end of 2019, 28 exemplary post offices have been set up.
- (2) In line with the sustainable energy policies promoted by the government, Chunghwa Post has installed photovoltaic power generation systems on the roof of post offices. By the end of 2019, 58 systems have been installed, reaching a capacity of 2,087 KW.
- (3) Chunghwa Post provided long-term care institutions with spare post office space to support their development. For example, the third, fourth, and fifth floors of Nangang Post Office were rented out to the integrated long-term care institution of Keelung Hospital under the Ministry of Health and Welfare, and the third floor of Fengyuan Huludun Post Office in Taichung was rented out to the daycare center of Taichung Senior Health Promotion Association.
- (4) Six of the estates of Chunghwa Post were selected by the Ministry of the Interior and local governments to join the public housing scheme.

5. Other measures to activate assets

- (1) Chunghwa Post established a Property Assets Operation Supervision Team and formulated Guidelines for Property Assets Operation Incentives at All Levels of Post Offices (Taipei Mail Processing Center) to orchestrate, arrange and support the activation of property assets owned and managed by post offices/centers at all levels, and to provide incentives accordingly. The supervision team met twice in 2019 to speed up the revitalization and resolve problems arising therefrom.
- (2) Meeting minutes, briefings along with training materials, regulations and reports regarding asset revitalization have been uploaded online, ready to be shared among post offices (centers) at all levels.



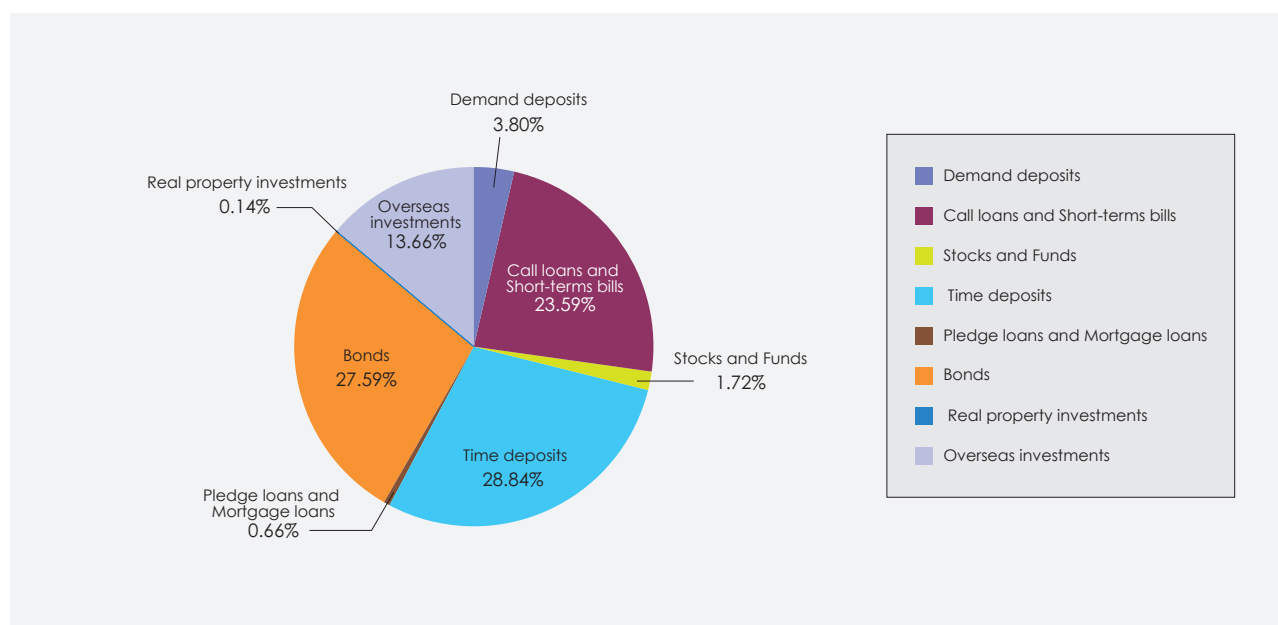
(3) Chunghwa Post provided trainings on property assets utilization on a yearly basis. All levels of post offices (center) performing well in asset revitalization were invited to designate a representative to share their successful stories and experience.

(VIII) Capital Utilization – Supporting state construction programs

Chunghwa Post keeps attracting non-government idle capital, accumulating a steadily growing amount of postal capital, which shall be spent in accordance with Article 18 of the Postal Remittances and Savings Act and Article 27 of the Simple Life Insurance Act. Portions of the capital shall be re-deposited with the Central Bank of the Republic of China (Taiwan) while the remaining may be spent in various ways: deposited with state-owned and private banks, invest abroad, purchase bonds, bills and stocks, provide time deposits and life insurance policy pledge loans and mortgage loans, and invest in real property. In coordination with government policies, Chunghwa Post also provide mid- and long-term capital plans to finance major state construction projects and private investment projects to boost economic development across Taiwan. By the end of 2019, postal capital (savings, remittances and life insurance capital inclusive) put into use has totaled NT\$7,059.1 billion. The capital was distributed as follows:

1. Demand deposits (deposit reserves re-deposited with the Central Bank of the Republic of China, and revolving capital of post offices at all levels inclusive): NT\$268.1 billion, accounting for 3.80% of the total.
2. Time deposits (time savings deposits inclusive): NT\$2,036.1 billion, or 28.84% of the total.
3. Interbank call loans and short-term bills: NT\$1,664.9 billion, or 23.59% of the total.
4. Bonds (government bonds, corporate bonds and financial bonds inclusive): NT\$1,947.4 billion, or 27.59% of the total.
5. Overseas investments: NT\$964.6 billion, or 13.66% of the total.
6. Stocks and funds (outsourced investments inclusive): NT\$121.6 billion, 1.72% of the total.
7. Time deposits and life insurance policy pledge loans and mortgage loans: NT\$46.3 billion, or 0.66% of the total.
8. Real property investments: NT\$10.1 billion, or 0.14% of the total.

Utilization of Postal Capital





By the end of 2019, Chunghwa Post has provided more than NT\$1,612.6 billion postal capital, in coordination with government policies, to finance major state construction projects and private investment projects. Details are as follows:

Project Name	Amount / NT\$100 Million	Remarks
State Construction and Private Investment Projects	9,748	In coordination with the Committee for Planning and Promoting the Utilization of Short- and Long-Term Funding initiated by National Development Council
Small and Medium Enterprises (SME) Consolidation Project Loans	1,339	In coordination with Small and Medium Enterprise Administration of the Ministry of Economic Affairs
First Time Homebuyers Loans	1,057	In coordination with the Construction and Planning Agency, Ministry of the Interior
Manufacturing Industry and SME Project Loans	727	In coordination with the Central Bank of the ROC
First Time Homebuyers Loan for Citizens without Self-Use Residential Property	2,715	Same as above
Home Reconstruction Loans for 921 Quake Victims	515	Same as above
Reconstruction/Repair Loans for Schools, Medical Institutions, Temples and Churches Damaged in 921 Quake	25	Same as above

II. Employee Composition

Year	2018	2019	As of January 20th 2019
Number of Employees	Staff	14,211	14,351
	Laborers	9,957	9,879
	Contract Workers	1,782	1,805
	Total	25,950	26,035
	Average Age	45.8	45.7
Average Seniority	17.9	17.1	17.1
Educational Background (Half-day Workers Counted as Whole)	Doctorates	6	9
	Masters	1,202	1,296
	Bachelors	16,626	17,000
	Senior High School	7,898	7,555
	Junior High School and Below	703	645
Employee Holding Professional Certificates	2,080	3,706	393
2019 Employee Training	1. Training Courses: Launched 1,360 classes on technical skills, computer and lectures on specific topics for new recruits, executives and professionals, with 86,723 recorded attendances. 2. Online Learning: Launched for all employees, having total hours amounting to 895,954.5 hours.		
2019 Volunteering	In 2019, a total of 2,089 volunteers worked for 1,011,347.5 hours in branches and mail processing centers at all levels.		

(I) Budget quota

In accordance with the quota set in budget 2019, Chunghwa Post was allowed to employ a total of 27,496 employees, including 14,800 regular staff, 10,596 regular workers and 2,100 temporary workers.

(II) Outsourcing some of the businesses to private enterprises

To cut salary expense, non-core businesses continued to be outsourced, such as mail transport, mail processing, postal service counters, registered mail claiming and postal agencies.

(III) Workforce structure

As of December 31, 2019, Chunghwa Post has employed a president, a confidential secretary, 10,779



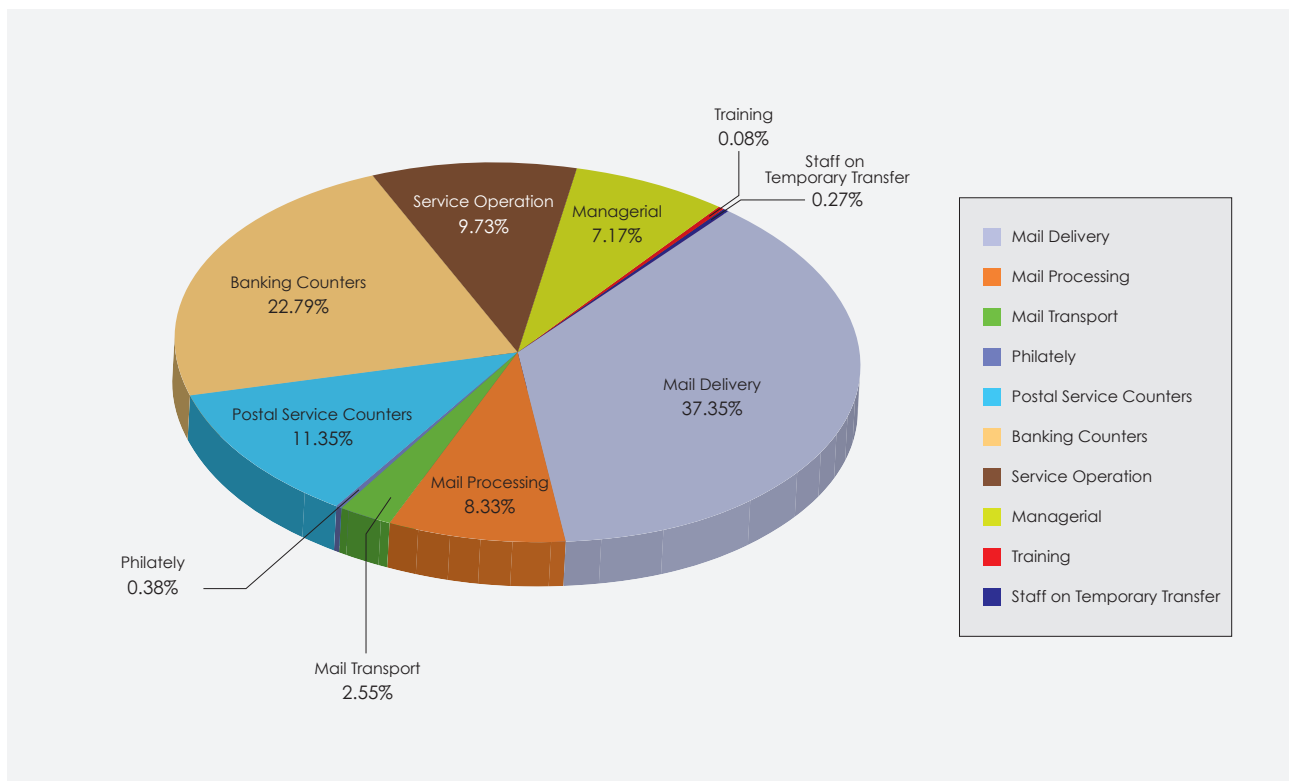
transferred employees, 13,449 staff members and 1,805 contract workers, totaling 26,035 employees. Among them, 24,079 employees (92.49% of the entire workforce) were basic-level clerks, 1,866 employees (7.17%) worked at management level, 22 (0.08%) were training staff, and 68 (0.27%) were staff worked on temporary transfer. Such a workforce structure displays that, compared with a rather small number of managerial positions, a large number of employees work behind counters or at departments handling postal mails.

Employees by Function

December 31st, 2019 Unit: Person

	Total	%	Head Office	Branches at All Levels	Mail Processing Center
Total	26,035	100%	1,712	23,528	795
Total Business Staff	24,079	92.48%	923	22,412	744
Mail Delivery	9,724	37.35%	0	9,724	0
Mail Processing	2,169	8.33%	0	1,670	499
Mail Transport	664	2.55%	14	405	245
Philately	100	0.38%	61	39	0
Postal Service Counters	2,954	11.35%	0	2,954	0
Banking Counters	5,934	22.79%	0	5,934	0
Service Operation	2,534	9.73%	848	1,686	0
Managerial	1,866	7.17%	732	1,084	50
Training	22	0.08%	18	4	0
Staff on Temporary Transfer	68	0.27%	39	28	1

Employees by Function





III. Labor-Management Relations

(I) Employee benefit plans, retirement system and its implementation, as well as labor-management agreements and measures for protecting employees' rights and interest:

1. Employee benefit plans

- (1) Benefits provided by the Company: sports and recreational activities, birthday parties, vacation subsidies and continuing education opportunities.
- (2) Benefits provided by the Company's Employee Welfare Committee: gifts and gift certificates for three major Chinese holidays and the Labor Day, education subsidies for employees' children, mutual assistance in the event of wedding, childbirth and funeral of employees.

2. Retirement system

Depending on employee status (civil servant concurrent with labor status, or only labor status) and employment dates, the following laws and regulations will apply with regard to employees' retirement, severance and consolation payments: Regulations Governing the Retirement of Employees of Postal and Communications Enterprises under the MOTC, Regulations Governing the Retirement of Non-Ranking Current Employees of Chunghwa Post Co., Ltd, Labor Standards Act, Labor Pension Act, Enforcement Guidelines for the Severance of Transferred Employees of Chunghwa Post Co., Ltd, and Directions for Retirement, Consolation Payments and Severance of Regular Employees of Chunghwa Post Co., Ltd. We at Chunghwa Post keep working on providing retirees with proper care.

3. Labor-management agreements

To harmonize labor-management relations, labor-management meetings are held at least once every three months in accordance with Implementing Regulations Governing Labor-Management Meetings and Article 83 of the Labor Standards Act. In order to unite employees and build a cohesive team, both labor and management representatives are elected and designated to attend such meetings in accordance with applicable laws. Additionally, labor-management businesses including employees' salary, welfare, laying off, and pension were all conducting according to regulations.

4. Measures for protecting employees' rights and interests

To clearly regulate rights and obligations of laborers and the management, Chunghwa Post has formulated work rules in accordance with Article 70 of the Labor Standards Act, and made and entered into with its Labor Union a collective agreement, which shall be complied with by the both parties. In addition, a report meeting (an ad-hoc meeting when necessary) is called every year to reconcile the relations between the two parties and to resolve issues relevant to employees' benefits in a proper manner. Where any recommendation is put forward at labor-management meetings, or by the Labor Union or its members, Chunghwa Post has been responding to or processing relevant issues in a timely and proper manner.

(II) Loss resulting from labor disputes in the most recent fiscal year and during the current fiscal year as of the date of printing the annual report, disclosure of an estimated amount of loss incurred to date or likely to be incurred in the future, and mitigation measures: None



IV. IT Facilities

(I) Hardware and software deployment of the IT system

1. The host system of Taipei Main Computer Center

This main computer center is employed with an IBM2828-V04 mainframe computer, which has four central processing units (CPUs) running at a speed of 2.244 billion instructions per second (BIPS), a 176GB memory and a z/OS V2.1 operating system. Based on the needs of the Company and its business systems, the host system of the main computer center handles (1) online and batch operations of savings, remittances and life insurance business requested by 1,298 branch offices throughout the country, (2) accounting and mail services, (3) operation connections with other financial institutions to deal with interbank businesses, and (4) system testing for various businesses.

2. The host system of Taichung Disaster Recovery Center

The backup and disaster recovery center in Taichung is employed with an IBM2817-603 mainframe computer, which has three CPUs running at a speed of 2.13 BIPS, a 128GB memory and a z/OS V2.1 operating system. Based on the needs of the Company and its business systems, the host system of the backup center is divided into various logical partitions corresponding to the mainframe computer of the main center in Taipei, preparing for the activation of the backup system in the event of any disaster so as to sustain the operational capacity of the Company's important systems.

3. The open system

The Company built a three-tiered centralized computing environment for the open system. The front end, equipped with a blade server, deals with input and output network services while the back end, a storage area network (SAN), controls heterogeneous storage and stores databases of various systems, which can enhance the efficiency of managing storage resources, and the middle tier, equipped with a high-end server, integrates various systems to access back-end data. 90 % of the systems in this environment are established upon a virtualized platform, where the application systems and databases are with high availability and are able to use the hardware resources of a virtualized platform more efficiently. This environment also provides a big data platform to respond to large data storage and reduce storage costs and provide energy for data analysis. Moreover, to support the relocating of the Postal Park of Smart Logistics near the A7 station of Taoyuan (Airport) Metro in the future, the Company will keep bringing in new technologies and virtualization management tools to enhance system performance and operation efficiency and to prepare for the movement of the facilities.

4. Maintenance

The Company have professional manufacturers maintain hardware and software equipment of Taipei Main Computer Center, Taichung Disaster Recovery Center and the open system, with maintenance engineers checking the operation of equipment regularly, to prevent in advance any possible failure and ensure that the hardware runs safely and stably. On the other hand, to maintain the safety and high availability of information and communications, system software has also been updated on a regular basis.

(II) Emergency backup and safeguarding measures

1. The Company has been holding regular disaster recovery drills each year, and such drills have been carried out as follows:

- (1) Switching the operation system from Taipei Main Computer Center to Taichung Disaster Recovery Center twice a year to ensure that, after Taipei Center is hit by disasters, system operation can be resumed promptly and various businesses can continue to be provided.



(2) Organizing local backup and recovery drills at Taipei Main Computer Center twice a year to familiarize relevant staff with required procedures, and to ensure the availability of backup data. Therefore, system operation can be resumed promptly in the event of a localized disaster at Taipei Center.

2. Circuit backup measures

In order to strengthen the backup ability of each post office branch, ISDN backup circuits would all be renewed and replaced with MPLS VPN backup circuits by September 2019. In addition, traffic shunting measures would be taken between the transactions at the counters and the administrative network to boost the broadband speed of the backup circuit to allow quicker transactions. When the branches encounter a line fault, the backup mechanism would immediately be activated and the MPLS VPN connection would be available, the process of which would not affect the services at the branches.

3. Apart from the abovementioned backup measures, Chunghwa Post has also established a Network Monitor Center and an Information Security Monitor Center, to monitor network operations 24/7 and any potential unidentified intrusion from within and outside.

VIII

Financial Overview

67	I. Financial Highlights
69	II. Condensed Balance Sheet and Income Statement
	Data for the Past 5 Years
71	III. Financial Analysis for the Past 5 Years





I. Financial Highlights

Unit: NT\$ million

Item	2015	2016	2017	2018	2019
Assets	6,760,682	6,909,762	7,002,565	7,124,672	7,288,949
Discounts and Loans	51,415	51,078	50,574	48,973	46,586
Mutual Funds and Long-term Investments	4,411,666	4,573,095	4,590,121	4,576,877	4,574,507
Liabilities	6,618,243	6,754,469	6,839,557	6,961,765	7,087,191
Deposits and Remittances	5,813,762	5,994,921	6,065,297	6,163,003	6,271,041
Owner's Equity	142,439	155,293	163,008	162,907	201,758
Total Revenue	286,692	272,120	271,936	259,616	252,033
Interest Revenue	103,525	97,230	97,341	101,297	103,703
Total Expenses	274,912	262,313	261,328	245,185	242,685
Interest Expenses	55,657	49,565	45,170	44,593	44,317
Net Income	11,780	9,807	10,608	14,431	9,348
Return on Assets	0.18%	0.14%	0.15%	0.20%	0.13%
Return on Equity	8.23%	6.59%	6.67%	8.86%	5.13%

Remarks: 1. Return on Assets= Net Income/ Average Assets

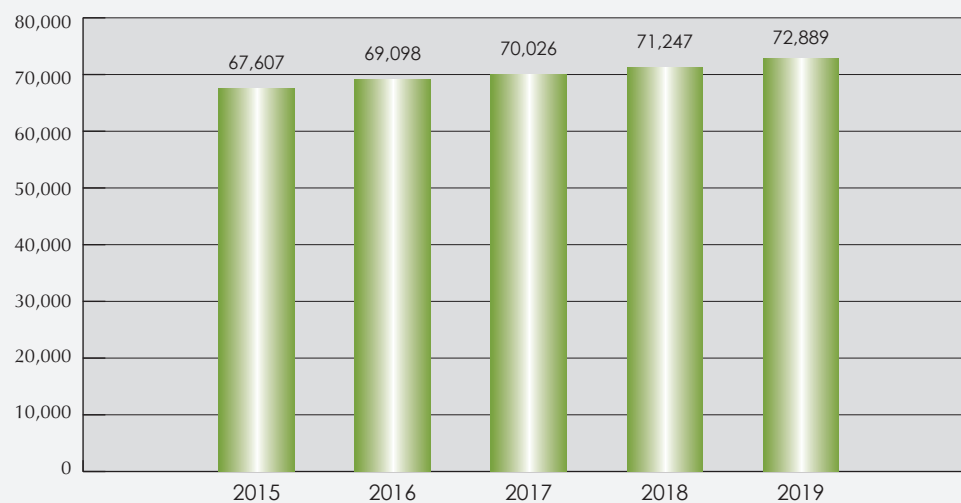
2. Return on Equity= Net Income/ Average Equity

3. Total expenses include income tax

4. The 2015-2018 Financial Statements was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2019 Financial Statement was attested by CPA.

Tendency of Total Assets for the Past 5 Years

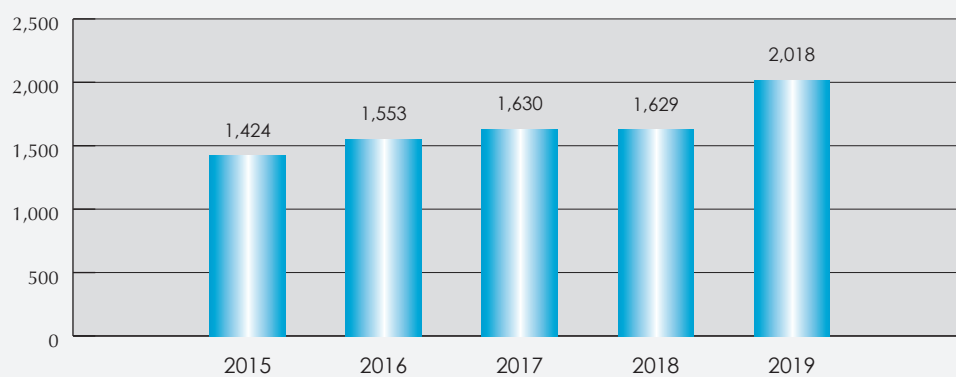
Unit: NT\$ 100 million





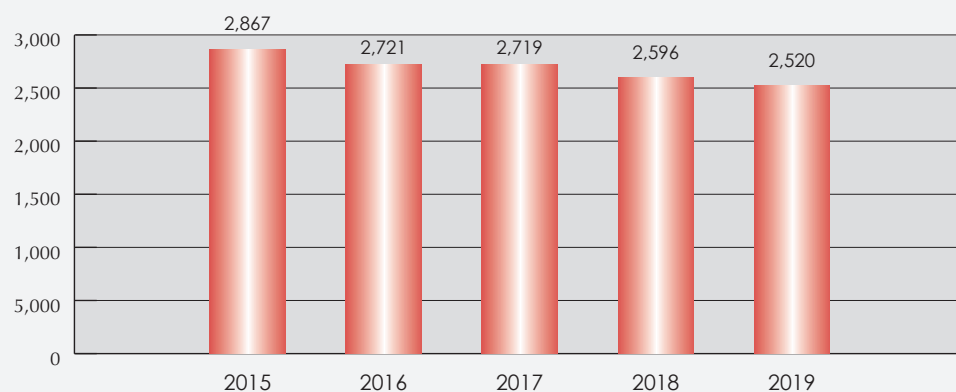
Tendency of Owner's Equity for the Past 5 Years

Unit: NT\$ 100 million



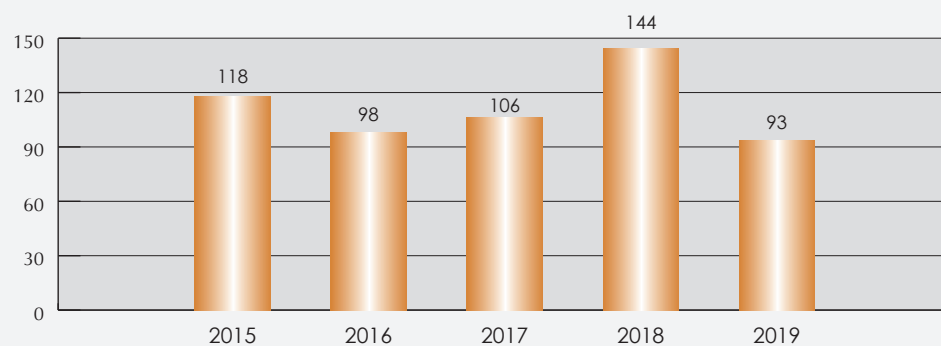
Tendency of Total Income for the Past 5 Years

Unit: NT\$ 100 million



Tendency of Net Profit for the Past 5 Years

Unit: NT\$ 100 million





II. Condensed Balance Sheet and Income Statement Data for the Past 5 Years

Condensed Balance Sheet

Unit: NT\$ 1,000

Item	2015	2016	2017	2018	2019
Cash and Due from Banks	334,131,757	308,398,555	402,471,133	460,451,682	546,312,157
Due from the Central Bank	1,792,151,063	1,807,288,531	1,791,887,579	1,804,930,412	1,831,436,833
Financial Assets at Fair Value through Income Statement	3,437,618	2,797,089	10,964,031	63,488,571	108,046,938
Investment in Bills & Bonds under Reverse REPO	3,010,995	7,502,104	2,402,201	2,528,140	1,350,000
Receivable Accounts – Net	46,873,747	42,727,220	43,723,069	43,290,685	42,542,097
Income Tax Assets	17,285,934	16,009,678	1,465,397	6,836,913	10,752,204
Loan – Net	51,414,808	51,078,402	50,574,485	48,973,332	46,586,139
Financial Assets at Fair Value through other Income Statements	–	–	–	282,931,155	285,146,602
Available-for-Sale Financial Assets – Net	387,554,681	390,386,007	405,615,951	–	–
Held-to-Maturity Financial Assets - Net	3,610,747,319	3,769,005,065	3,741,179,681	–	–
Investment under the Equity Method – Net	75,363	78,498	82,137	81,146	86,718
Investment in Bonds without Active Market - Net	409,292,211	405,435,774	436,589,866	–	–
Financial Assets from Sale of Amortized Cost	–	–	–	4,287,016,891	4,284,401,147
Other Financial Assets – Net	3,996,874	8,189,943	6,653,156	6,847,635	4,872,898
Right-of-use Assets - Net					754,490
Investment-based Real Estate – Net	3,073,474	3,915,367	5,092,526	11,440,248	11,361,534
Real Estate and Equipment – Net	91,150,904	93,524,585	98,470,877	102,936,631	105,515,173
Intangible Assets – Net	433,941	412,972	413,425	349,620	457,486
Deferred Income Tax Assets – Net	5,041,832	1,707,104	922,498	1,361,911	986,097
Other Assets – Net	1,009,947	1,304,724	4,056,817	1,206,670	8,340,032
Total Assets					
Before Distribution	6,766,810,918	6,916,127,667	7,009,360,630	7,131,765,615	7,288,948,545
After Distribution	6,760,682,468	6,909,761,618	7,002,564,829	7,124,671,642	–
Due to Banks	4,915,000	16,515,000	6,815,000	19,915,000	7,415,000
Financial Liabilities at Fair Value through Income Statement	17,503,913	6,773,119	72,105	7,118,956	78,686
Bills & Bonds Sold under REPO	4,800,000	1,005,364	–	–	–
Amount Dues	71,878,172	70,247,578	56,223,028	54,572,539	64,642,511
Current Tax	–	–	2,374,832	24,929	–
Deposits and Remittances	5,813,761,964	5,994,921,433	6,065,296,928	6,163,002,573	6,271,041,028
Insurance Liabilities	677,325,478	646,177,801	684,815,645	690,955,768	724,179,541
Foreign Exchange Valuation Reserve	1,451,301	1,107,493	554,031	1,364,174	370,630
Provisions for Employee Benefits	12,176,967	9,039,637	14,871,598	14,909,059	9,651,798
Lease Liabilities					636,573
Deferred Income Tax Liabilities	9,628,523	5,339,436	4,454,715	2,110,525	6,347,099
Other Liabilities	4,801,545	3,341,540	4,079,049	7,791,308	2,827,656
Total Liabilities					
Before Distribution	6,618,242,863	6,753,801,805	6,839,556,931	6,960,474,947	7,087,190,522
After Distribution	6,618,242,863	6,754,468,401	6,839,556,931	6,961,764,831	–
Capital Stock					
Before Distribution	65,000,000	67,311,000	69,479,000	72,082,000	72,376,000
After Distribution	65,000,000	67,311,000	69,479,000	72,082,000	–
Capital Surplus	6,407,576	6,407,576	6,407,425	6,407,425	6,407,425
Retained Earnings					
Before Distribution	54,017,005	55,384,154	56,791,081	65,592,073	69,171,485
After Distribution	47,888,555	48,351,509	49,995,280	57,208,216	–
Other Owner's Equities	23,143,474	33,223,132	37,126,193	27,209,170	53,803,113
Owner's Equities					
Before Distribution	148,568,055	162,325,862	169,803,699	171,290,668	201,758,023
After Distribution	142,439,605	155,293,217	163,007,898	162,906,811	–

Remark: 1. 2015-2018 Financial Statement was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2019 Financial Statement was attested by CPA.
 2. The 2019 retained earnings were referred to as the retained earnings before distribution.



Condensed Income Statement

Unit: NT\$ 1,000

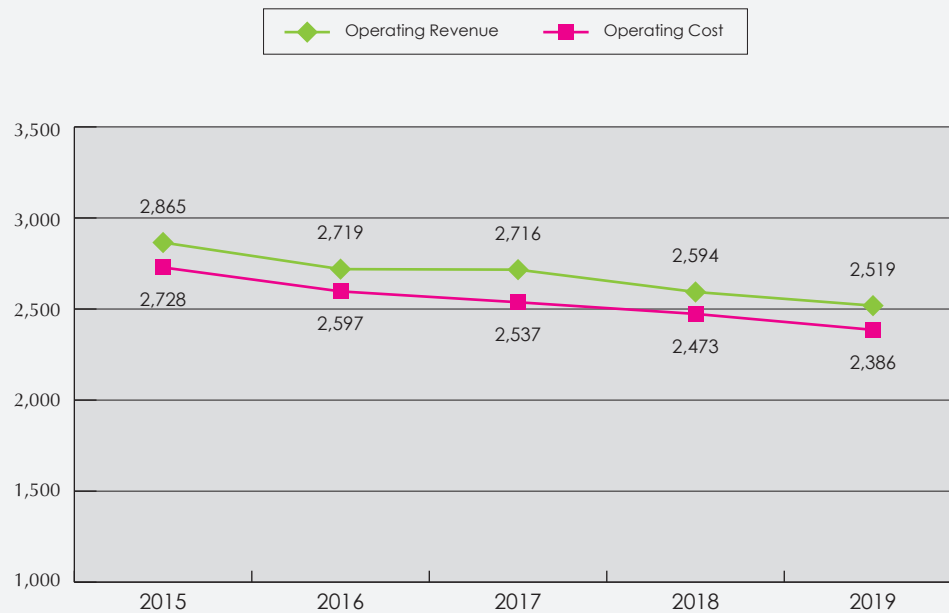
Item	2015	2016	2017	2018	2019
Operating Revenues	286,521,187	271,905,451	271,624,527	259,363,793	251,858,241
Operating Cost	272,842,442	259,691,281	253,722,711	247,323,288	238,569,594
Operating Profit	13,678,745	12,214,170	17,901,816	12,040,505	13,288,647
Non-Operating Profit (Loss)	60,917	102,910	(250,740)	161,328	18,053
Net Profit before Tax	13,739,662	12,317,080	17,651,076	12,201,833	13,306,700
Income Tax Expenses	1,960,030	2,510,481	7,043,463	(2,229,446)	3,958,357
Net Profit	11,779,632	9,806,599	10,607,613	14,431,279	9,348,343
Other Comprehensive Losses/ Gains (after tax)	(6,931,758)	10,079,658	3,903,061	(6,308,584)	29,502,869
Total Comprehensive Profit	4,847,874	19,886,257	14,510,674	8,122,695	38,851,212
Earnings per Share (NT\$)	1.63	1.35	1.47	1.99	1.29

Remarks: 1. The 2015-2018 Financial Statement was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2019 Financial Statement was attested by CPA.

2. On April 30, 2019, the company transferred capital surplus to capital, making a total Paid-up capital of NT\$ 72.376 billion. Therefore, there are readjustments in 2015-2018' s Earnings per Share.

Operating Revenue and Cost

Unit: NT\$ 100 million





III. Financial Analysis for the Past 5 Years

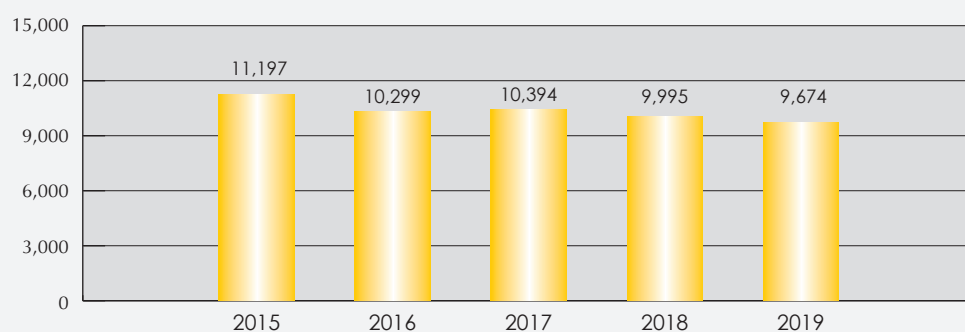
Item		2015	2016	2017	2018	2019
Operating Capability	Turnover of Total Assets (Number of Times)	0.04	0.04	0.04	0.04	0.03
	Average Operating Revenue per Employee (NT\$ 1,000)	11,197	10,299	10,394	9,995	9,674
	Average Earnings per Employee (NT\$ 1,000)	460	371	406	556	359
Profitability	Return on Assets (%)	0.18	0.14	0.15	0.20	0.13
	Return on Stockholders' Equities (%)	8.23	6.59	6.67	8.86	5.13
	Net Income Ratio (%)	4.11	3.61	3.91	5.56	3.71
	Earnings per Share (NT\$)	1.63	1.35	1.47	1.99	1.29
Growth Rate	Asset Growth Rate (%)	4.60	2.21	1.34	1.74	2.31
	Profit Growth Rate (%)	3.39	(10.35)	43.31	(30.87)	9.05

Remarks: 1. The 2015-2018 Financial Statement was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2019 Financial Statement was attested by CPA.

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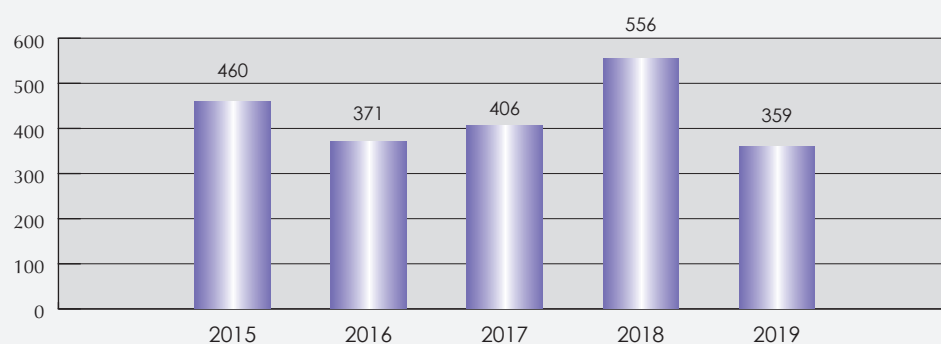
Average Operating Revenue per Employee

Unit: NT\$ 1,000



Average Earning per Employee

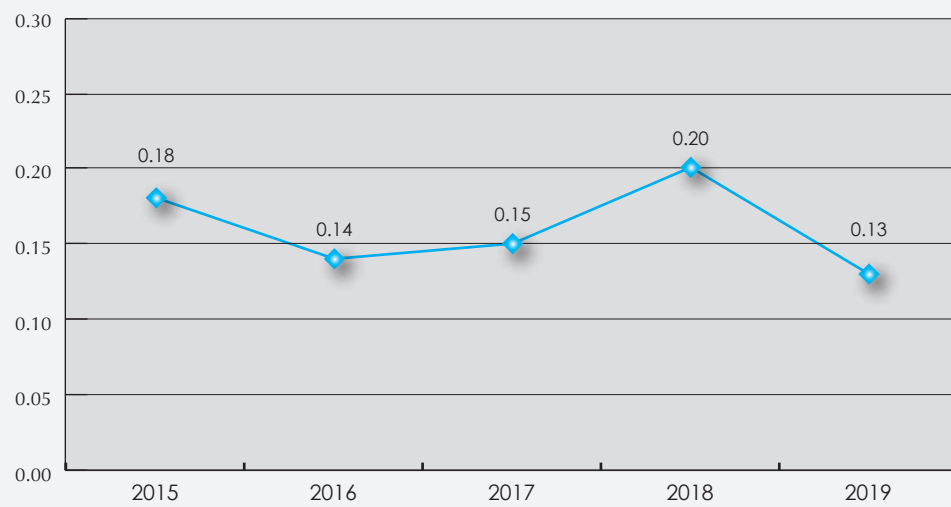
Unit: NT\$ 1,000





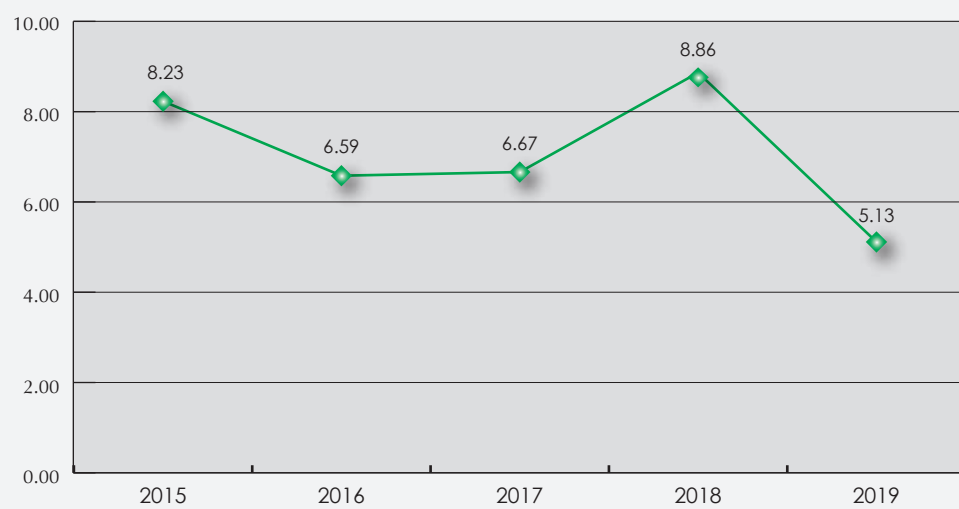
Return on Assets

(%)



Return on Stockholders' Equity

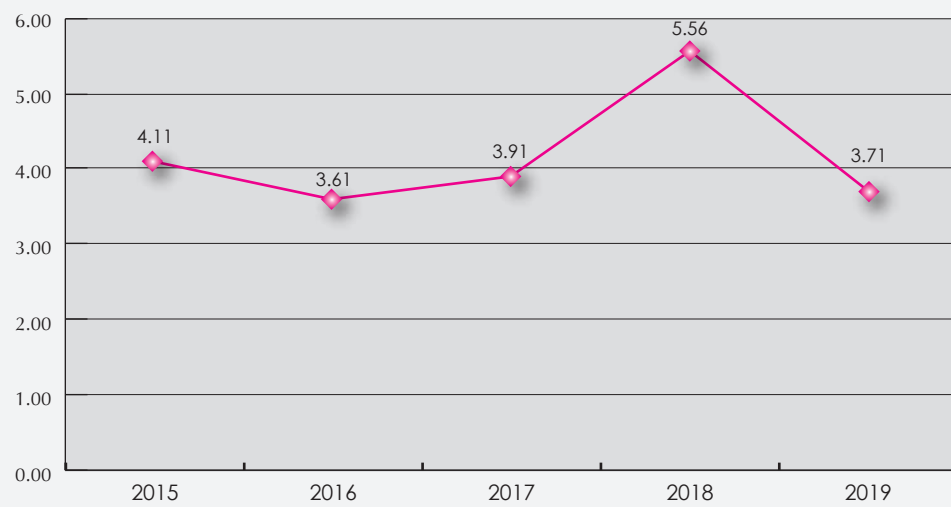
(%)





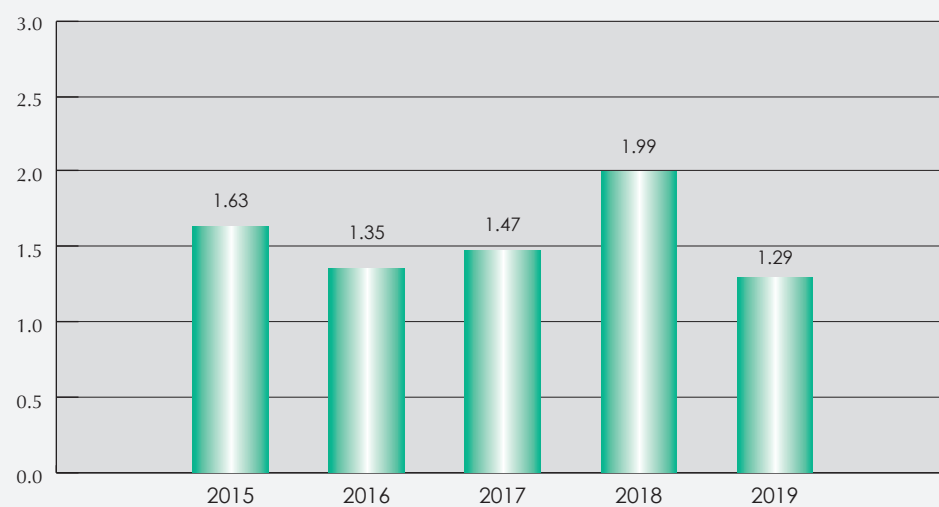
Net Income Ratio

(%)



Earnings per Share

Unit: NT\$



2019

Annual Report Of Chunghwa Post



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