

2021

Annual Report Of Chunghwa Post



Pursue Excellence
Trusted Forever



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I

Chairperson's Remarks

Over two years, the Covid-19 pandemic rampaged the globe, affecting all walks of life with varying challenges. At this critical moment, Chunghwa Post continues to support the government in various tasks, such as distribution of necessary supplies for epidemic prevention, delivery and payment of stimulus vouchers, remittance of relief subsidies, or issuance of bills of exchange. With concerted effort, Chunghwa Post has achieved an excellent performance and accrued a net income of 10 billion and 37 million dollars. The revenue has surpassed the revenue goal (9 billion and 87 million dollars) by 950 million dollars, a net increase of 9% compared to 2020 (9 billion and 137 million dollars).

In response to changes in the environment and lifestyles, Chunghwa Post has to accelerate its steps in innovative transformation. With a holistic and prospective mindset, Chunghwa Post has reviewed and optimized its existing business model by organizing a digital development committee and Big Data development office. By doing so, we hope to improve the quality and efficiency of the services significantly and enhance the Company's competitiveness in sustainable development through digital technologies.

Mail service is the core business of Chunghwa Post. Over the past two years, e-commerce has snowballed in response to the stay-at-home economy arising from the pandemic. Aside from promoting the 24/7 service of "iBox", the Company also actively seeks business opportunities in cross-border, social media, micro e-commerce logistics, and domestic parcel delivery. With that, we aim to increase the Company's market share in the logistics industry. In the future, the Company will utilize AI technology, upgrading the mailing operation and developing the shortest-chain logistics with enhanced delivery efficiency.

Concerning postal savings, remittances, and life insurance services, as of the end of last year, the balance of all types of savings amounts to more than 6 trillion 610 billion and 800 million dollars, a 3% increase compared to the previous year (6 trillion 418 billion and 200 million dollars), still ranking first place among other financial institutions. The total savings account for around 12% of the national savings. In the face of challenges in the digital era, innovations in client-oriented financial services need to gather speed for the Company to expand the client base and enhance competitiveness. Earlier this year, we officially launched a digital banking service, a new i-Post app, and online life insurance services for a more convenient and time-saving online experience. In the future, the Company will continue to build a friendly OMO (online-merge-offline) environment for financial services and create a diverse and convenient experience with digital financing. Besides, we will also provide better life insurance services for all age groups, hoping to enhance the welfare of all citizens and ensure the security of society.



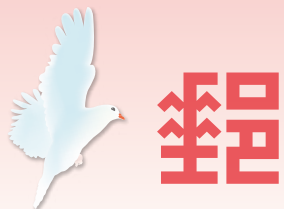
Chairperson

Wu, Hong-Mo

The Company values and adopts ESG practices, devoting itself to environmental sustainability, responsible investment, social care, and corporate governance to fulfill its responsibilities as a global citizen. Not only that, we do so to maintain the Company's rights and interests, revitalize the Company's assets and continue improving the working environment and the welfare of all staff members. In practice, the Company cares about agricultural produce marketing, helps young and small farmers, and participates in placemaking. Postal officers care for the elderly who live alone by providing necessary assistance and services. As for responsible investment, the Company invests in domestic and foreign green bonds in addition to stocks and bonds in the green technology industry. To fulfill corporate social responsibility and corporate governance, Chunghwa Post will strive to develop a more energy-saving and waste-reducing approach to be more environmentally friendly and offer care and assistance to the disadvantaged through enhanced outreach and better services. Thus, we can live up to the long-term trust and support from all citizens.

Keeping up with the times and innovating are crucial to increasing the Company's competitiveness and achieving sustainable development. We need to be practical by making the best of digital technologies and Big Data analysis to stay on top of trends and create a better customer experience to increase customer satisfaction. That aside, the Company will also actively review the integrity of its laws and regulations to break through the limitations of current business operations. We would optimize the quality and efficiency of the services in a rolling manner to enhance the Company's overall development potential and competitiveness.

Looking ahead, I hope all colleagues in their respective position can be innovative and seek improvement continuously. Their hard work lays the foundation of the Company's sustainable development. With better and more creative services, the Company can thus pursue excellence, becoming the most favorable and trusted neighbor and partner of all citizens.



II

Business Report

8 I. 2021 Operation Results

9 II. 2022 Outline of Operation Plan





President

Chiang, Jui-Tang

Thanks to the accelerated administration of Covid-19 vaccines, global economic activities have resumed gradually in 2021¹. Domestically, the economic growth rate in 2021 was 6.45%. In December, the monitoring indicator continued to be yellow-red light (signifying transitional). Although the leading indicator showed a slight decline, the coincident indicator continued to show a growing trend, suggesting the domestic economy is still growing steadily. Looking forward to 2022, though the development of the pandemic is still unpredictable, its impact on the global economy has lessened. With increased investment in Taiwan from domestic semiconductor manufacturers, the government's timely incentive policy for Taiwanese businesses, and the continuous development of green energy investment and infrastructure, domestic investment is expected to gain more momentum^{2,3}. According to the Directorate-General of Budgeting, Accounting, and Statistics (under Executive Yuan), the economic growth rate in 2022 is predicted to be 4.42%⁴.

The pandemic has changed people's lifestyle and consumption habit, accelerating the development of digitization. To keep up with global and current trends and enhance competitiveness, Chunghwa Post has actively accelerated its step in digital transformation, revitalizing its assets, and dedicating itself to ESG (environmental, social, corporate governance) practices to ensure the Company's steady and sustainable operation.

In the face of a severe and ever-changing environment, Chunghwa Post has encountered many challenges regarding national missions and its operation. Thanks to the constant effort of all colleagues, Chunghwa Post again attains its operational goals in 2021. The operating results in 2021 and a summary of operational goals for 2022 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 29, 2021.

[2] Based on the statistics of national income and related press releases about the domestic economic prospect from the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan on February 24, 2022.

[3] Based on the press release on January 27, 2022, from the National Development Council about the economy status in December 2020.

[4] Based on the same source as Note 2.



Business Report

I. 2021 Operation Results

(I) Major Operation Items: Budget Estimation and Execution

Items	Units	Result This Year	Estimation	Result Previous Year	Estimation Accomplished (%)	Increase over Previous Year (%)
Mail Operations	1000 pcs	1,892,355	1,871,973	1,955,522	101.09%	-3.23%
Philately	NT\$1000	616,720	558,765	625,663	110.37%	-1.43%
Savings (Average daily balance)	NT\$100 million	65,532.09	66,034.00	63,850.36	99.24%	2.63%
Domestic Remittances (Total amount)	NT\$100 million	16,420.54	14,039.00	16,360.07	116.96%	0.37%
Simple Life Insurance (Premium income)	NT\$100 million	991.78	1,280.00	1,185.02	77.48%	-16.31%
Agential Services (Total amount)	NT\$100 million	82.71	54.39	201.52	152.07%	-58.96%

Notes: 1. Compared with last year, the volume of mail pieces processed slightly decreased because of the following two reasons. Firstly, the pandemic caused the airline class fee to skyrocket, causing cargo to mail to be higher than a direct flight to mainland China. Therefore, the demand for intermediary transit in Taiwan from cross-border e-commerce retailers decreased considerably. Secondly, the terminal dues for international mailing increased significantly, leading to a remarkable decrease in delivery requests from freight forwarders for intermediary transit.

2. Compared with last year, the revenue from philately decreased, primarily because the issuance of stamp albums in 2021 decreased by 30,000 in consideration of actual demand in the domestic and foreign philately market.

3. Compared with last year, the premium income of Simple Life Insurance decreased because the Financial Supervisory Commission set an insurance threshold, terminating six types of best-selling insurance products and reducing the premium income of new policies. In addition, the premium income decreased because a great deal of endowment insurance policies would mature this year, and the amount of renewal premium declined, in addition to the severe impact of the pandemic on the sales of life insurance policies.

4. Compared with last year, the total amount of agential services decreased, primarily because the distribution and redemption of triple stimulus vouchers, which had started in July 2020, already concluded in December 2020 and March 2021, respectively.

(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 2021:

2021 Postal Capital Utilization

Unit: NT\$100 million

Item	As of the End of December of 2021	Percentage in Postal Capital (%)	As of the End of December of 2020	Increase/Decrease (%)
Demand deposits (including reserves against deposits in the Central Bank of the ROC and the revolving funds in all branch offices.)	2,895	3.89%	2,769	4.55%
Time deposits (including time savings deposits)	20,539	27.59%	20,585	-0.22%
Interbank Call Loans and Short Term Notes and Bills	17,726	23.81%	17,767	-0.23%
Bonds (including government bonds, corporate bonds, and financial bonds)	20,882	28.05%	19,818	5.37%
Overseas Investment	10,276	13.80%	9,693	6.01%
Stocks and Mutual Funds (including investment outsourcing)	1,613	2.17%	1,165	38.45%
Mortgage loans on Certificates of Deposit, Insurance Policies and Real Estate.	399	0.53%	442	-9.73%
Real Estate Investment	122	0.16%	114	7.02%
Total	74,452	100%	72,353	2.90%

(III) Financial Status and Profitability Analysis

In fiscal year 2021, the total revenue (including operating revenue and non-operating revenue) amounted to NT\$228,992.31 million and the total expenditure (including operating costs, operating expenses and non-operating expenses) totaled NT\$216,475.23 million. Profit before tax was NT\$12,517.08 million, and the income tax payable was NT\$2,478.60 million, and the net profit was NT\$10,038.48 million, with an increase of NT\$950.93 million over the estimated NT\$9,087.55 million. The ROA (return on assets), ROE (return on equity) after tax, and net profit margin for the year were 0.13%, 4.52%, and 4.39% respectively.

(IV) Research and Development

The relevant business units of our 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 2021 that deserves our mention:

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. One (1) sponsored research project by experts and academic institutions: Research Project on E-Commerce Platform Operation and Development Strategy for Chunghwa Post

II. 2022 Outline of Operation Plan

(I) Strategy

By integrating Chunghwa Post's logistics, cash, and information flows, we aim to offer comprehensive and quality services of mails, savings and remittances, and insurance. By actively promoting digital transformations, we are pursuing the business objectives of smart logistics and digital finance. By enhancing the utilization of postal capital and revitalizing asset management to boost operational efficiency. By continuing to provide welfare services, we fulfill our corporate social responsibility.

(II) Policy

1. Related to implementing government policies

- (1) To be in line with economic policies, supporting the government's major public construction projects and the investment plans of the private sectors.
- (2) To be in line with financial policies, popularizing mobile payment, developing diverse financial services, and promoting inclusive finance.
- (3) To be in line with cross-strait policies, enhancing the interaction and cooperation so as to offer convenient services to people.
- (4) To be in line with the asset policies, enhancing asset management and utilization to enlarge operational capacity.
- (5) To be in line with national policies, promoting the exchange and cooperation with the postal businesses in various countries.

2. Related to Management

- (1) Vie for relaxing regulations, re-integrate resources of postal service, and diversify products so as to offer comprehensive and quality mails, savings and remittances, and insurance services.



Business Report

- (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) Promote the transition into Finance technology and provide an O2O service in response to the digitalization of financial services.
- (4) Allocate assets properly, enhance the effectiveness of capital utilization, activate asset utilization, and promote the effectiveness of such developments.
- (5) Make good use of our information technology, enhance information security, improve the operating procedures, and strengthen the overall effectiveness of our service.
- (6) Enhance management of human resources and actively nurture talent to improve competitiveness.
- (7) Enhance corporate governance, optimize the financial structure, and improve the risk management.
- (8) Gradually replace the current vehicles with electric ones to be in line with the government's green policies.
- (9) Actively advocate for various charitable activities, continue organizing events for the elderly, take social responsibility, and create a positive corporate image.

3. Related to Coordinating Supply and Demand

- (1) To enhance service quality and work effectiveness, relocating and renovating post offices branches, improving facilities, and creating a bright, comfortable and friendly postal environment for clients.
- (2) To enhance operational efficiency, expanding information appliances and upgrading operating systems to meet clients' diverse needs.
- (3) To promote postal transformations and to develop smart logistics, constructing a postal logistics park, offering supporting services for related businesses, and strengthening our corporate competitiveness.
- (4) In response to the trend of Internet economy, constructing 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:** Estimated to handle 1 billion 797.74 million pieces.
- 2. Philately:** Estimated to have a revenue of NT\$558.77 million.
- 3. Savings:** Estimated to have an average daily balance of NT\$6,742.8 billion year-round.
- 4. Remittances:** Estimated to process a total amount of NT\$1,454.5 billion year-round.
- 5. Simple Life Insurance:** Estimated to have a premium income amounting to NT\$82.1 billion in total year-round.
- 6. Agential Services:** Estimated to process a total amount of NT\$4 billion 568.25 million year-round.

(IV) Surplus Goal

It is estimated to generate a profit before tax of NT\$10 billion 634.34 million.



III

Company Profile

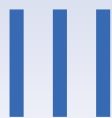
12 I. History

13 II. Vision

13 III. Core Values

13 IV. System





Company Profile

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 unavailable on the mainland. After the first Sino-Japanese War, the Japanese colonial government established the Field Command Post Office in 1895. The following 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 Customs Service (IMCS). He drafted modern postal regulations that included 4 items and 44 articles in total and presented them 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 Chunghwa Post. Later, the General Postal Remittances and Saving Banks was established in 1930 and renamed 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 services. The year 1936 saw the enforcement of the Postal Act and its supplementary rules, which laid the foundation for the development of postal services.

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 the 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 services 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 the 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 services, 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. 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 services 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 services 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 its 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 126 years and spanned 3 centuries. After several organizational reforms, Chunghwa Post is now a big family with more than 25,000 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 confidence that 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 with honesty and efficiency.

IV. System

(I) The management and governance of the Company adopt 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 servants. 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 Office) 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, 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 established to take 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, two assistant presidents, and one chief secretary are assigned to assist the president. President's Office is set up, and to meet the business needs, multiple sections may further set up.
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 Legal compliance officer is responsible for overseeing the compliance to the law and other legal matters. The office of Legal and Compliance is set up with one director. Multiple sections may further set up to meet the business needs.
6. The governance officer is the top executive responsible for matters related to corporate governance.
7. 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.
8. 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.
9. 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, Postal Museum, the Office of Electronic Commerce, and the office of Cyber Security.
10. 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.
11. To meet the demand for mail business operations, a mail processing center is established in Taipei to coordinate mail processing operations and mail delivery network through a high-performance automatic system.

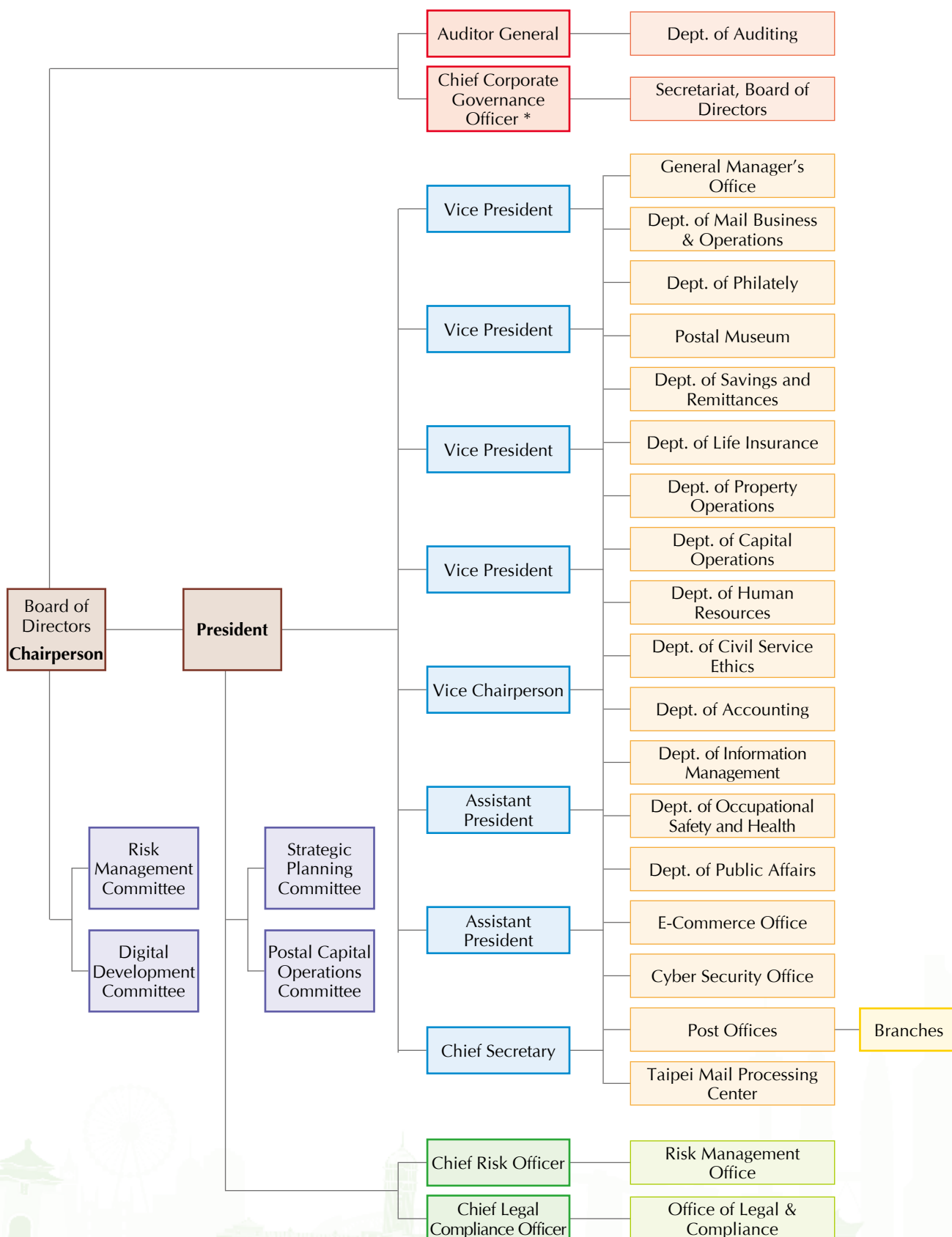


IV

Organization

(II) Organization Chart

Record Date: 2022.03.15



* Remark: The chief corporate governance officer is filled concurrently by vice president.

(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 2021, the total number of the offices reached 2,114. The administrative branch ran 20 offices, including the head office and 19 post offices. The business branch ran 2,094 offices, out of which 1,300 belonged to self-management sub-branch, including 1 mail processing center and 1,299 post office branches. The other 794 offices fell into the agential service sub-branch, including 482 post agencies and 312 stamp-sales agencies.

Branches of Postal Services

Unit: Office

Types		2020	2021	Growth %
Administrative Branch	Headquarters	1	1	0%
	Post Offices	19	19	0%
	Subtotal	20	20	0%
Business Branch	Self-Management	Mail Processing Center	1	0%
		Branch Offices	1,300	-0.08%
		Temporary Post Offices	0	0%
		Subtotal	1,301	-0.08%
	Agencies	Post Agencies	514	-6.23%
		Stamp-Sales	345	-9.57%
		Subtotal	859	-7.57%
	Total	2,180	2,114	-3.03%



Management Team (From left to right) C.H.CHIU, Chief Secretary; H.C.HUANG, Auditor General; S.C.LAN, Assistant President; H.E.CHIU, Vice President; J.T.CHIANG, President; H.M.WU, Chairperson; L.L.CHIEN, Vice President; C.L.CHEN, Vice President; W.C.TSAI, Vice Chairperson of the Strategic Planning Committee; C.H.CHEN, Assistant President



IV

Organization

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

(I) Information about Directors and Supervisors

2022.04.11

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.; Chairperson, Taiwan International Ports Corporation, Ltd.; Minister without Portfolio and concurrently Commissioner, Public Construction Commission, Executive Yuan, R.O.C.; Deputy Mayor, Kaohsiung City Government	2021.07.01
Director	J. T. Chiang	Department of Law, National Taiwan University	Vice President and Chief Secretary, CHP; Manager of Taichung, Taoyuan Post Office, and Deputy Manager of Changhua Post Office	2021.07.01
Director	L. C. Pai	Master in Finance, National Taiwan University	Director, Department of Labor Insurance, Ministry of Labor	2021.10.15
Director	Y. C. Liu	Department of Land Economics, National Chung Hsing University	Deputy Director, Section Chief; National Property Administration, Ministry of Finance	2021.07.01
Director	S. C. Su	Master in American Studies, Tamkang University	Director, Kaohsiung Customs and Keelung Customs, Customs Administration, Ministry of Finance; Deputy Director, Taichung Customs, Taipei Customs and Keelung Customs, Customs Administration, Ministry of Finance	2021.07.01
Director	F. G. Chan	Institute of Economics, National Chengchi University	Senior Executive Officer, Deputy Director- General, Director-General of Council for Economic Planning and Development	2021.07.01
Director	H. M. Tsai	Department of Economics, National Taiwan University	Advisor, Research Fellow, Section Chief; Economic Research Division, Central Bank	2021.07.01
Director	Y. L. Tsai	Master in Public Administration and Policy, National Taipei University	Director, Department of Personnel, Veterans Affairs Council, R.O.C.; Director, Department of Personnel, Coast Guard Administration, Executive Yuan	2021.07.01
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, Financial Supervisory Commission	2021.07.01
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	2021.07.01
Director	C. C. Tao	Ph. D, Technical University of Berlin	Director, Transportation and Logistics Research Center; Director, Department of Transportation Management, Tamkang University; Board Member, Taiwan Transportation Safety Board; Secretary-general, Chinese Institute of Transportation; Founding Secretary-General, Executive Director, Intelligent Transportation Society of Taiwan; Consultant, Taipei City Government	2021.07.01
Director	H. S. Lin	Ph. D, Department of Transportation, National Chiao Tung University	General Manager, Taoyuan International Airport Corporation Ltd.; Associate Professor, Department of Transportation Technology and Logistics Management, Chung Hua University	2021.07.01
Director	R. C. Lin	Department of Mechanical Engineering, National Lotung Industrial Vocational High School	Deputy Secretary-general, Chunghwa Postal Workers' Union; Specialist, Shilin Delivery Subsection	2021.07.01
Director	C. W. Wu	Department of Chemical Engineering, Two-Year Junior College Division, Affiliated with Southern Taiwan University of Science and Technology	4th and 6th Director, CPWU, Kaohsiung Division; 4th and 5th Deputy Director, CPWU	2021.07.01
Director	H. R. Luo	National Open University	Deputy Secretary-general, Chunghwa Postal Workers' Union; Director, Department of Social Affairs, Chunghwa Postal Workers' Union; Assistant Clerk, Public Service Center; Counter Clerk, Taipei Nanyang Post Office	2021.07.01
Supervisor	Y. R. Chen	Master in Political Science, National Taiwan University	Counselor, Ministry of Transportation and Communication; Counselor, Taipei City Government	2021.07.01
Supervisor	M. Chen	Master in Applied Statistics, Fu Jen Catholic University	Director, Department of Statistics, Ministry of Health and Welfare	2021.07.01
Supervisor	R. W. Liu	PH. D. in International Business, National Taiwan University	Director, Statistics Office, Control Yuan; Senior Executive Officer, Senior Specialist, Section Manager, Directorate-General of Budget, Accounting, and Statistics, Executive Yuan	2021.07.01

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

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

2022.03.03

Title	Name	Education	Major Experience(s)	Date Assuming Current Post
President	J. T. Chiang	Department of Law, National Taiwan University	Vice President, Chunghwa Post Co., Ltd. (CHP)	2019.05.17
Vice President, concurrently the Governance Officer	L. L. Chien	Master in International Business, Tamkang University	Chief Secretary, CHP	2021.01.08
Vice President	H. E. Chiu	Master in Public Administration, Dominican University of California	Assistant President, CHP	2021.08.12
Vice President	C. L. Chen	Master in Business Administration, University of California	Director, Department of Savings and Remittances, CHP	2021.08.12
Assistant President	S. C. Lan	Department of Political Science, National Taiwan University	Chief Secretary, CHP	2018.01.16
Assistant President	C. H. Chen	Department of Law, National Taiwan University	Director, Department of Mail Business & Operation, CHP	2021.08.12
Vice Chairperson, 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, Banqiao Post Office	2020.05.21
Chief Secretary	C. H. Chiu	Department of Law, National Chengchi University	Manager, Taichung Post Office	2021.01.08
Director, Department of Mail Business & Operation	W. R. Wang	Department of Law, National Taiwan University	Committee Member, Strategic Planning Committee, CHP	2021.08.12
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	T. L. Chen	Master in Management Science National Chiao Tung University; Master in Law, In-Service Master's Program, Soochow University	Deputy Director, Department of Savings and Remittances, CHP	2021.08.12
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	W. W. Lu	Master in Management Science, National Chiao Tung University	Deputy Director, Department of Capital Operations, CHP	2021.01.16
Director, Department of Human Resources	C. N. Cheng	Master in Public Administration, National Chengchi University	Deputy Director, Department of Human Resources, CHP	2010.07.29
Director, Department of Public Affair	S. E. Kuo	Department of law, National Chengchi University	Director, Department of Philately, CHP	2018.09.05
Director, Department of Civil Service Ethics	M. H. Huang	Supplementary Open Junior College For Public Administration, National Chengchi University	Deputy Director, Department of Civil Service Ethics, CHP	2022.01.16
Director, Department of Accounting	C. R. Wang	Department of Commerce, Providence University	Director, Postal Museum, CHP	2020.11.24
Director, Department of Information Management	C. F. Chen	Department of Business Administration, Feng Chia University	Deputy Director, Department of Information Management	2022.01.21
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 Management Officer; Concurrently Director of Risk Management Office	C. A. Liao	Master in Accounting, National Chengchi University	Chief Legal Compliance Officer, CHP	2019.07.16
Chief Legal Compliance Officer	H. H. Yang	Master in Law, University of Auckland, New Zealand	Senior Executive Officer, CHP	2019.07.16



IV

Organization

Title	Name	Education	Major Experience(s)	Date Assuming Current Post
Director, Office of Legal and Compliance	H. F. Tang	Department of Law, Chinese Culture University	Section Chief, Legal Section of Office of Legal and Compliance	2019.10.01
Director, Office of Electronic Commerce	W. H. Liu	Department of Business, National Open University	Section Chief, Section of Electronic Commerce, Office of Electronic Commerce	2021.06.25
Office of Information Security	S. S. Sha	Master in Management Science, National Chiao Tung University	Assistant Manager, Banqiao Post Office	2021.07.13
Director, Secretariat of Board of Directors	C. F. Kang	Executive Master of Business Administration, National Chengchi University	Senior Executive Officer, CHP	2022.03.08
Director, Postal Museum	L. M. Tseng	Department of Economics, National Taiwan University	Committee Member, Strategic Planning Committee, CHP	2020.11.24
Manager, Taipei Post Office	M. C. Hsueh	Master in Management, Ming Chuan University	Manager, Taoyuan Post Office	2021.08.12
Manager, Banqiao 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	C. F. Tsai	Executive Master of Business Administration, National Chengchi University	Manager, Keelung Post Office	2021.08.12
Manager, Taichung Post Office	H. T. Chen	Department of Law, Fu Jen Catholic University	Deputy manager, Taichung Post Office	2021.05.12
Manager, Tainan Post Office	L. C. Huang	Master in College of Administration, National Chiayi University	Manager, Sanchong 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	C. F. Chou	Department of Accounting, Fu Jen Catholic University	Deputy Director, Department of Occupational Safety and Health, CHP	2021.08.12
Manager, Sanchong Post Office	Y. C. Yen	Department of Administration, Junior College of National Open University	Manager, Yilan Post Office	2021.08.12
Manager, Hsinchu Post Office	S. C. Wu	Department of Textile Engineering, Asia Eastern University of Science and Technology	Manager, Yunlin Post Office	2021.07.16
Manager, Changhua Post Office	R. H. Li	Department of Electrical Engineering, Kaohsiung University of Science and Technology	Deputy Manager, Kaohsiung Post Office	2021.01.16
Manager, Chiayi Post Office	L. M. Chen	Supplementary Open Junior College For Public Administration, National Chengchi University	Manager, Pingtung Post Office	2022.01.16
Manager, Miaoli Post Office	R. L. Fu	Department of English Language and Literature, Fu Jen Catholic University	Deputy Manager, Hsinchu Post Office	2021.05.12
Manager, Nantou Post Office	C. L. Huang	Department of English Language, Literature and Linguistics, Providence University	Section Chief, Planning and Marketing Section, Taichung Post Office	2022.01.17
Manager, Yunlin Post Office	Y. C. Li	Taichung City Lizen High School	Deputy Manager, Yunlin Post Office	2021.07.16
Manager, Pingtung Post Office	S. H. Chiu	Master in Information Management, National Kaohsiung University of Science and Technology	Section Chief, Planning and Marketing Section, Kaohsiung Post Office	2022.01.16
Manager, Yilan Post Office	Y. C. Chen	Master in Public Policy and Management, Shih Hsin University	Manager, Hualien Post Office	2021.08.12
Manager, Hualien Post Office	C. P. Tu	Executive Master of Business Administration, National Pingtung University of Science and Technology	Deputy Manager, Hualien Post Office	2021.08.12
Manager, Taitung Post Office	K. Y. Tsai	Department of Business Administration, Fu Jen Catholic University	Section Chief, Business Section, Kaohsiung Post Office	2021.08.16
Manager, Penghu Post Office	H. R. Hsu	Master in Management, National Chiayi University	Section Chief, Business Section, Chiayi Post Office	2021.01.18
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
- 22 II. Maintaining Social Welfare
- 25 III. Developing Sustainable Environment
- 26 IV. Protecting Our Clients' Rights and Interests
- 28 V. Caring for Our Employees
- 29 VI. Reinforcing Information Disclosure and Other
Related Services





Fulfilling Our Social Responsibility

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 95 directors and supervisors attended the corporate management courses offered by the Taiwan Corporate Governance Association, Taiwan Academy of Banking and Finance, Securities & Future Institute, Taiwan Insurance Institute, Taiwan Taipei District Court, Taiwan Hsinchu District Court, and Chunghwa Post in 2021.
- (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) To boost the employee morale, 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 Transportation and Communications for commendation.

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\$5.91 million in total in 2021.
- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 969 scam cases in 2021, thereby securing approximately NT\$356.09 million from scammers.
- (III) To fulfill our social responsibilities, we have continuously set up barrier-free ATMs at appropriate sites to provide wheelchair users and the visually impaired with easy access to ATMs. By the end of December 2021, 2,460 barrier-free ATMs in total have been installed at 1,468 sites. Moreover, 102 ATMs with voice

features suitable for visually impaired customers have been set up by the end of December 2021.

- (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 4,924 by the end of December 2021.
- (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 2021 totaled 95,286 with a total saving of over NT\$107.86 million.
- (VI) We have assisted residents in aboriginal and remote areas in acquiring the "quintuple stimulus vouchers":
 - 1. Aboriginal area: The managers of local branch offices nearby were contacted by the chiefs of villages and neighborhoods to help tabulate the residents, including the elderly, entitled to the vouchers, and the local branch offices assisted in voucher distribution.
 - 2. Remote areas without convenient stores or branch offices (Shizi Township, Pingtung, Wanrong Township, Hualien, and Jinfeng Township, Taitung): the vouchers were distributed by branch offices with the assistance of local police officers.
- (VII) 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 90,418 elders in total in 2021.
- (VIII) In response to the severe COVID-19 pandemic, we have participated in the real-name mask distribution project as demanded by the government. From February 4, 2020, we collected masks from factories requisitioned by the government across Taiwan, and through our seamless postal system, collected and distributed masks to the NHI contract pharmacies, health centers, institutions, industries, ministries, and the 8 major convenient stores and supermarkets. In 2021, the number of masks collected was approximately 3.46766 billion, and the number of masks distributed was approximately 3.08642 billion.
- (IX) We organized blood donation campaigns called "Donate Hot Blood to Send Warm Love" and "Donating Blood with Chunghwa Post" in 2021, collecting 48,564 bags of blood in total, each containing 250cc.
- (X) We offered "Scholarships for Dependents of Postal Life Insurance Policyholders" in 2021. The scholarship totaling NT\$5,000,000 was awarded to 3,000 recipients.
- (XI) We held a series of elderly fitness activities called "Chunghwa Post Senior Citizens Outing Trips," in 2021 and the number of participants reached 3,346.
- (XII) In order to promote high-quality agricultural products, support local small farmers in Taiwan, integrate postal virtual, physical marketing systems and home delivery services, we have implemented the agricultural marketing plan to benefit small farmers, who, in return, donate NT\$10 for each carton



Fulfilling Our Social Responsibility

of produce they sell, and we have created a multiple-win situation among farmers, consumers and disadvantaged groups.

In 2021, a total of 27 caring agricultural marketing activities were held. The donation amount totaled about NT\$510,000 and the donations include 25 charity organizations: Watch Tower Bible and Tract Society Branch Office in Taiwan, local public welfare organizations in Kaosiung, Yi-xin Children's Home, Taiwan Care For Families Association, St. Francis Care Home, Disability Employment Assistance Association (Kaohsiung City), Bethesda Home for Challenged Children and Adults (Hualien), Huashan Social Welfare Foundation, Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District (Kaohsiung City), Donation Account for Meal Delivery Service of Disadvantaged Families in Xingtian Village, Dashu District (Kaohsiung City), Catholic Private Savior Home for Disable Persons, St. Mary's Hospital (Taitung), Erlin Happy Christian Home (Changhua County), Daniel A. Poling Memorial Babies' Home (Taichung City), National Yilan Special School, Lelin Food Bank (Changhua County), Guanyin Kind Garden (Taoyuan City), Huashan Social Welfare Foundation Fuli Love Angel Station, Xuhai Primary-School Pupil Care Center (Pingtung County), The Mustard Seed Mission, Xinshe Elementary School (Hualien County), Genesis Social Welfare Foundation Caotun Branch, Genesis Social Welfare Foundation Hualien Branch, Genesis Social Welfare Foundation Douliu Branch, Genesis Social Welfare Foundation Kaohsiung Branch.



Care campaign for the elderly living alone



Postal card writing event for Mother's Day



Spring Festival couplet writing event for gift giving



Blood donating event "Donate Your Blood - Post Your Heart"

III. Developing Sustainable Environment

- (I) To implement self-management of safety and health, continue to strengthen safety and health, and prevent occupational disasters, we obtained the second-year accreditation for occupational health and safety management systems conforming to ISO 45001 and TOSHMS in December 2021.
- (II) To 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 construction projects are applied for in our buildings, contractors will be given the "Guidelines for the Hazardous Factors" 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) All of our employees attended a four-hour long Work Environment Education and Training Session in 2021. A course on energy management systems has been offered on our e-University website to enhance the new employees' awareness of energy use.
- (V) Specialist staff members are assigned to be in charge of the cleaning, disinfection and disease prevention tasks of our workplaces. Cleaning, waxing, and disinfection 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.
- (VI) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 99.97% in 2021, surpassing the annual goal of 95%.
- (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 to improve the percentage of official documents delivered electronically and speed up document processing.
- (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 cleanness. The results of the environment assessment in 2021 were as follows: Tainan Post Office ranked top in Group A, Taitung Post Office second, and Sanchong Post Office third; Taichung Mail Processing Center ranked top in Group B.
- (IX) We advocate water conservation by installing dual-flush toilets, increasing the frequency of pipeline inspection and maintenance, replacing old water supply pipelines, switching to water-saving faucets and establishing a water leakage report system with the Taiwan Water Corporation.
- (X) We 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. A meeting is convened by the Energy Conservation Promotion Team every six months to strengthen energy conservation training and publicize energy conservation measures. The total electricity consumption in 2021 was 107,324,974



Fulfilling Our Social Responsibility

kWh. Compared to the 121,607,112 kWh in 2015 (the base year), we saved 14,282,138 kWh of electricity, with a power saving rate up to 11.74%.

- (XI) In 2021, 11 sites, including Chunghwa Post Jinshan Building, main post offices (including branch 901) in Keelung, Banqiao, Sanchong, Taoyuan, Taichung, Tainan, Kaohsiung, and Pingtung as well as Taipei Juguang and Taipei Daan branch offices passed the ISO 50001 energy management system certification. We will continue to improve energy efficiency, create an energy-saving and safe environment, and expand the procurement of energy-saving products and support energy-saving innovative designs to optimize our energy management systems.
- (XII) Since 2019, we have been progressively conducting greenhouse gas emissions inventories. In 2021, the scope of the inventory was expanded to cover all the main post offices (centers) in Taiwan, with a total of 21 business sites.
- (XIII) We joined hands with Chunghwa Telecom and ASUS Foundation to hold "Passing Love to Remote Areas, Together for E-learning Future"- a donation ceremony for refurbished computers, on November 10, 2021. Our scrap computers were refurbished by the ASUS Foundation, and the refurbished computers were donated to schools and public welfare groups in remote areas, and Chunghwa Telecom provided information and communication services to improve digital learning for students in remote areas, narrowing the education gap between urban and rural areas while reducing greenhouse gas emissions and practicing resource recycling.

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.
- (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 2021, a total of 2,094 establishments have been founded, including 1,300 self-run post office branches, 482 postal agencies and 312 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 Personal Information Protection Law of the R.O.C. 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 completed the establishment and implementation of single-mainframe Parallel Sysplex in February 2020. In order to enable the systems to provide high availability and more stable operation, we continued to establish a dual-mainframe Parallel Sysplex environment, ensuring that when a single point of failure occurs, the normal service can still be provided continuously and that the risk of service interruption can be greatly reduced; the establishment and implementation was completed in November 2021.
- (X) To implement host connection in a pure TCP/IP environment for ATM transactions, we have installed an IP gateway, which strengthens the stability, security and performance of various transactions of our ATMs to meet the needs of our customers, maintain our reputation and improve service quality. The gateway became fully operational in August 2021.
- (XI) In order to strengthen the stability, security and operational efficiency of our information system platform, and to meet operational needs and achieve convenience in system operation with new functions, we have upgraded the version of the mainframe operating system and subsystem, enhancing the functions of the operating system and application software, the stability and operational efficiency of the mainframe system operating platform to protect the property and rights of our customers while maintaining our reputation and improving service quality. The version was upgraded to z/OS V2.3 in September 2021, and continued to upgrade to z/OS V2.5 and subsystems to newer versions, which are expected to be completed in January 2023.



Fulfilling Our Social Responsibility

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 the physical and mental health of all employees, we provide regular employee health checks and employee assistance programs that offer psychological, legal, financial, health, and management counseling services and take various employee-assistance measures to ensure our employees work with a healthy mind and body as well as improve their morale and our service effectiveness.
- (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.



Premier Su inspected and encouraged hard-working postal employees



Community care campaign

(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) In compliance with occupational safety and health regulations, we carried out health checks for employees over 40 years old and field employees under 40 years old in 2021.

(VIII) 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.

(IX) 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.

(X) In accordance with labor health protection rules, we employ or contract physicians or nursing staff to provide regular on-site labor health services.

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



Presentation of the risk assessment report relating to anti-money laundering, terrorism financing, and proliferation financing



National Critical Infrastructure Protection Drill



Fulfilling Our Social Responsibility

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 webpages about micro-insurance and elderly 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, July 2018, and July 2021, 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 in August 26. The certificate was upgraded to the ISO27001:2013 version in July 2015, and it passed the reexaminations in December 2015, July 2018, and July 2021. We also obtained the ISO 27701:2019 certificate for privacy information management, which 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, July 2018, and July 2021. We also introduced the ISO 27701:2019 system and obtained the certificate for privacy information management, which remains valid by successively passing the biannual reexaminations.

VI

Capital Raising

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





VI Capital Raising

I. Capital and Shares

(I) Source of Capital

Unit: NT\$

Month and Year	Issuance Price	Authorized Share Capital		Paid-up Capital	
		No. of Shares	Amount	No. of Shares	Amount
September 2021	10	10 billion	100 billion	7.9932 billion	79.932 billion (*)

* Total amount of NT\$ 79.932 billion after capital surplus of 6.41 billion transferred to capital on September 30, 2021, as approved by Ministry of Economic Affairs Shangzi Letter No. 11001191020 dated October 18, 2021.

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

At the end of 2021, our paid-up capital amounts to NT\$ 79.932 billion, and with a par value of NT\$10, totaling 7.9932 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			2020	2021
Net Worth per Share	Before Distribution		27.63	30.01
	After Distribution		26.64	28.94
Earnings per Share	Weighted Average No. of Shares		7.3522 billion shares	7.9932 billion shares
	Earnings before Adjustment		1.24	1.26
	Earnings after Adjustment ***		1.14	
Dividends per Share	Cash Dividends ***		0.99	1.07
	Stock Grant	Stock Dividend from Retained Earnings	0.715	0.003
		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 2021 earnings is based on the accountants' financial statements and is subject to review by the National Audit Office.

*** On September 30, 2021, the Company transferred capital surplus to capital, making a total paid-up capital of NT\$ 79.932 billion. Therefore, there are readjustments in 2020'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 set aside 25% of the surplus as legal reserve and may also set aside a special 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		2017	2018	2019	2020	2021 (*)
Stock (State-owned) Dividends and Bonuses	Cash	6,795,801	8,383,857	7,618,406	7,911,027	8,589,089
	Stock Grant	2,603,000	294,000	1,146,000	5,256,000	26,000
Legal Reserve		2,658,242	4,549,948	3,064,317	4,161,032	3,467,127
Special Reserve		1,178,924	5,265,988	1,574,546	4,572,067	1,812,292
Replenishment of Loss			—		—	—
Surplus not Allocated		—	—	—	—	—

* The 2021 earnings is based on the accountants' financial statements and is subject to review by the National Audit Office.

(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

- 35 I. Scope of Business
- 62 II. Employee Composition
- 64 III. Labor-management Relations
- 65 IV. IT Facilities

1. 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.

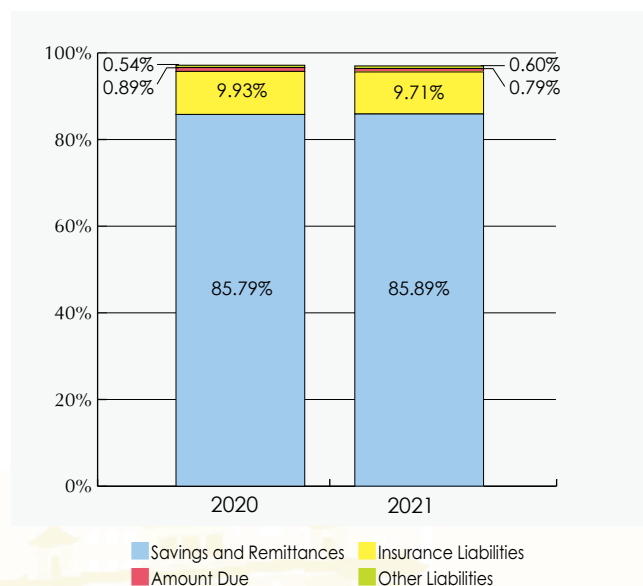
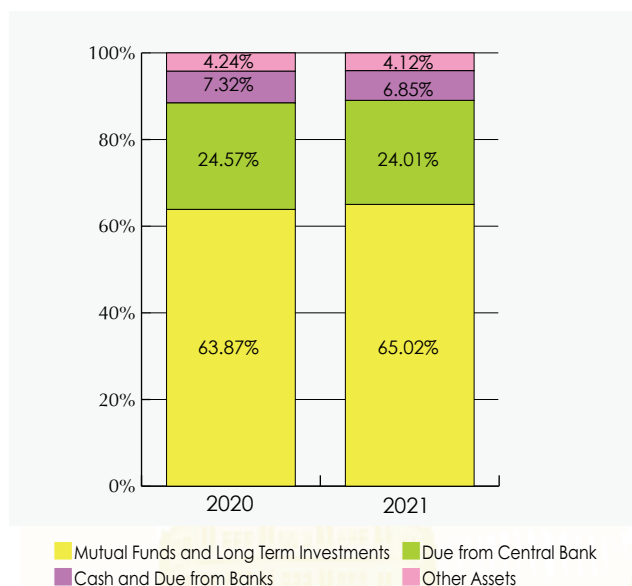
Percentage of Major Assets and Liabilities to Total Assets, 2020 and 2021

Unit: NT\$1,000; %

Major Items	2020		2021	
	Amount	%	Amount	%
Total Assets	7,471,015,740	100.00	7,687,050,666	100.00
Mutual Funds and Long-Term Investment	4,772,006,760	63.87	4,998,091,913	65.02
Due from Central Bank	1,835,520,794	24.57	1,845,309,408	24.01
Cash and Due from Other Banks	546,614,123	7.32	526,343,054	6.85
Other Assets	316,874,063	4.24	317,306,291	4.12
Total Liabilities	7,258,055,217	97.15	7,455,766,255	96.99
Deposits and Remittances	6,409,655,282	85.79	6,602,632,438	85.89
Insurance Liabilities	742,040,709	9.93	746,575,732	9.71
Amount Dues	66,548,379	0.89	60,484,123	0.79
Other Liabilities	39,810,847	0.54	46,073,962	0.60

Note: Figures for 2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.

Comparison Chart of Asset Allocation, 2020 and 2021 Comparison Chart of Liabilities, 2020 and 2021





VII

Operations Summary

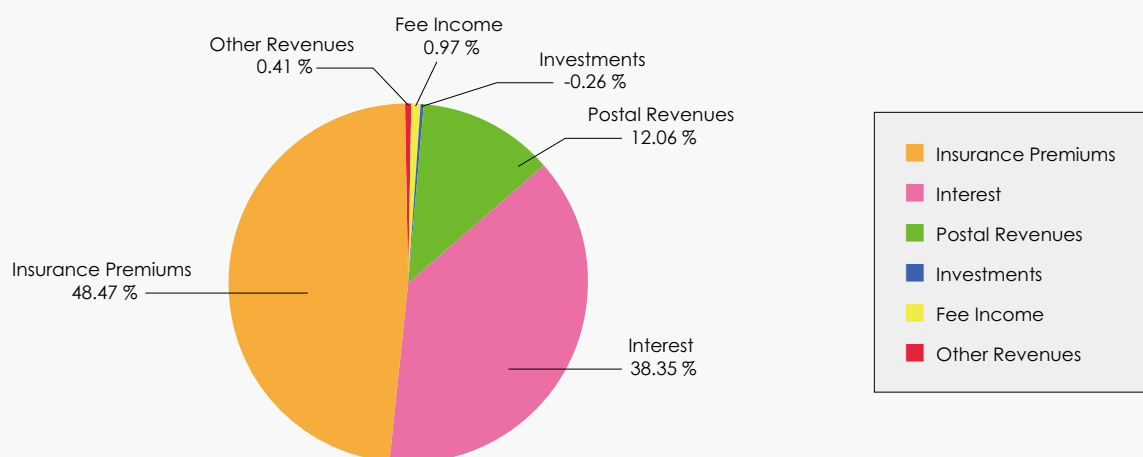
Percentage of All Business Revenues, 2020 and 2021

Unit: NT\$1,000; %

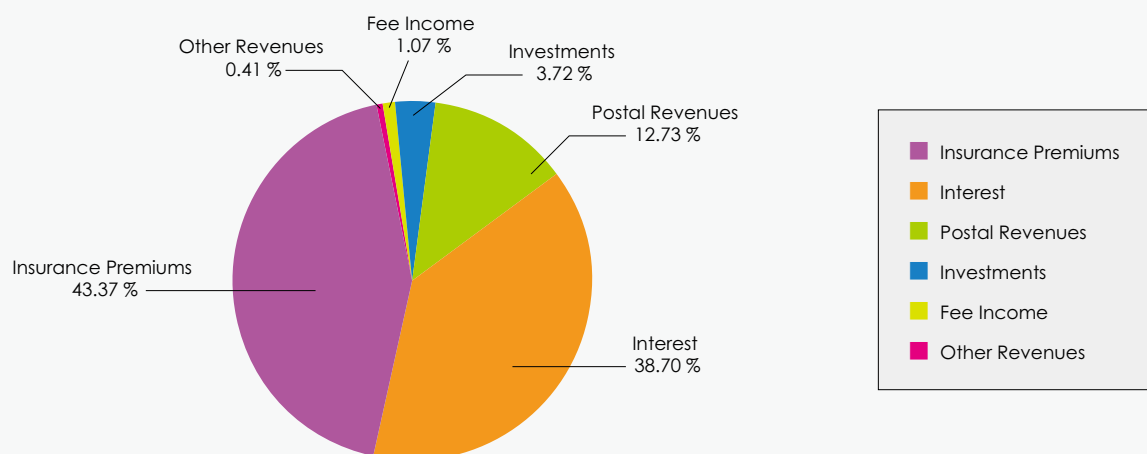
Item	2020		2021	
	Amount	%	Amount	%
Insurance Premiums	118,502,415	48.47	99,178,459	43.37
Interest	93,745,367	38.35	88,516,231	38.70
Postal Revenues	29,494,361	12.06	29,110,781	12.73
Investments	(629,868)	-0.26	8,514,796	3.72
Fee Income	2,370,558	0.97	2,451,098	1.07
Other Revenues	987,117	0.41	927,458	0.41
Total Revenues	244,469,950	100.00	228,698,823	100.00

Note: Figures for 2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.

Sources of Business Revenues, 2020



Sources of Business Revenues, 2021

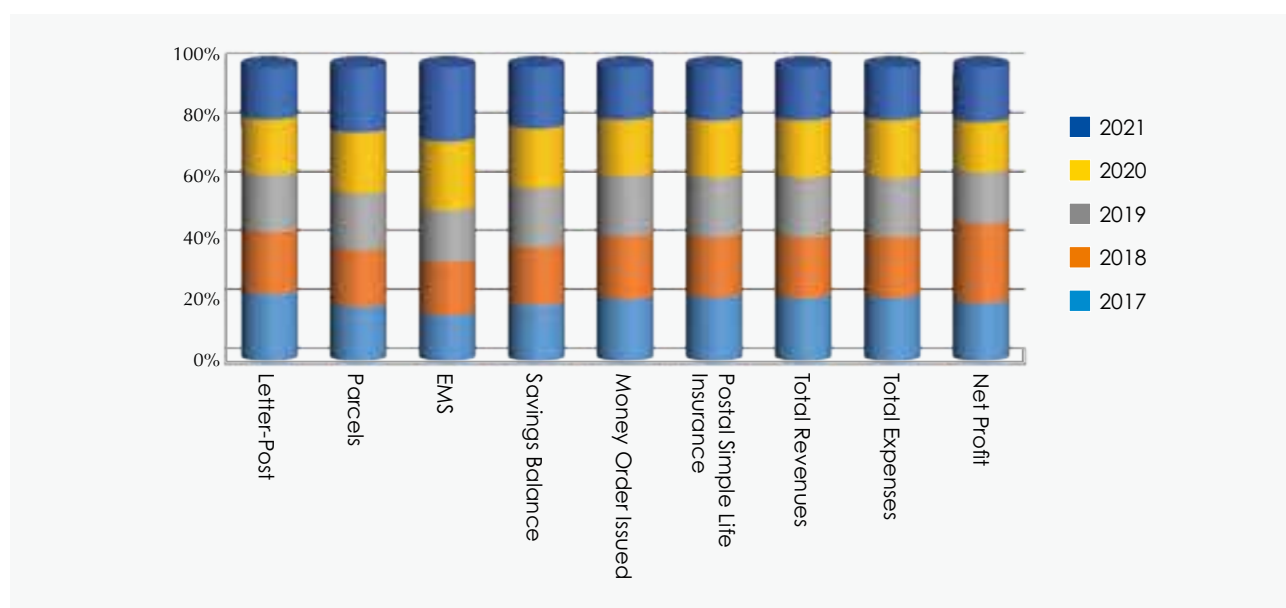


Business Highlights over the Past 5 Years

Item	Unit	2017	2018	2019	2020	2021
1. Letter-Post	Million pcs.	2,352	2,152	2,023	1,912	1,845
2. Parcels	Thousand pcs.	24,605	25,737	25,946	27,362	29,821
3. EMS	Thousand pcs.	10,849	12,457	12,364	16,186	17,548
4. Savings Balance	Million NT\$ Dollars	6,074,316	6,171,759	6,279,948	6,418,183	6,610,818
5. Money Order Issued	Thousand pcs.	16,769	16,890	16,174	14,948	14,353
6. Postal Simple Life Insurance	Thousand pcs.	2,465	2,308	2,270	2,185	2,065
7. Total Revenues	Million NT\$ Dollars	271,936	259,616	252,033	244,668	228,992
8. Total Expenses	Million NT\$ Dollars	261,328	245,185	242,685	235,531	218,954
9. Net Profit	Million NT\$ Dollars	10,608	14,431	9,348	9,137	10,038

Note: Figures for 2017-2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 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



VII Operations Summary

since August 1, 2017, and this caused the items sent and received in 2021 thus dropped to 1,829.53 million pieces, which is 1.55 % lower than the 1,858.35 million pieces in 2020. The correspondence posted per capita was 78.3.

International letter-post items sent and received in 2021 totaled some 15.46 million pieces, 71.17 % lower than that in 2020, which was some 53.62 million pieces mainly because of the charge adjustment in the "transit mail" business, where surcharge can be imposed per piece due to the weight difference.

2. Parcels

A total of 29,036,000 pieces of domestic parcels were delivered in 2021, 9.84% higher than that in 2020, which was 26,435,000. 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 2021 totaled 785,000 pieces, 15.32% lower than the 927,000 pieces in 2020 mainly because of the announcement of additional surcharges for aviation emergencies and adjustments of U.S. postage from March 2021.

3. Express Mail Service (EMS)

Due to the Covid-19 pandemic, logistics business and marketing activities by major online-shopping platforms thrive as the need for home shopping grows.

Express mail delivered domestically in 2021 totaled 15,991,000 pieces, up 10.59 % compared with that in 2020, which was 14,460,000 pieces. Chunghwa Post will continue to offer integrated logistics services such as doorstep pick-up, express delivery, and collection on delivery in order to meet online shopping merchants' demand for multichannel 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 2021 amounted to 1,557,000 pieces, 9.79% lower than the 1,726,000 pieces in 2020 mainly because of the announcement of additional surcharges for aviation emergencies and adjustments of U.S. postage from March 2021.

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 308.13 million e-mails were handled in 2021, 0.61% higher than that in 2020.

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 13 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 2021.

(1) Cross-strait mail delivered in 2021

The volume of mail sent from Taiwan amounted to more than 2,610,000 items, 5.11% lower than that in the previous year; more than 1,230,000 items were received from China, 0.97% higher 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

Due to the Covid-19 pandemic in 2021, postal personnel from Taiwan and China ceased to visit each other while the communication of relevant postal service continued. Chunghwa Post plans to have face-to-face business communication with postal personnel from China when the pandemic slows down.

6. Cargo to Mail services

(1) In 2021, due to factors such as the sharp increase in terminal dues of international mail charged by postal services in various countries and the soaring prices of Taiwan's sea and air freight caused by the COVID-19 pandemic, the operation volume and value of the transshipping Cargo to Mail services, declined. In 2021, the services processed 1,911 metric tons of merchandise, generating NT\$404.01 million of revenues, a 53% and 62% decrease, respectively, compared to the previous year.

(2) The Free Trade Zone-to Mail (FTZ-to-Mail) services have been rendered to assist Taiwanese logistics service providers in collaborating with cross-border e-commerce platforms by allowing the e-commerce companies to transfer their shipping warehouses originally set up in foreign countries to Taiwan Free Trade Zone so that when a overseas order is established, the order can be shipped by us, Chunghwa Post, to the destination, which can be any country in the world, through our FTZ-to-Mail process. With the FTZ-to-Mail services, competitive advantage of Taiwan's logistics industry can be enhanced. In 2021, the services have processed 80 metric tons of merchandise, an 252% increase compared to the previous year.

Number of Mail Items Received and Delivered, 2020 and 2021

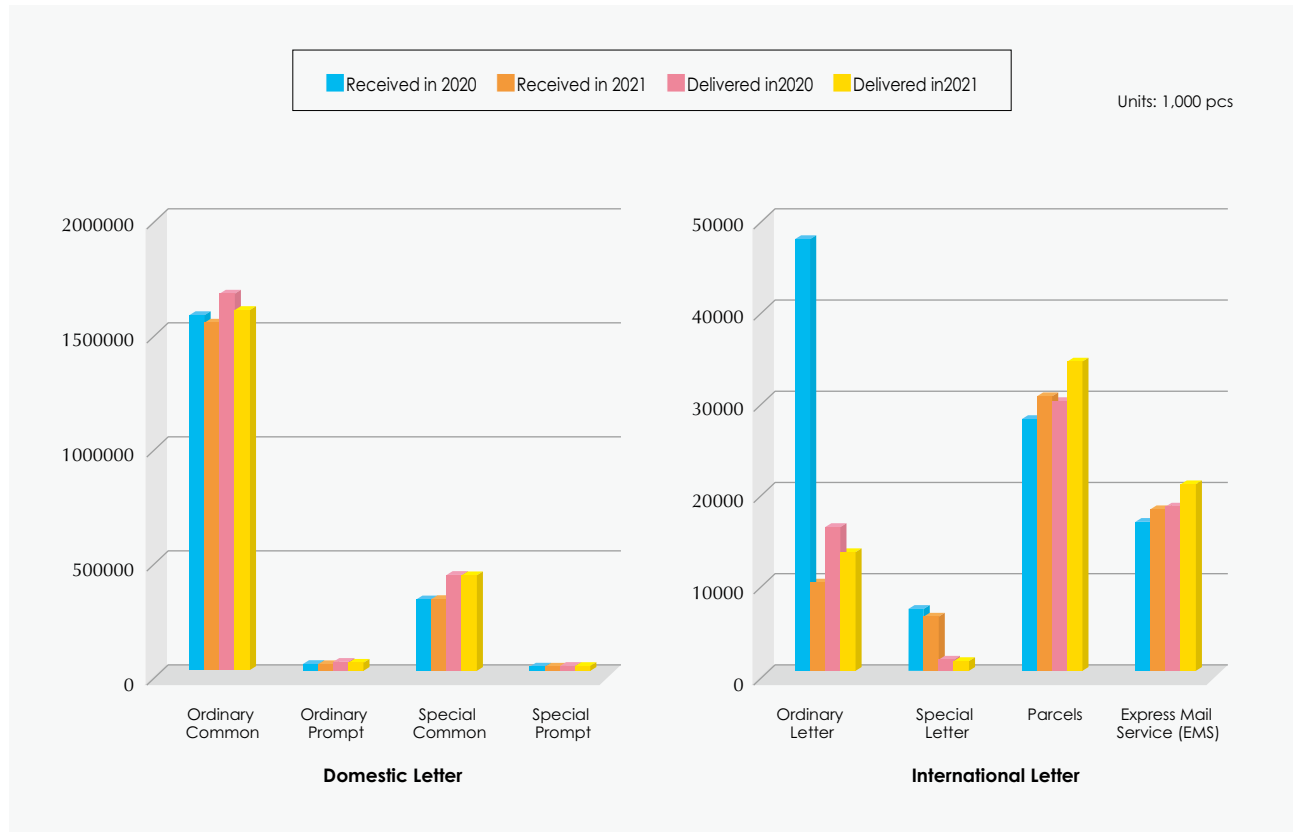
Units: 1,000 pcs

Postal Item			Received		Delivered	
			2020	2021	2020	2021
Domestic Letter	Ordinary	Common	1,535,638	1,506,435	1,619,407	1,555,322
		Prompt	26,675	25,889	35,076	31,557
	Special	Common	279,523	280,966	375,357	373,920
		Prompt	16,517	16,240	19,259	18,886
	Sub-total		1,858,353	1,829,530	2,049,099	1,979,685
International Letter	Ordinary		46,905	9,573	15,615	12,890
	Special		6,717	5,883	1,214	1,063
	Sub-total		53,622	15,456	16,829	13,953
Parcels	Domestic		26,435	29,036	28,661	32,973
	International		927	785	626	639
	Sub-total		27,362	29,821	29,287	33,612
Express Mail Service (EMS)	Domestic		14,460	15,991	15,691	17,726
	International		1,726	1,557	2,149	2,538
	Sub-total		16,186	17,548	17,840	20,264
Total			1,955,523	1,892,355	2,113,055	2,047,514



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Number of Mail Items Received and Delivered, 2020 and 2021



7. Mail routes

(1) Domestic mail routes

Efficiency, safety, accessibility, precision, and affordability 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 2021, 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 113,362 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 by dispatch series. By the end of 2021, the international air routes (EMS routes included) and waterways had reached 1,203,635 and 591,116 kilometers respectively.

Mileage of Mail Route, 2020 and 2021

Unit: KM

Type	2020	2021	%
I. Land	107,983	107,612	-0.34%
1. High-speed Railway	345	345	0%
2. Railroads	Suspended from 2016	Suspended from 2016	—
3. Highways	17,918	17,918	-0.12%
4. Others	89,720	89,370	-0.39%
II. Waterways	592,629	592,629	0%
1. Domestic	1,513	1,513	0%
2. International	591,116	591,116	0%
III. Air Routes	1,207,872	1,207,872	0%
1. Domestic	4,237	4,237	0%
2. International	1,203,635	1,203,635	0%

(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 payroll direct deposit, iPost, Mobile Post APP, online ATM, VISA debit card, mobile payment services, and digital savings account 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 2021, the number of accounts totaled over 36,490,000, 0.14% more than that of 2020, while the balance of all accounts combined had climbed 3.00% compared with the previous year to NT\$6,610.8 billion, which translates into more than NT\$ 180,000 per account.



VII Operations Summary

1. New services introduced in 2021

(1) Launching financial blockchain confirmation service

To develop a digital financial environment, we launched the financial blockchain service on March 16, 2021 to offer audit institutions (such as accounting firms and the National Audit Office) financial information for confirmations using blockchain technology, which reduces manual review, filling and mailing operations while promoting green finance.

(2) Issuing the Visa Ticket Debit Card

To expand our debit card services, we have collaborated with iPASS Corporation to issue the Visa Ticket Debit Card, which supports iPass transactions and automatic iPass value adding. The Card has been open for application since November 9, 2021.

(3) Account verification service

In cross-industry collaboration with TAIWAN-CA Inc., we launched the "Chunghwa Post account verification service," which has been applied to the phone number request process on Taiwan Mobile Online Store since November 11, 2021.

(4) Starting digital savings account

To create a digital and friendly financial environment, we have implemented an online account-opening process, which allows adult citizens to open a Chunghwa Post digital savings account online or via a mobile device. The interal trial operation was started on September 25, 2021, and the process has been open to citizens since January 2022. With high interest rates and various marketing activities, we aim to attract customers, especially the young generation, to open accounts online.

2. Improved working procedures

"iPost/ePost non-over-the-counter banking" service.

We improved our bank service application process to offer safe, convenient, and non-over-the-counter services. Our depositors now can apply for the banking service online on the iPost website. And starting June 23, depositors who have applied for the banking service online can activate the service using the Chunghwa Post WebATM with their Postal VISA Debit Cards, and starting November 16 through physical postal ATMs.

3. New services for the convenience of the public

(1) Simplified application forms

To strengthen customer service, since March 13, 2021, a new version of the "Interbank Postal Remittance Application Form" for both deposit withdrawal and remittance has been implemented to simplify the deposit withdrawal and remittance processes and improve customer satisfaction.

(2) Adding more cooperating platforms to E-payment With Postal Saving Accounts service.

Chunghwa Post has added EasyCard Corp. as a cooperating e-payment platform since June 7, 2021. By the end of December 2021, Chunghwa Post has cooperated with JKOPAY, Line Pay Money, PChomePay, GAMA PAY, O'Pay, icash and Easy Wallet to provide diversified payment channels.

(3) Issuance and cashing of printed stimulus vouchers and cashing of Doublepon

- In line with the government's economic revitalization policy, we distributed printed triple stimulus vouchers over the counter from July 15, 2020 to the end of December 2020, with a total 10,685,623 individuals acquiring; and from July 23, 2020 to the end of March 2021, we cashed the vouchers over the counter, with a total of 13,525,237 cashed.
- In line with the government's economic revitalization policy, we distributed printed quintuple stimulus vouchers over the counter from October 12, 2021, with a total of 5,433,852 individuals acquiring as of the end of December 2021; and from October 15, 2021 we cashed the vouchers over the counter, with a total of 6,270,135 pieces cashed as of the end of December 2021.

- In cooperation with the Taoyuan City Government's promotion of "Taoyuandoublepon" program, from January 3, 2022 to June 30, 2022, post offices at all levels under the jurisdiction of the Taoyuan Post Office was open to cash the Doublepons.
- (4) Distribution of pandemic prevention subsidies
- In response to the Covid-19 pandemic, the government agencies have successively implemented the Relief Program 4.0, and we, Chunghwa Post, assisted in the distribution of subsidies, which were directly remitted into the Chunghwa Post accounts of those with one or were offered to those without one in the form of postal money orders specified for relief. As of the end of December in 2021, the subsidies were remitted to a total of 1,411,053 accounts, and a total of 182,371 postal money orders were delivered.
 - In line with the Executive Yuan's policy on pandemic-prevention subsidies for families with children, we processed a total of 40,737 over-the-counter applications for the subsidies from July 15, 2021 to the end of September.
 - In line with the first-phase policy of the K-12 Education Administration, we assisted in the issuance of the pandemic prevention subsidies for families with children (NT\$10,000 per child). On June 15, 2021, we remitted the subsidies to our depositors who had registered online, and on June 18, 2021, we enabled individuals to draw the subsidies from the ATMs of 3 banks, including Cathay United Bank, Taishin Bank and CTBC Bank, after verification using their Postal VISA Debit Cards.
 - In line with Ministry of Labor's policy on part-time wage subsidy and labor subsidies, on June 28, 2021, we remitted the subsidies to our depositors who had registered on the subsidy website, and on July 1, 2021, we enabled individuals to draw the subsidies from the ATMs of 3 banks, including Cathay United Bank, Taishin Bank and CTBC Bank, after verification using their Postal VISA Debit Cards.
- (5) Scheduled transfers on iPost/ePost with a "message"
- When scheduling a transfer on iPost or ePost, remitters can now adding a message for the receiver or themselves, increases the convenience of payment.
- (6) Starting transfers to a mobile phone number service
- Our depositors can now apply to link their mobile phone numbers to their passbook accounts so that they can use the phone numbers as receiving account numbers that one can enter on iPost, WebATM, or the Taiwan Pay cloud-based payment app to complete a non-designated instant transfer.
- (7) Transaction notification
- When our depositors make a purchase of NT\$5,000 or more using the Taiwan Pay app (with their Postal VISA Debit Cards registered) or Postal Guard app, an app notification of debit will be shown; and when the depositors transfer NT\$10,000 or more from their passbook accounts on an ATM, a notification of transfer will be sent via email or SMS.
- (8) Removal of the renewal requirement for ePost fast login
- To improve convenience for our depositors, we have removed the renewal requirement for ePost quick login, so the depositors using the service for more than 1 year no longer need to apply for login renewal 30 days before the expiration date.
- (9) Cardless cash withdrawal from ATMs
- To enhance our ATM services, we have been installing QR Code readers to our ATMs to enable cash withdrawal through mobile devices.
- (10) Increasing branch offices with instant card issuance service
- In 2021, there were 595 newly added branch offices with instant card issuance service; by the end of 2021, there were a total of 1,117 offices (excluding one or two-clerk branch offices) providing the same-day Postal VISA Debit Card issuance service.



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Operations Summary

(11) Digital Quintuple Stimulus Vouchers

In line with the government's policy of issuing Quintuple Stimulus Vouchers, Chunghwa Post provided postal VISA Debit Card and Postal ATM Card Scan-to-Pay (Taiwan Pay) electronic linking service with additional cashback. Postal passbook depositors were provided with diversified payment choices while the economic stimulus effect was enhanced through the service.

(12) Financial Inheritance Inquiry Service

With the Ministry of Finance's measures to further enable convenient inquiry of financial inheritance, the revenue service agencies would handle and respond to these inquiries from citizens, and we would provide information of postal savings balances to improve the convenience and efficiency of public access to information.

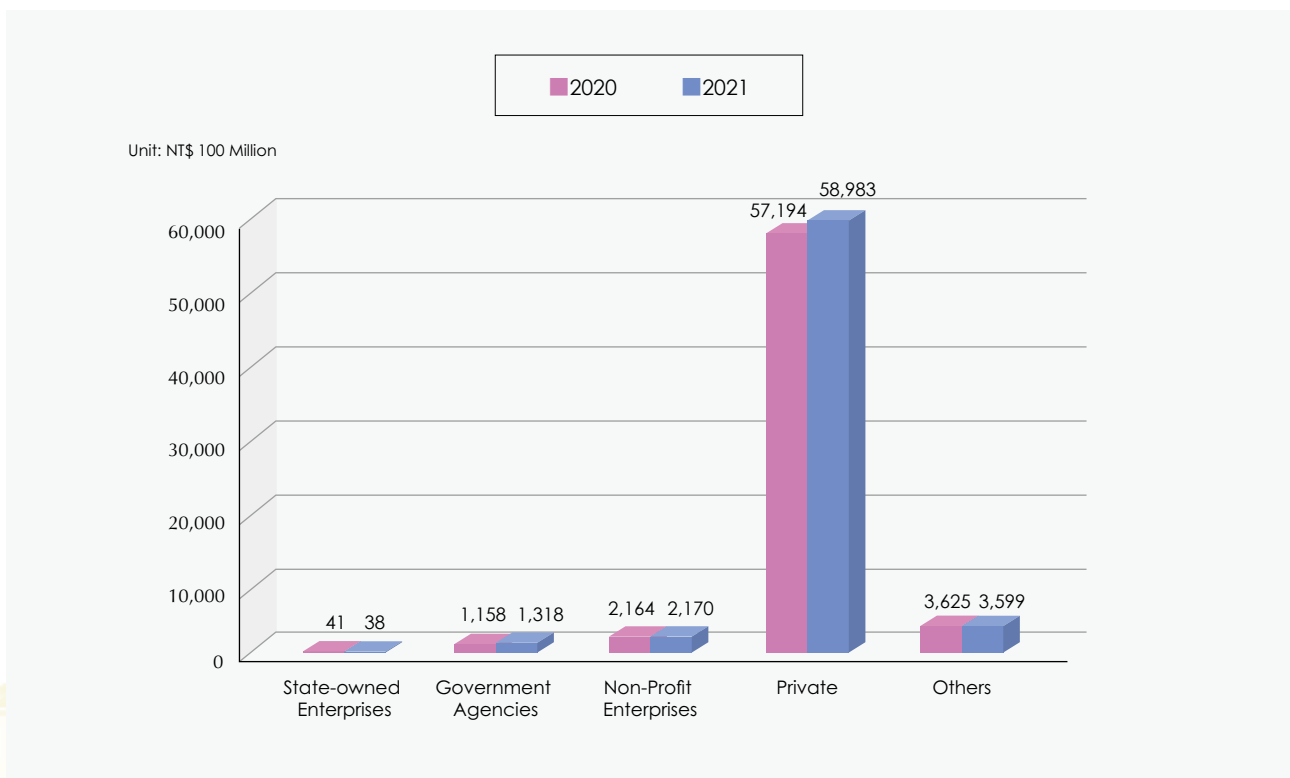
(13) To make it more convenient for remittances, the Company continuously increases the number of handling branches providing inter-bank remittances. By the end of 2021, there were 1,263 branches providing the service.

Volume of Postal Savings Services

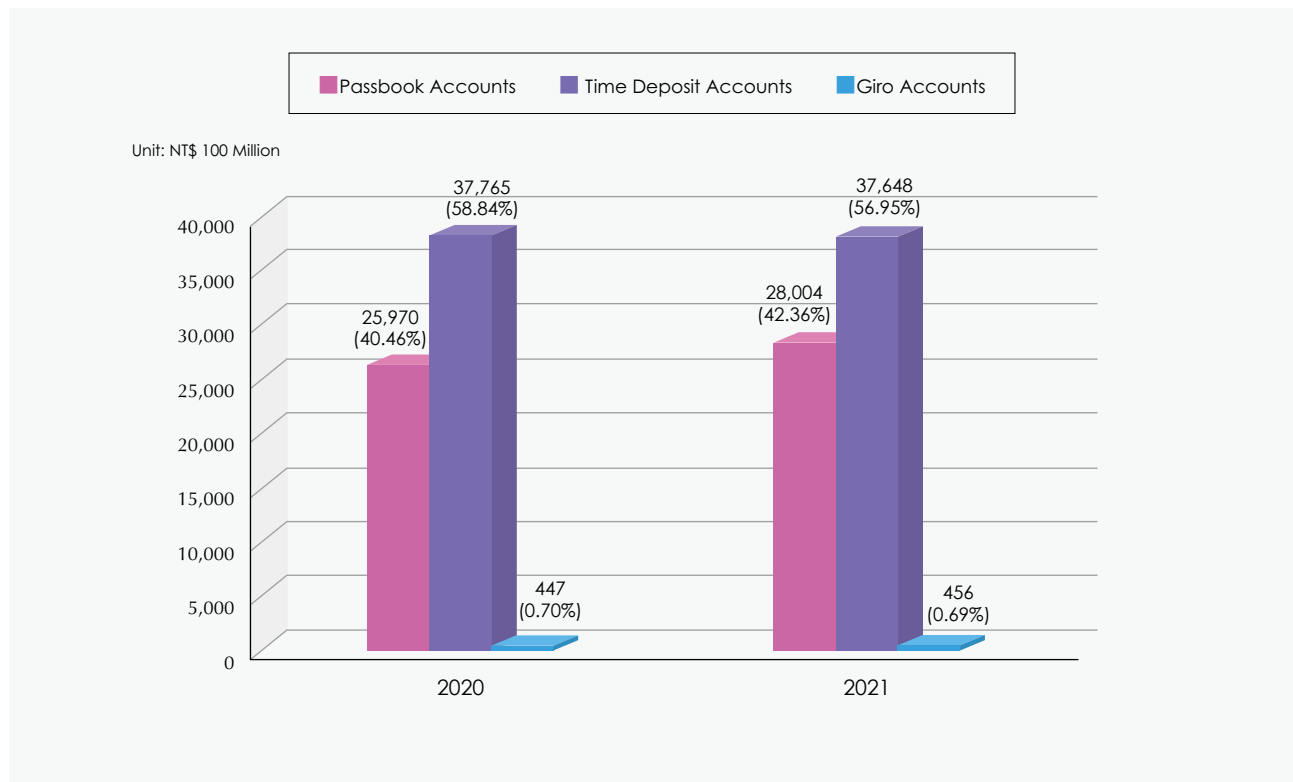
Unit: NT\$ Million

Type	Number of Deposits		Number of Withdrawals		Number of Accounts		Total Balance	
	2020	2021	2020	2021	2020	2021	2020	2021
Passbook Accounts	297,889,160	302,286,605	421,780,233	434,267,228	28,778,976	28,982,729	2,597,006	2,800,401
Time Deposit Accounts	7,131,641	6,816,755	42,847,825	41,304,209	6,106,740	5,964,083	3,776,532	3,764,780
Giro Accounts	54,346,837	42,423,690	13,288,256	14,340,770	1,563,752	1,550,738	44,645	45,637
Total	359,367,638	351,527,050	477,916,314	489,912,207	36,449,468	36,497,550	6,418,183	6,610,818

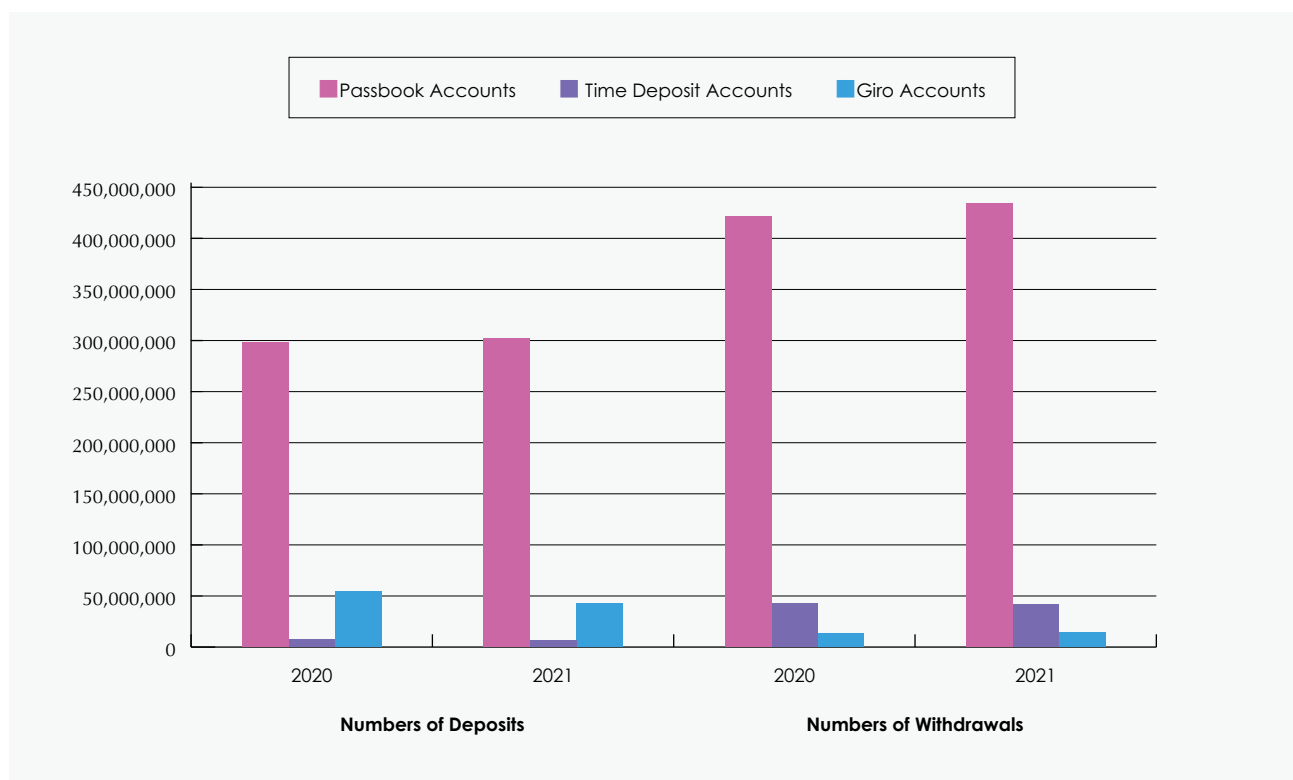
Comparison Chart of Savings Account Holders, 2020 and 2021



Comparison Chart of Postal Savings Services, 2020 and 2021



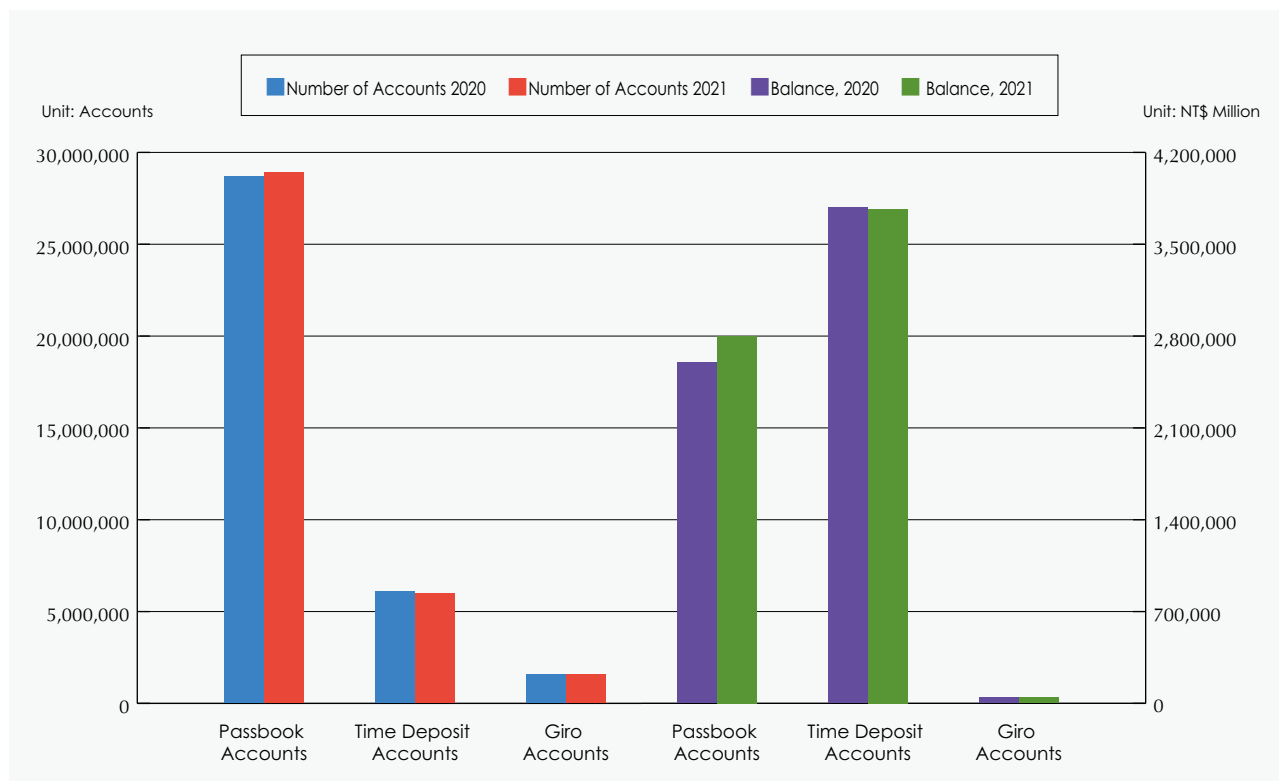
Numbers of Deposits and Withdrawals of Various Types of Accounts, 2020 and 2021





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Numbers of Accounts and Balances of Various Types of Accounts, 2020 and 2021



(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 buying back travelers' checks in US dollars. By the end of 2021, the number of branches which provide international remittance services, including the trading of foreign currency, had reached 257, and the Taoyuan International Airport as well as 27 scenic areas/regional branches had been appointed to undertake the exchange of foreign currencies and the trading of US dollar travelers' checks.

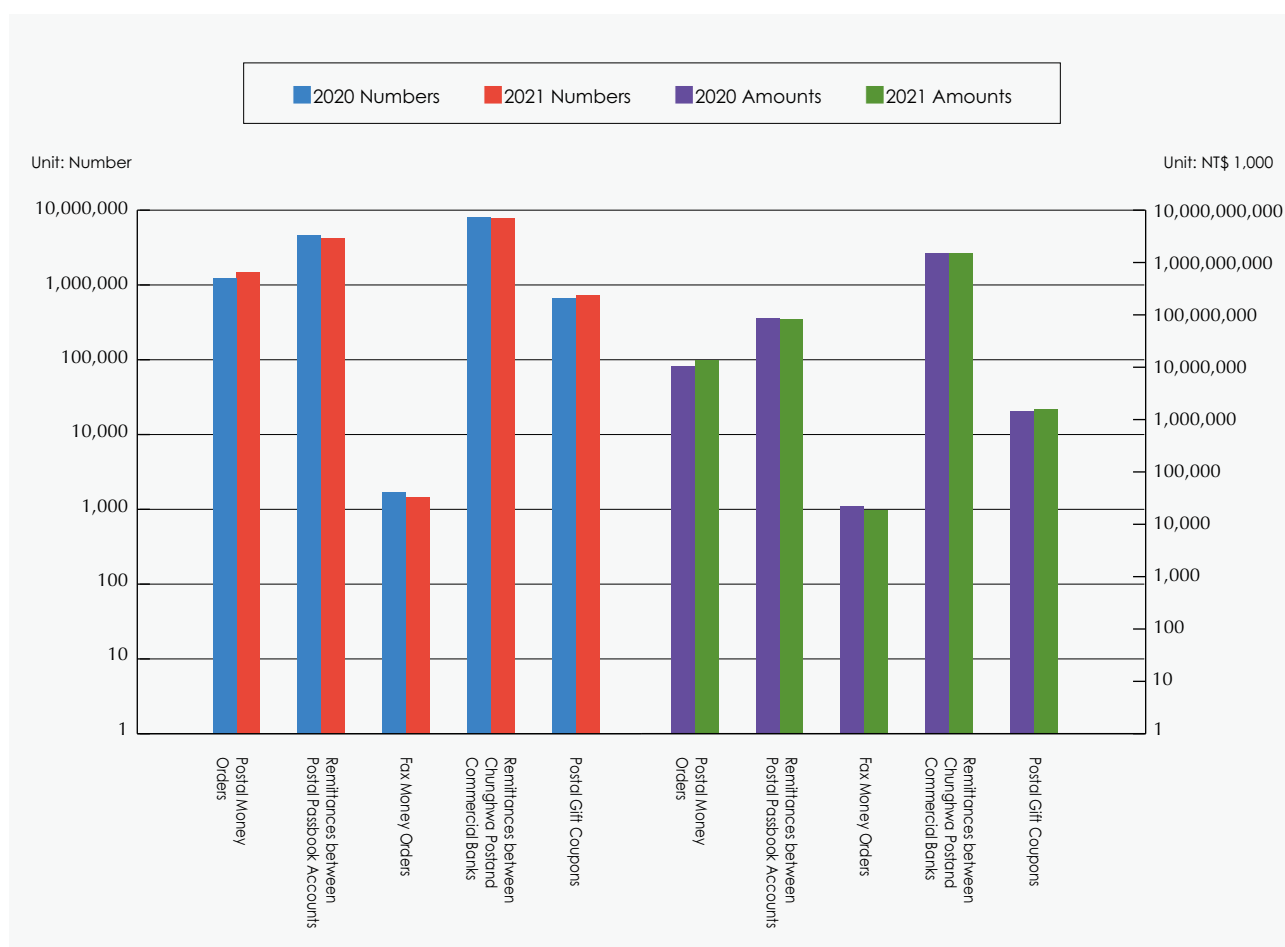
In 2021, funds remitted through Chunghwa Post amounted to over NT\$ 1,642 billion, up 0.37% compared with that of 2020, while money orders totaled more than 14,350,000, down 3.95% compared with that of 2020.

Volume of Remittance Services

Unit: NT\$ 1,000

Type	Number		Amount	
	2020	2021	2020	2021
Postal Money Orders	1,188,602	1,443,115	10,622,283	13,594,671
Remittances between Postal Passbook Accounts	4,804,603	4,261,308	85,853,914	83,842,835
Fax Money Orders	1,694	1,445	21,474	19,030
Remittances between CHP and Commercial Banks	8,040,206	7,774,329	1,535,910,025	1,541,171,148
Postal Gift Coupons	672,544	735,465	1,459,625	1,575,044
International Postal Money Orders	6	0	3	0
International Outgoing Remittances	7,436	6,776	1,617,228	1,471,092
Travelers' Checks in USD	274	0	2,839	0
Remittances to Mainland China	3,242	2,835	280,244	241,467
Trading of Foreign Currencies	229,701	127,984	238,971	139,211
Total	14,948,308	14,353,257	1,636,006,606	1,642,054,498

Volume of Domestic Remittance Services, 2020 and 2021

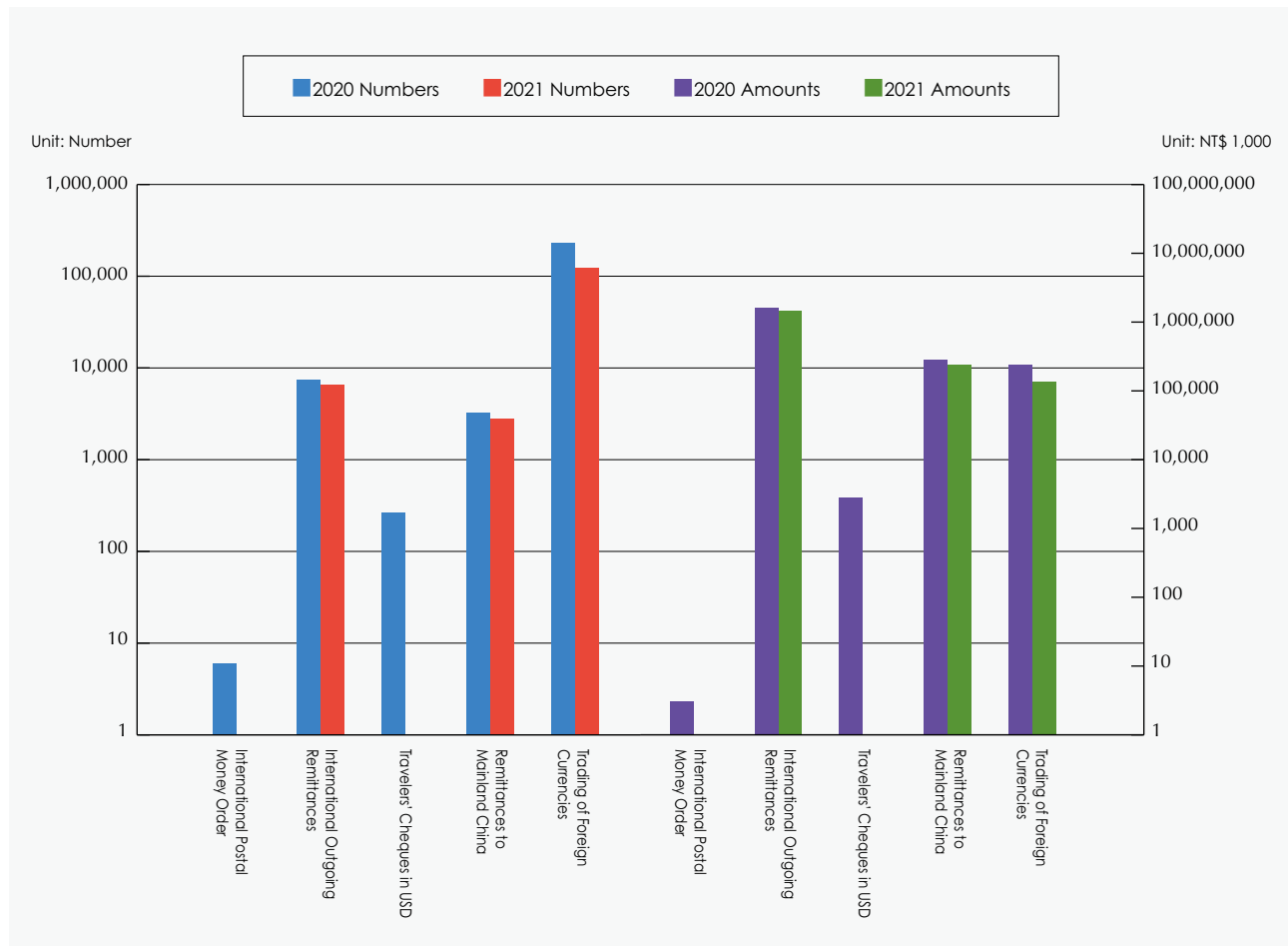




VII

Operations Summary

Volume of International Remittance Services, 2020 and 2021



(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 2021

(1) The "Postal Simple Life Insurance- Jin-huan-si Increasing Endowment" was launched on January 12, 2021.

- Age eligibility:
10-year premium paying term: 16 to 65 (Both male and female).
20-year premium paying term: 16 to 50 (Male); 16 to 60 (Female).
- Sum assured: From the 1st policy year, the "basic sum assured" will increase by 5% annually on simple interest basis until the 20th policy year.
- Policy maturity benefit: Provided that the insured survives to the expiry date of the policy and the policy is still in force, the maturity benefit will be paid in the amount of the sum assured at that time.
- The minimum sum assured: NT\$100,000.
- The maximum sum assured:

Insured age	16 to 35	36 or above
Basic sum assured	NT\$1,500,000	NT\$2,000,000

(2) "Postal Simple Life Insurance- Chang-le Increasing Endowment" was launched on July 1, 2021.

- Age eligibility: 16 to 65.
- Sum assured: From the 1st policy year, the "basic sum assured" will increase by 5% annually on simple interest basis until the 20th policy year.
- Living benefits:
 1. During the premium payment term, the insured will be paid, on the 3rd, 6th and 9th policy anniversaries, with 6% of the basic sum assured at that time.
 2. From the end of the premium paying period to 19 years after the end, the insured will be paid, on



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each policy anniversary (including the one at the end of the premium paying term), with 6% of the basic sum assured at that time.

- The minimum sum assured: NT\$100,000.
- The maximum sum assured:

Insured age	16 to 31	32 to 65
Basic sum assured	NT\$1,200,000	NT\$1,500,000

(3) "Postal Simple Life Insurance- An-xin Whole Life Insurance" was re-launched on July 1, 2021. On the same day, the maximum number of the policies one can own was relaxed from 2 to 3. The maximum assured amount has been increased from NT\$500,000 to NT\$700,000; and since November 15, 2021, the minimum insured age for each premium paying term of "Postal Simple Life Insurance- An-xin Whole Life Insurance" has been lowered to 30.

- Age eligibility:
6-year premium paying term: 30 to 73.
10-year premium paying term: 30 to 70.
15-year premium paying term: 30 to 66.
20-year premium paying term: 30 to 60.
- Survival benefit: Provided that the insured survives on the policy anniversary when his/her age has reached 110 years old and the policy is still in force, the survival will be paid on the amount of the sum insured.
- The minimum sum assured: NT\$100,000.
- The maximum sum insured is NT\$2,000,000.

3. New policies

In 2021, newly-issued Postal Life Insurance policies totaled 173,679, the sum assured reached NT\$65.07878 billion, and the first-year premium income generated therefrom was NT\$7.01058 billion.

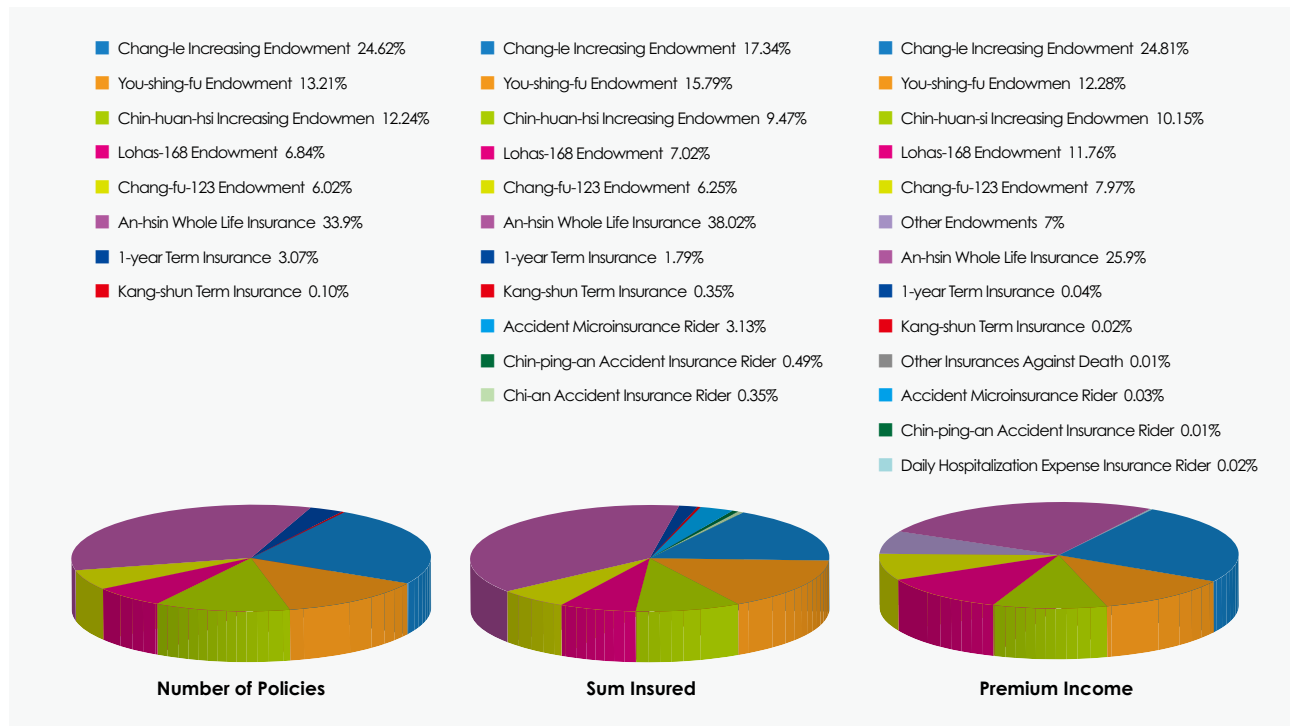
New Policies by Type

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

Type		Number of Policies	%	Sum insured	%	First-year Premium Income	%
Total		173,679	100.00	65,078,775	100.00	7,010,575	100.00
Endowment	Chang-le Increasing	42,757	24.62	11,284,396	17.34	1,738,993	24.81
	You-shing-fu Endowment	22,934	13.21	10,276,679	15.79	860,929	12.28
	Chin-huan-si Increasing	21,259	12.24	6,164,555	9.47	711,641	10.15
	Lohas-168 Endowment	11,881	6.84	4,567,575	7.02	824,678	11.76
	Chang-fu-123 Endowment	10,459	6.02	4,068,798	6.25	559,002	7.97
	Others	0	0.00	0	0.00	490,536	7.00
	Insurance Against Death	An-hsin Whole Life Insurance	58,881	33.90	24,744,319	38.02	1,815,607
1-year Term Insurance		5,333	3.07	1,163,409	1.79	2,899	0.04
Kang-shun Term Insurance		175	0.10	228,418	0.35	1,080	0.02
Others		0	0.00	0	0.00	887	0.01
Accident Insurance	Accident Microinsurance Rider	4,714	—	2,037,500	3.13	1,993	0.03
	Chin-ping-an Accident Insurance Rider	632	—	318,180	0.49	386	0.01
	Chi-an Accident Insurance	454	—	224,130	0.35	251	0.00
Health	Daily Hospitalization Expense Insurance Rider	635	—	816	0.00	1,693	0.02

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 2021, the number of in-force postal life insurance policies were 2,065,329, the sum insured amounted to NT\$ 664.15295 billion, and the premium income was NT\$99.17846 billion.

In-Force Policies by Type

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

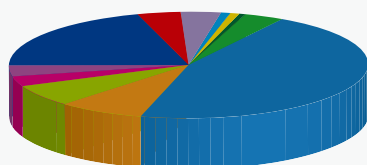
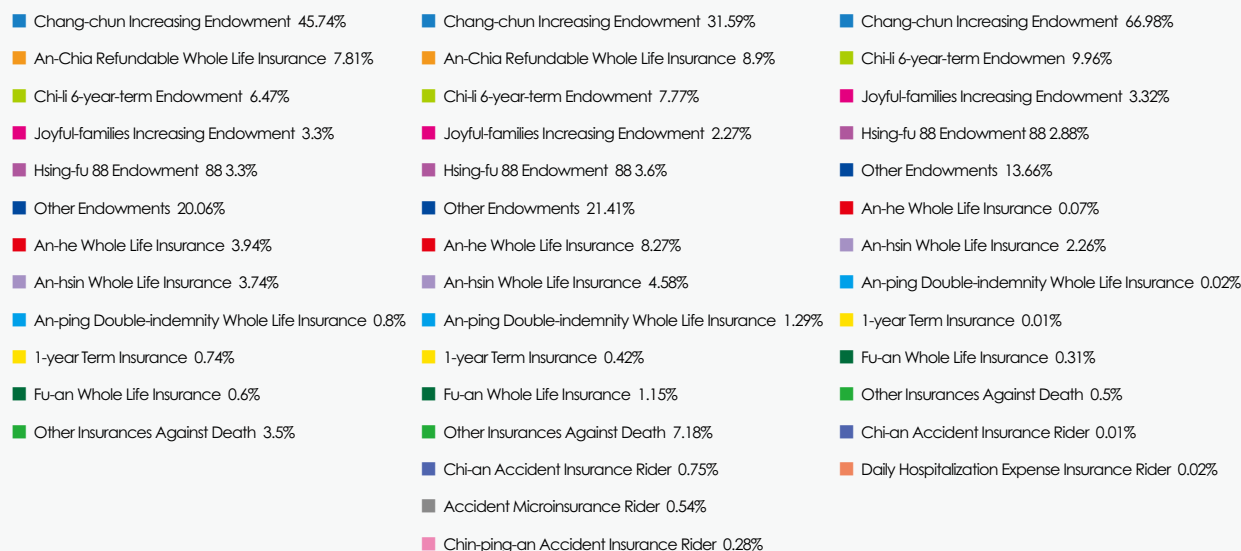
Type		Number of Policies	%	Sum Insured	%	Premium Income	%
Total		2,065,329	100.00	664,152,948	100.00	99,178,459	100.00
Endowment	Chang-chun Increasing Endowment	944,590	45.74	209,828,181	31.59	66,427,920	66.98
	An-Chia Refundable Whole Life Insurance	161,341	7.81	59,088,455	8.90	3,407	0
	Chi-li 6-year-term Endowment	133,556	6.47	51,604,835	7.77	9,879,670	9.96
	Joyful-families Increasing Endowment	68,236	3.30	15,102,074	2.27	3,293,189	3.32
	Hsing-fu 88 Endowment	68,089	3.30	23,888,638	3.60	2,856,173	2.88
	Others	414,243	20.06	142,203,009	21.41	13,551,465	13.66
Insurance Against Death	An-he Whole Life Insurance	81,473	3.94	54,906,891	8.27	70,187	0.07
	An-hsin Whole Life Insurance	77,345	3.74	30,432,034	4.58	2,242,045	2.26
	An-ping Double-indemnity Whole Life Insurance	16,466	0.80	8,580,746	1.29	19,531	0.02
	1-year Term Insurance	15,319	0.74	2,783,290	0.42	7,590	0.01
	Fu-an Whole Life Insurance	12,413	0.60	7,623,391	1.15	308,507	0.31
	Others	72,258	3.50	47,703,401	7.18	495,462	0.50
Accident Insurance	Chi-an Accident Insurance Rider	11,175	—	4,977,027	0.75	4,543	0.01
	Accident Microinsurance Rider	9,918	—	3,605,371	0.54	1,993	0.00
	Chin-ping-an Accident Insurance Rider	3,985	—	1,820,986	0.28	2,188	0.00
Health Insurance	Daily Hospitalization Expense Insurance Rider	3,788	—	4,619	0.00	14,589	0.02

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

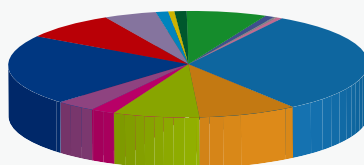


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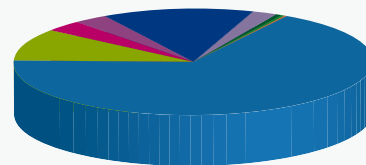
Percentage Distribution of In-Force Policies by Type



Number of Policies



Sum Insured



Premium Income

5. Benefit payment

(1) Payment on maturity

In 2021, a total of 248,083 payments were made on maturity, and the sum insured was NT\$97.56370 billion.

(2) Payment to claims

The year of 2021 saw 7,136 payments to claims, and the sum insured was NT\$2.65126 billion.

(3) Surrender value

The year of 2021 saw 28,873 cases of surrender, and the sum insured was NT\$7.35368 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 policy value reserve 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 2021 saw 79,547 cases of policy loans, and the loan balance was NT\$11.70911 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 201 branches collecting required documents.

In 2021, the number of secured mortgage loans issued by Chunghwa Post totaled 12,625, and the loan balance was NT\$27.87724 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\$ 616.72 million in 2021. 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 2021, including 3 sets of commemorative stamps and 15 sets of special stamps. Among them, the set of Taiwan Scenery Postage Stamps – Kaohsiung City was issued on February 4, 2021, along with personal greeting stamps without marginal inscriptions featuring the set launched for the first time, which allows more choices for the public. The Centennial Anniversary of James L. Maxwell's Death Commemorative Issue, printed in intaglio and offset for exquisite quality, was issued on May 5, 2021. The set of the Ancient Chinese Paintings Postage Stamps "Syzygy of the Sun, Moon, and the Five Planets" by Xu Yang, Qing Dynasty (II) was issued on May 19, 2021, along with a stamp collection of the first and second set of these stamps printed 72-cm-long se-tenant strip of 12 to fully present the classic work kept in the National Palace Museum. The Thanksgiving Souvenir Sheet: Homage to All Health Workers, was issued on August 11, 2021, along with a folio; the internationally renowned picture book writer, Jimmy Liao, was invited to paint the Sheet of great significance to convey gratitude to the heroes fighting against the Covid-19 pandemic. On August 27, 2021, the set of Core Industries of Taiwan Postage Stamps was issued, along with a folio; printed in a se-tenant block, the set contains stamps themed on Taiwan's 6 core industries to show the outstanding development of our country. The set of Hakka Festivals Postage Stamps was released on November 24, 2021, featuring stamps themed on unique Hakka folk celebrations in Taiwan to further demonstrate the Hakka cultural characteristics. Additional issues include 1 stamp yearbook (one in hardback and the other in loose leaf), 1 postage stamp catalogue, 7 stamp folios, 6 maximum cards, 1 commemorative envelope, 1 commemorative postal card, and 1 press sheet of New Year's Greeting Postage Stamps (Issue of 2021). Furthermore, in line with business demands, Chunghwa Post also released envelopes for domestic registered mail (1 vertical type and 1 horizontal type), 1 postal card for domestic mail (vertical type), 2 Auspicious Tiger New Year Postal Cards, 1 set of postage labels, and 1 set of 2 New Year's Greeting postal cards.

(2) Issuing philatelic accessories

In our quest for diversified product development and growth in philately business, we, Chunghwa Post manufactured and launched.

the HELLO KITTY throw pillow, the HELLO KITTY coasters, Ceramic Mug – Hello Kitty, Stamp Folio – Hello Kitty, Soft Toy – Hello Kitty Delivering Mails & Writing Letters, Postal Vehicle Set – Hello Kitty, the Matsu Procession Pure Gold Ingot & Collector's Edition, the Spouses Joined by Heaven Collectable Set of Pure Gold Ingot and Fine Silver Ingot, Graceful Butterflies Silk Fan, Blooming Flowers Silk Scarf, the Lucky Tiger Fine Silver Ingot (Type A & B), the Lucky Tiger Fine Silver Ingot Premium Edition, the Lucky Tiger Pure Gold Ingot, the Lucky Tiger High Relief Copper Medal, the Lucky Tiger Collectable Set of Pure Gold Ingot, Fine Silver Ingots and High Relief Copper Medal, 2022 Calendar and 2022 Diary. Additionally, Chunghwa Post authorized its branches nationwide to design and sell a total of 97 types of philatelic products.



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2. Organizing sales promotions to expand philately business:

(1) Stamp Yearbook Issue of 2020 Sales Promotion

The sales promotion was held from January 5 to May 31, 2021. During the event period, for every purchase of a Stamp Yearbook Issue of 2020 (hardcover or loose-leaf), the purchaser would get 1 scratch off. A total of 23,421 prizes were available, including an LG C9 55 inch Class 4K Smart OLED TV w/ AI ThinQ, Pxmart gift voucher, Auspicious Ox Collectable Set of Pure Gold Ingot, Fine Silver Ingots and High Relief Copper Medal, Apple Watch Series 6, Cook Pot Electric Air Fryer with Led Digital Touchscreen, and a variety of exquisite philatelic accessories.

(2) 2021 Stamp Beauty Pageant

The 2021 Stamp Beauty Pageant was held from March 8 to April 8, 2021. In the event, people can vote for the most beautiful stamps in their minds through postcards, or on the website or Facebook fan page, or via LINE. The top three winners were Hehuan Mountain Dark-sky Park, Taiwan Scenery Postage Stamps – Nantou County, Taiwan City Sunsets Postage Stamp (Gongyi Rd, Taichung City), and Taiwan City Sunsets Postage Stamp (Qingnian 1st Rd and 2nd Rd, Kaosiung City).

3. Philately promotion events:

(1) Holding the issuing ceremony of Taiwan Scenery Postage Stamps – Kaohsiung City

To help promote Taiwan tourism, following the issuance of the "Taiwan Scenery Postage Stamps" series since 2016, we issued another set of 4 Taiwan Scenery Postage Stamps on February 4, 2021, the images on which include Kaohsiung City's famous scenic spots such as National Kaohsiung Center for the Arts (Weiwuying), MRT-Dome of Light, Heart of Love River and Kaohsiung Port. Also, on the same day, we held a issuing ceremony of Taiwan Scenery Postage Stamps — Kaohsiung City at Weiwuying, with the stamps unveiled by several distinguished guests, including Hongmo Wu, the chairperson of Chunghwa Post, Lingwen Zhou, the Director of Tourism Bureau of Kaohsiung City Government and Wenpin Jian, the art director of Weiwuying.

(2) Holding the issuing ceremony of Hakka Festivals Postage Stamps

To introduce the Hakka folk celebrations in Taiwan and invite the public to experience Hakka customs, we issued a set of 4 Hakka Festivals Postage Stamps on November 24, 2021, the images on which include the scenes of Miaoli Dragon Bombing Festival, Liudui Defending the City Walls Festival, Taichung Dongshi Xin Ding Ban Festival, and Guoxing Chenggong Festival. Also, on the same day, we held an issuing ceremony of this set at Liudui Hakka Cultural Park, Hakka Culture Development Center, Hakka Affairs Council.

(3) Hosting ROCUPEX 2021 Kaohsiung, 2021 National Stamp Exhibition of R.O.C.

To encourage and promote philately, we held the exhibition at Kaohsiung Post Office from December 1 to 5, 2021 and issued a variety of philatelic products for philatelists, including a commemorative



Issuing Ceremony for Taiwan Scenery Postage Stamps – Kaohsiung City



Issuing Ceremony for Hakka Festivals Postage Stamps

stamp pictorial, envelopes for registered mail, postal cards, and postage label folios. On the first day of the exhibition, we hosted the ceremony for the opening of the exhibition and the issuing of New Year's Greeting Postage Stamps (Issue of 2021) at the Kaohsiung Post Office. A total of 264 stamp collections in the non-competition category and competition category and the 2020 Philatelic Classroom award-winning works were exhibited; also an abundance of wonderful philately lectures, exhibition tours and other activities were carefully organized at the exhibition. There were about 4,000 visitors during the exhibition.

(4) Production of the TV promotional clip for the STAMP YEARBOOK/ALBUM 2021

To strengthen the promotion of the the STAMP YEARBOOK/ALBUM 2021 we launched, we planned to produce a promotional clip, which would be broadcasted on TV, the Internet and at post offices, expecting that the STAMP YEARBOOK/ALBUM and the characteristics of the stamps would be presented in a vivid, creative and diversified way through the clip.

(5) Supporting philatelic societies to participate in philatelic events at home and abroad

Supporting philatelic societies and other groups nationwide to organize philatelic exhibitions and stamp-collection promotions, totaling 45 times.

(6) Organizing various youth-oriented philatelic events:

- i. Establishing a total of 170 Philatelic Classrooms in schools nationwide in 2021, recruiting 4,078 members.
- ii. On December 8, 2021, the "Best Philatelic Works Competition" was held to encourage students in the Philatelic Classroom to make 4-page Little Philatelic Artworks and 16-pages One Frame Stamp Collections. The entries included 34 sets of Little Philatelic Artworks and 19 sets of One Frame Stamp Collections with rich and diversified materials used.
- iii. Supporting senior high and vocational schools as well as universities, colleges and junior colleges to start philatelic clubs, of which 16 were established in academic year 2021-2022.

(7) 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. To serve the people in the southern region, the Kaohsiung Branch was established and opened to the



ROCUPEX 2021 Kaohsiung - 2021 National Stamp Exhibition of R.O.C.



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public on December 2, 2021. In the year of 2021, despite the Covid-19 pandemic, 6 stamp exhibitions and special exhibitions and 12 philatelic lectures were held at the Postal Museum, attracting a total of 62,659 visitors. Stamp sales and site renting generated a revenue of NT\$3,827,165. In addition, in order to strengthen good neighborliness and show a high-quality corporate image, we actively took part in 2 community activities and held the Brother Pigeon's Story Time sessions at the Postal Museum on a regular basis.

i. Establishment of Postal Museum Kaohsiung Branch

Based on the concept of resource sharing, Chunghwa Post established the Postal Museum Kaohsiung Branch on the second floor of the building of the Kaohsiung Post Office. Permanent exhibitions such as "Chronology of Chunghwa Post Events", "Classic Treasures", "Beautiful World of Stamps", "Exotic Postal Culture" and "Postal Cultural Artifacts" were set up at the Branch to enhance the public's understanding of postal history and culture; at the special exhibition area, various themed exhibitions or activities would be held from time to time; also at the interactive areas, window view animations, a round-view theater, projection sculptures and a mail delivery simulation zone were set up to make the place a venue for entertainment and recreation.

ii. Holding stamp exhibitions and special exhibitions to promote philately and artistic aesthetics

- 2 at Postal Museum: Discover Formosa Stamp Exhibition and Stamp Selection with Treasures of Precious Procelain.
- 3 at Taipei Branch: Beautiful Colors – Flower and Butterfly Stamp Exhibition, Strength and Beauty - Special Exhibition of Sports Stamps, and Memorial Imprint: Covid-19 Prevention Exhibition.
- 1 at Kaohsiung Branch: Colorful Ocean Stamps Exhibition.

iii. 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. In February, May, June and July, for Covid-19 prevention and to avoid the risk of mass infection, the lectures were canceled; instead, the contents to be shared in the lectures were provided in Postal Service Today issues.

iv. Sales of stamp items and provision of venue rentals to increase revenue

In order to promote philately and social education and cultural activities, in addition to selling



Opening Ceremony for Memorial Imprint: COVID-19 Prevention Stamp Exhibition



Press Conference by Agriculture and Food Agency and Chunghwa Post

stamps and products at the business counter on the 1st floor, the audio-visual room on the 2nd floor, the special exhibition room on the 6th floor, and the auditorium and meeting rooms on the 10th floor were also available for rent. In 2021, the operating income of venue rental and visitor tickets was affected by the COVID-19 pandemic. The rental income was NT\$1,458,000, stamp and product sales income was NT\$2,369,165, and total revenue was NT\$3,827,165.

v. Brother Pigeon's Story Time (4 sessions)

From November 18, 2021, the story-telling session "Brother Pigeon's Story Time" was held at the Forest Classroom of Children's Post Garden on the 4th floor of the Postal Museum on the 2nd and 4th Saturdays every month. In the sessions, the exhibition themes or elements in the stamps are employed to lead children into the beautiful world of stamps to appreciate the vastness of postal history, increase parent-child companionship and interaction, and create beautiful memories of learning and growing together.

vi. Participating in community activities to enhance corporate image

- From April 2nd to 3rd, 2021, Chunghwa Post took part in the Spring Book Fair at 2021 South Taipei Fun Carnival organized by the Chinese Culture Association and coorganized a number of fun activities. In addition to setting up a stand to display and sell stamps (as well as philatelic products), we also organized activities such as Reading Under Eaves Book Fair and Colorful World of Stamps–Stamp Painting; nearly 1,000 people enthusiastically participated in and visit the Postal Museum during these 2 days.
- From December 24th to 25th, 2021, for "2021 Guling Street Books & Creative Bazaar", we, Chunghwa Post, held activities such as Passing Thoughts through Fingertips – Time Letters, Let Books Meet More Friends - Book Reading Fun, Christmas Tree DIY and other activities to exert the social education function of the Postal Museum in an entertaining way.

(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, electronic appliances, art gifts, coupons, festival gift items, daily supplies, organic foods and books.
2. Chunghwa Post continued to promote the Postmall, integrating postal logistics and distribution business. In 2021, the cumulative number of franchise stores totaled 2,297, and the cumulative number of products on the shelves exceeded 150,000. In order to establish the characteristics of the postal e-commerce platform, the "Caring Agricultural Products Marketing Zone", "AFA Recommendation Zone" and "Public Care Zone" have been opened to assist small farmers and micro-enterprises to expand commodity marketing channels.
3. To meet multifaceted investment needs of deposit account clients, Chunghwa Post has designated 871 branch offices to sell 129 domestic funds by the end of 2021.
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.



VII

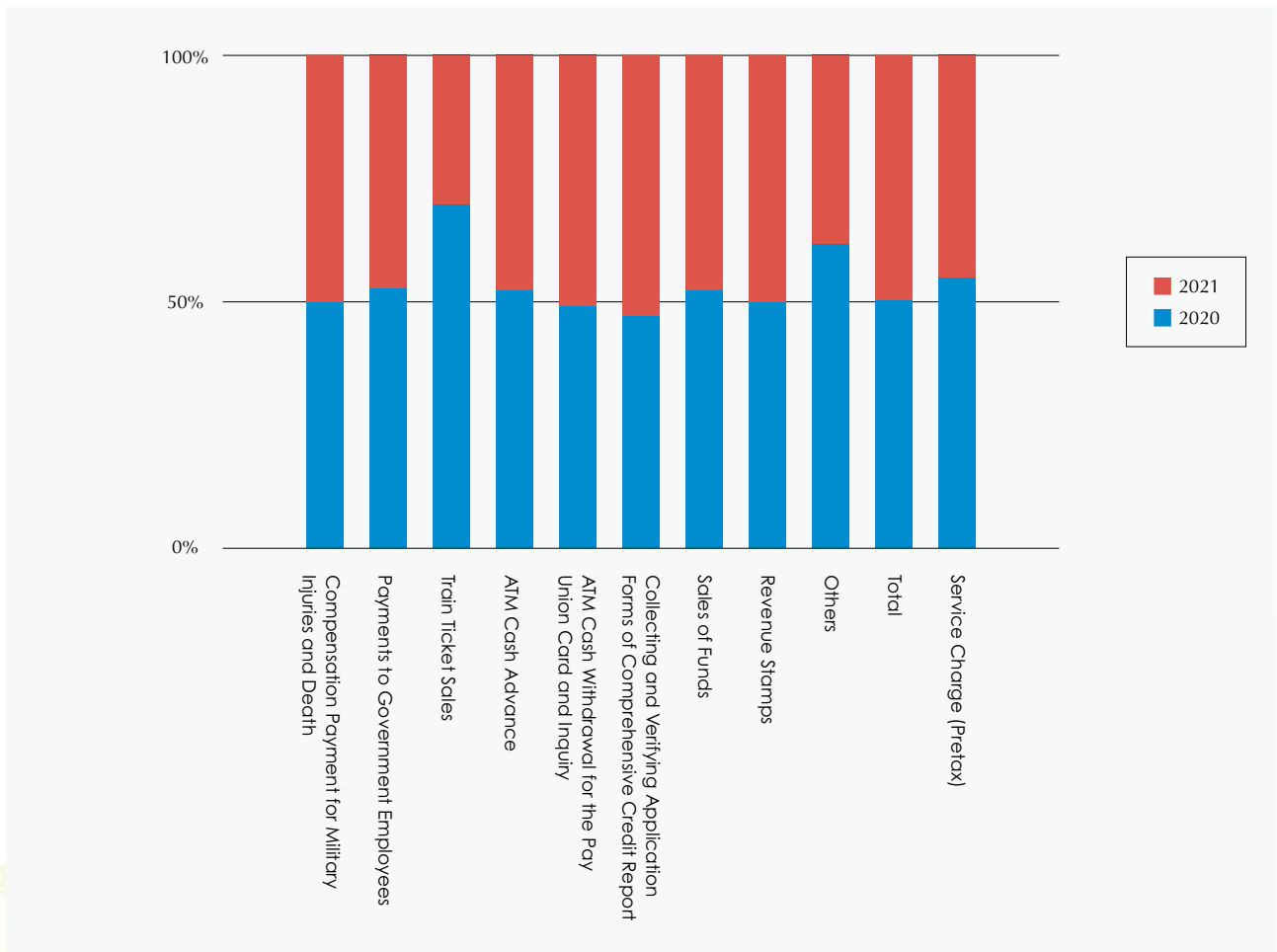
Operations Summary

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

Unit: NT\$10,000

Item	2020	2021	Growth %
Compensation Payment for Military Injuries and Death	104,320	104,527	0.20%
Payments to Government Employees	2,017	1,904	-5.60%
Train Ticket Sales	620	375	-39.52%
ATM Cash Advance	30,208	28,751	-4.82%
ATM Cash Withdrawal for the Pay Union Card and Inquiry	246,422	250,489	1.65%
Collecting and Verifying Application Forms of Comprehensive Credit Report	135	143	5.93%
Sales of Funds	35,087	33,549	-4.38%
Revenue Stamps	107,506	107,695	0.18%
Others	13,170	10,058	-23.63%
Total	539,485	537,491	-0.37%
Service Charge (Pretax)	5,757	5,182	-9.99%

Comparison Chart of Agential Business, 2020 and 2021



(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 2021. 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\$298.11 million in the year of 2021, up NT\$ 13.93 million or 4.90% compared with NT\$284.18 million generated in 2020.

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 2021, 30 exemplary post offices have been set up.



VII Operations Summary

- (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. In 2021, 2 systems were installed, reaching a capacity of 111 KW, with 47 for a capacity of 1,052 KW currently under installation.
- (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) 6 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 convened one meeting in 2021 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.

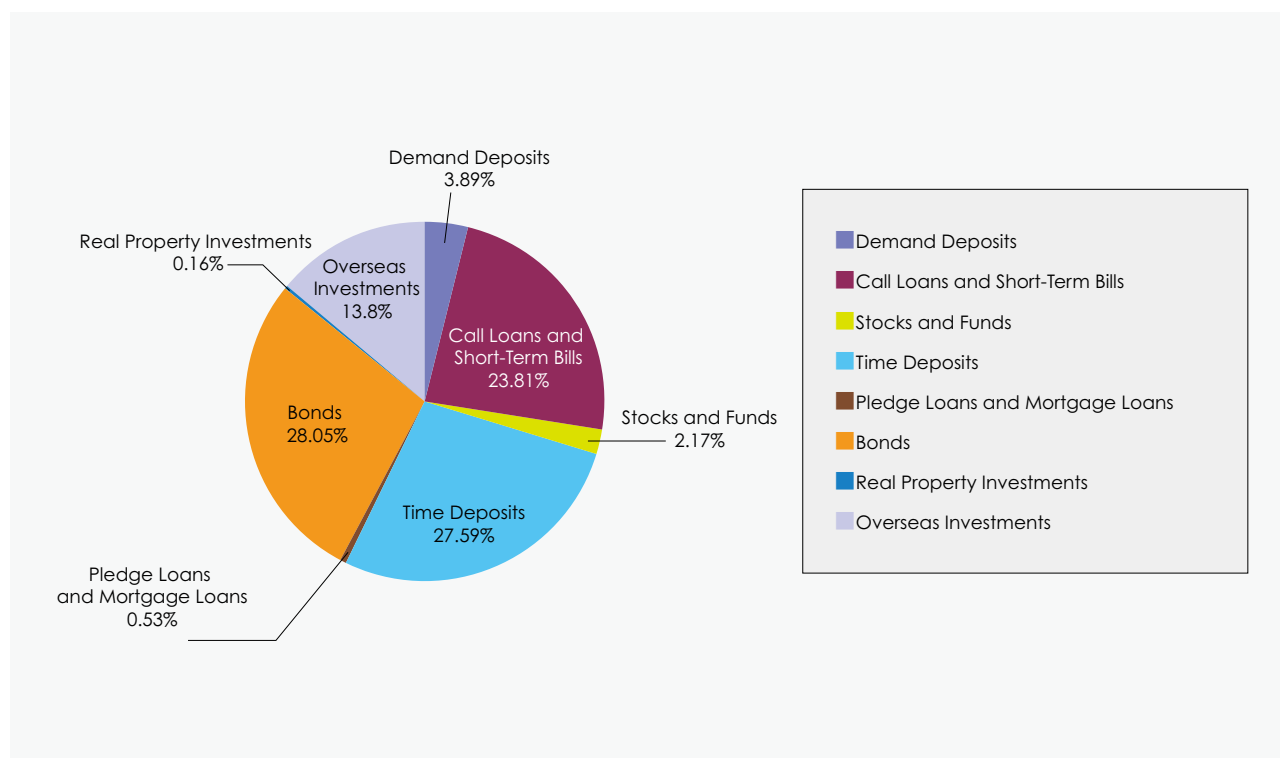
(VIII) Capital Utilization – Supporting state construction programs

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 2021, postal capital (savings, remittances and life insurance capital inclusive) put into use has totaled NT\$7,445.2 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\$289.5 billion, accounting for 3.89% of the total.
2. Time deposits (time savings deposits inclusive): NT\$2,053.9 billion, or 27.59% of the total.
3. Interbank call loans and short-term bills: NT\$1,772.6 billion, or 23.81% of the total.
4. Bonds (government bonds, corporate bonds and financial bonds inclusive): NT\$2,088.2 billion, or 28.05% of the total.
5. Overseas investments: NT\$ 1,027.6 billion, or 13.80% of the total.
6. Stocks and funds (outsourced investments inclusive): NT\$161.3 billion, or 2.17% of the total.
7. Time deposits and life insurance policy pledge loans and mortgage loans: NT\$39.9 billion, or 0.53% of the total.
8. Real property investments: NT\$12.2 billion, or 0.16% of the total.

Utilization of Postal Capital



By the end of 2021, 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



VII Operations Summary

II. Employee Composition

Year		2020	2021	As of January 20, 2022
Number of Employees	Staff	14,250	14,078	14,090
	Laborers	9,838	9,612	9,577
	Contract Workers	1,782	1,738	1,734
	Total	25,870	25,428	25,401
	Average Age	45.8	45.8	45.6
Average Seniority		17.0	16.9	16.7
Educational Background (Half-day Workers Counted as Whole)	Doctorates	9	9	9
	Masters	1,335	1,404	1,419
	Bachelors	17,197	17,139	17,171
	Senior High School	7,186	6,762	6,697
	Junior High School and Below	598	554	544
Employee Holding Professional Certificates		4,236	1,589	361
2021 Employee Training	1. Training Courses: Launched 1,131 classes on technical skills, computer and lectures on specific topics for new recruits, executives and professionals, with 46,181 recorded attendances. 2. Online Learning: Launched for all employees, having total hours amounting to 631,890 hours.			
2021 Volunteering	In 2021, a total of 3,297 volunteers worked for 1,326,938.5 hours in branches and mail processing centers at all levels.			

(I) Budget quota

In accordance with the quota set in budget 2021, 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, mail service counters, registered mail claiming and postal agencies.

(III) Workforce structure

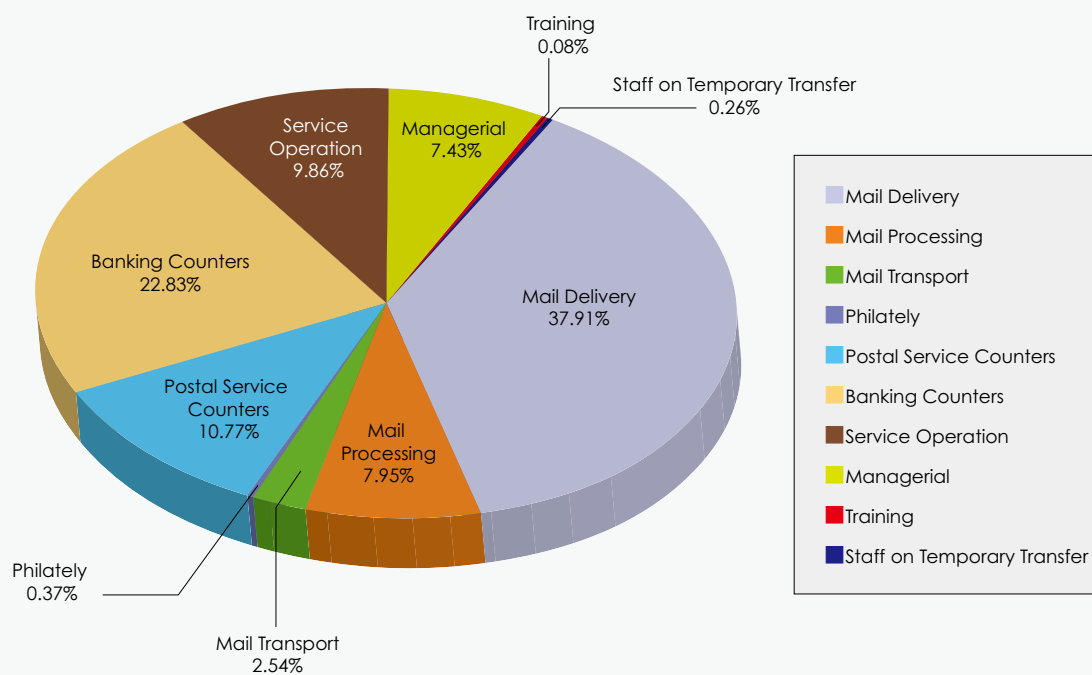
As of December 31, 2021, Chunghwa Post has employed a chairperson, a president, 9,002 transferred employees, 14,686 staff members and 1,738 contract workers, totaling 25,428 employees. Among them, 23,454 employees (92.23% of the entire workforce) were basic-level clerks, 1,888 employees (7.43%) worked at management level, 20 (0.08%) were training staff, and 66 (0.26%) 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 mail.

Employees by Function

December 31, 2021 Unit: Person

	Total	%	Head Office	Branches at All Levels	Mail Processing Center
Total	25,428	100%	1,729	22,959	740
Total Business Staff	23,454	92.23%	904	21,860	690
Mail Delivery	9,641	37.91%	0	9,641	0
Mail Processing	2,022	7.95%	0	1,586	436
Mail Transport	646	2.54%	12	380	254
Philately	95	0.37%	62	33	0
Postal Service Counters	2,738	10.77%	0	2,738	0
Banking Counters	5,804	22.83%	0	5,804	0
Service Operation	2,508	9.86%	830	1,678	0
Managerial	1,888	7.43%	770	1,069	49
Training	20	0.08%	16	4	0
Staff on Temporary Transfer	66	0.26%	39	26	1

Employees by Function





VII

Operations Summary

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 equipped with 2 IBM8562-V04 mainframe computers, each with four central processing units (CPUs) and a z/OS V2.3 operating system, and an 8562-A00 external processor connected to the computers to allow mutual backup capabilities for a dual-mainframe Parallel Sysplex environment. 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 1,299 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 IBM8562-K02 mainframe computer, which has 2 CPUs and a z/OS V2.3 operating system, and an internal processor to support a Parallel Sysplex environment. Based on the needs of the Company's operation and system operation, the system is divided into logical partitions corresponding to the mainframe 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. 94 % 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.



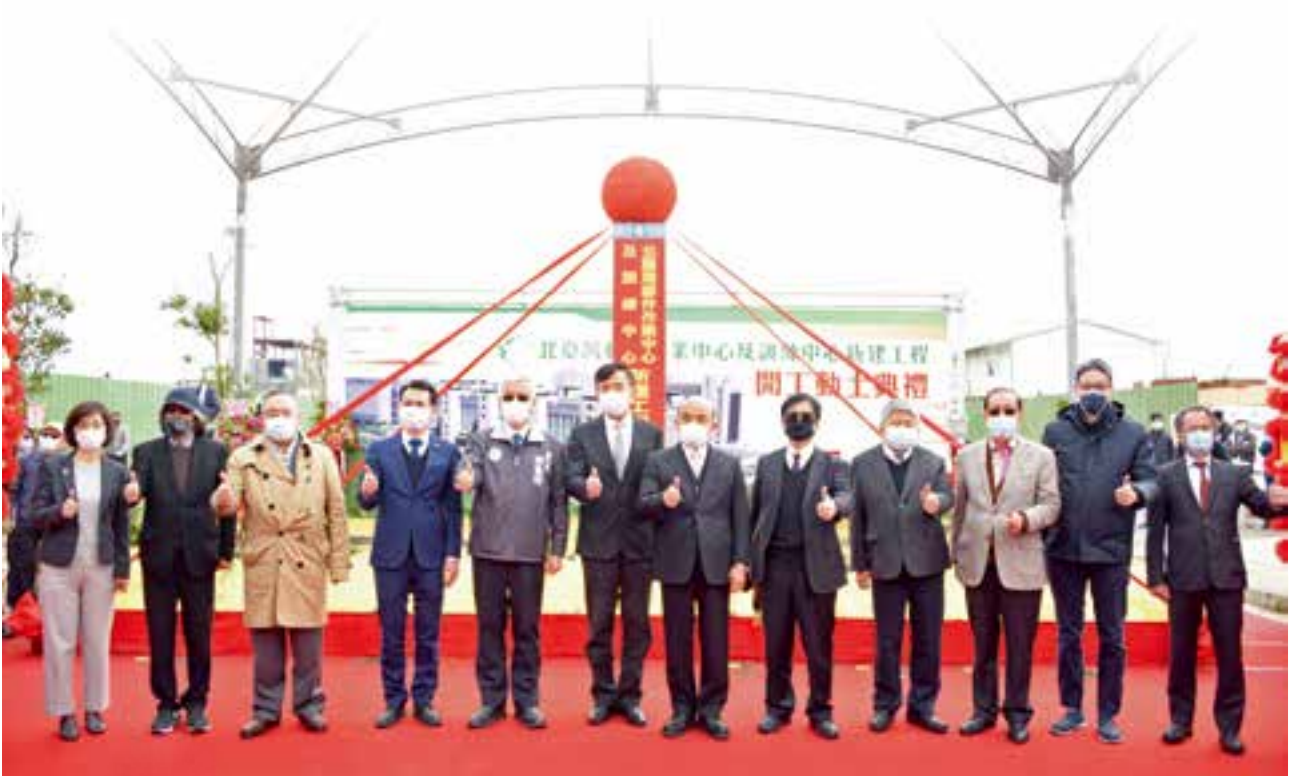
VII Operations Summary

(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. Chunghwa Post has 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.



Groundbreaking Ceremony for Mail Processing Center and Postal Training Center



VIII

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VIII

Financial Overview

I. Financial Highlights

Unit: NT\$ million

Item	2017	2018	2019	2020	2021
Assets	7,002,565	7,124,672	7,281,665	7,471,016	7,687,051
Discounts and Loans	50,574	48,973	46,586	44,460	40,040
Mutual Funds and Long-term Investments	4,590,121	4,576,877	4,574,507	4,772,007	4,998,092
Liabilities	6,839,557	6,961,765	7,087,525	7,258,055	7,455,766
Deposits and Remittances	6,065,297	6,163,003	6,271,041	6,409,655	6,602,632
Owner's Equity	163,008	162,907	194,140	212,961	231,285
Total Revenue	271,936	259,616	252,033	244,668	228,992
Interest Revenue	97,341	101,297	103,703	93,745	88,516
Total Expenses	261,328	245,185	242,685	235,531	218,954
Interest Expenses	45,170	44,593	44,317	37,847	33,508
Net Income	10,608	14,431	9,348	9,137	10,038
Return on Assets	0.15%	0.20%	0.13%	0.12%	0.13%
Return on Equity	6.67%	8.86%	5.24%	4.49%	4.52%

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

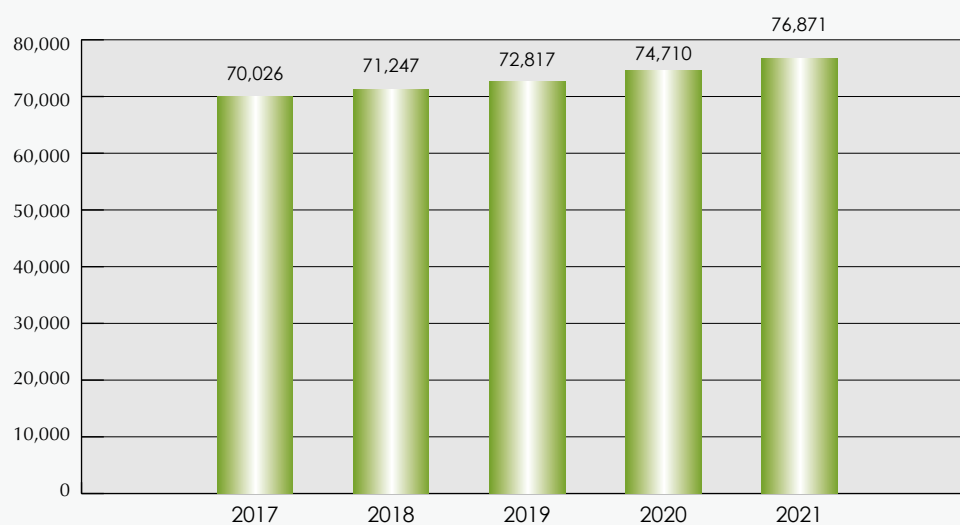
2. Return on Equity= Net Income/ Average Equity

3. Total expenses include income tax

4. Figures for 2017-2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.

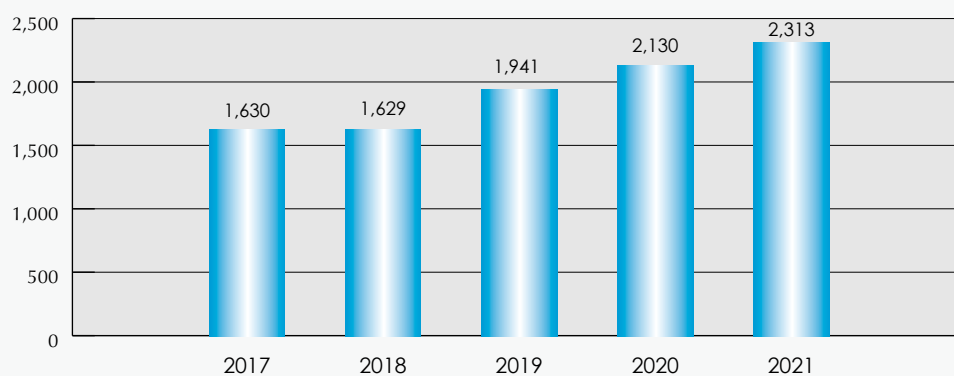
Tendency of Total Assets for the Past 5 Years

Unit: NT\$ 100 million



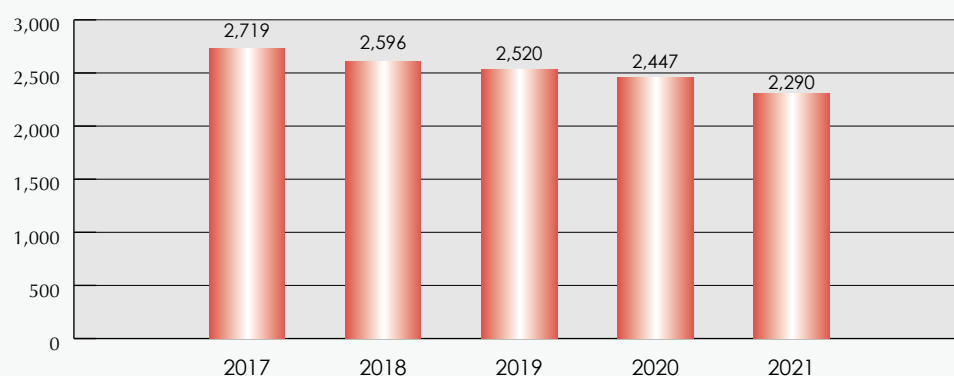
Tendency of Owner's Equity for the Past 5 Years

Unit: NT\$ 100 million



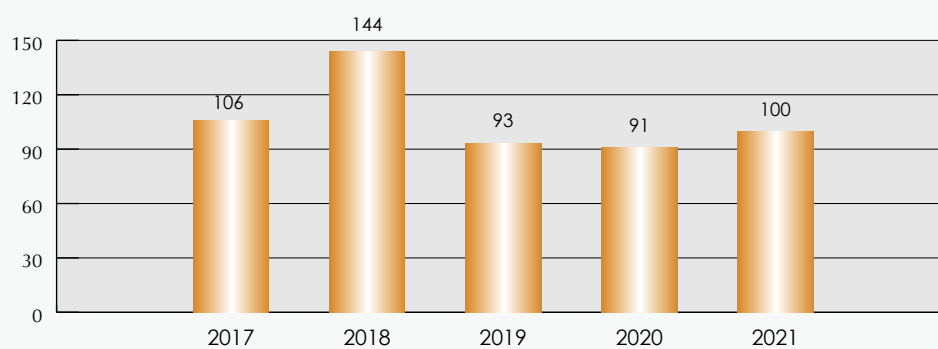
Tendency of Total Income for the Past 5 Years

Unit: NT\$ 100 million



Tendency of Net Profit for the Past 5 Years

Unit: NT\$ 100 million





VIII

Financial Overview

II. Condensed Balance Sheet and Income Statement Data for the past 5 years

Condensed Balance Sheet

Unit: NT\$ 1,000

Item	2017	2018	2019	2020	2021
Cash and Due from Banks	402,471,133	460,451,682	546,312,157	546,614,123	526,343,054
Due from the Central Bank	1,791,887,579	1,804,930,412	1,831,436,833	1,835,520,794	1,845,309,408
Financial Assets at Fair Value through Income Statement	10,964,031	63,488,571	108,046,938	103,215,284	107,500,840
Investment in Bills & Bonds under Reverse REPO	2,402,201	2,528,140	1,350,000	1,471,908	2,516,933
Receivable Accounts – Net	43,723,069	43,290,685	42,542,097	38,243,722	36,972,708
Income Tax Assets	1,465,397	6,836,913	10,752,204	3,915,291	–
Loan – Net	50,574,485	48,973,332	46,586,139	44,459,526	40,040,260
Financial Assets at Fair Value through other Income Statements	–	282,931,155	285,146,602	296,174,291	338,400,436
Available-for-Sale Financial Assets – Net	405,615,951	–	–	–	–
Held-to-Maturity Financial Assets – Net	3,741,179,681	–	–	–	–
Investment under the Equity Method – Net	82,137	81,146	86,718	92,581	96,728
Investment in Bonds without Active Market – Net	436,589,866	–	–	–	–
Financial Assets from Sale of Amortized Cost	–	4,287,016,891	4,284,401,147	4,471,710,784	4,654,881,875
Other Financial Assets – Net	6,653,156	6,847,635	4,872,898	4,029,104	4,712,874
Right-of-use Assets – Net	–	–	754,490	657,973	901,815
Investment-based Real Estate – Net	5,092,526	11,440,248	11,361,534	12,154,226	13,711,597
Real Estate and Equipment – Net	98,470,877	102,936,631	105,515,173	109,026,533	112,653,232
Intangible Assets – Net	413,425	349,620	457,486	463,862	597,151
Deferred Income Tax Assets – Net	922,498	1,361,911	986,097	2,061,270	1,024,954
Other Assets – Net	4,056,817	1,206,670	1,056,339	1,204,468	1,386,801
Total Assets					
Before Distribution	7,009,360,630	7,131,765,615	7,288,948,545	7,478,194,633	7,694,651,474
After Distribution	7,002,564,829	7,124,671,642	7,281,664,852	7,471,015,740	7,687,050,666
Due to Banks	6,815,000	19,915,000	7,415,000	10,815,000	8,015,000
Financial Liabilities at Fair Value through Income Statement	72,105	7,118,956	78,686	4,914,665	112,528
Bills & Bonds Sold under REPO	–	–	–	–	–
Amount Dues	56,223,028	54,572,539	64,977,224	66,548,379	60,484,123
Current Tax	2,374,832	24,929	–	1,578,552	175,789
Deposits and Remittances	6,065,296,928	6,163,002,573	6,271,041,028	6,409,655,282	6,602,632,438
Insurance Liabilities	684,815,645	690,955,768	724,179,541	742,040,709	746,575,732
Foreign Exchange Valuation Reserve	554,031	1,364,174	370,630	145,601	148,562
Provisions for Employee Benefits	14,871,598	14,909,059	9,651,798	10,127,403	26,506,368
Lease Liabilities	–	–	636,573	542,818	782,074
Deferred Income Tax Liabilities	4,454,715	2,110,525	6,347,099	9,153,233	6,331,794
Other Liabilities	4,079,049	7,791,308	2,827,656	2,533,575	4,001,847
Total Liabilities					
Before Distribution	6,839,556,931	6,960,474,947	7,087,190,522	7,257,323,083	7,454,777,974
After Distribution	6,839,556,931	6,961,764,831	7,087,525,235	7,258,055,217	7,455,766,255
Capital Stock					
Before Distribution	69,479,000	72,082,000	72,376,000	73,522,000	79,932,000
After Distribution	69,479,000	72,082,000	72,376,000	73,522,000	79,932,000
Capital Surplus	6,407,425	6,407,425	6,407,425	6,407,425	6,407,425
Retained Earnings					
Before Distribution	56,791,081	65,592,073	69,171,485	77,032,211	76,345,544
After Distribution	49,995,280	57,208,216	61,553,079	69,121,184	67,756,455
Other Owner's Equities	37,126,193	27,209,170	53,803,113	63,909,914	77,188,531

Item		2017	2018	2019	2020	2021
Owner’s Equities	Before Distribution	169,803,699	171,290,668	201,758,023	220,871,550	239,873,500
	After Distribution	163,007,898	162,906,811	194,139,617	212,960,523	231,284,411

Remark: Figures for 2017-2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.

Condensed Statement of Comprehensive Income

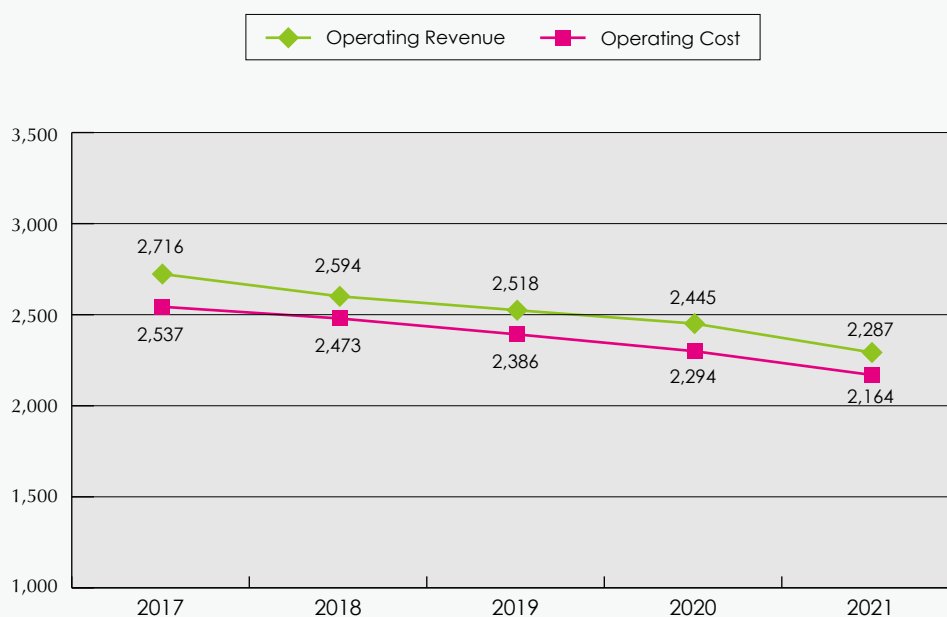
Unit: NT\$ 1,000

Item	2017	2018	2019	2020	2021
Operating Revenues	271,624,527	259,363,793	251,833,952	244,469,950	228,698,823
Operating Cost	253,722,711	247,323,288	238,569,677	229,405,330	216,362,213
Operating Profit	17,901,816	12,040,505	13,264,275	15,064,620	12,336,610
Non-Operating Profit (Loss)	(250,740)	161,328	42,425	(4,668)	180,474
Net Profit before Tax	17,651,076	12,201,833	13,306,700	15,059,952	12,517,084
Income Tax Expenses	7,043,463	(2,229,446)	3,958,357	5,923,148	2,478,607
Net Profit	10,607,613	14,431,279	9,348,343	9,136,804	10,038,477
Other Comprehensive Losses/ Gains (after tax)	3,903,061	(6,308,584)	29,502,869	17,595,129	16,874,500
Total Comprehensive Profit	14,510,674	8,122,695	38,851,212	26,731,933	26,912,977
Earnings per Share (NT\$)	1.33	1.81	1.17	1.14	1.26

Remarks: 1. Figures for 2017-2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.
2. On September 30, 2021, the Company transferred capital surplus to capital, making a total Paid-up capital of NT\$ 79.932 billion. Therefore, there are readjustments in 2017-2020's Earnings per Share.

Operating Revenue and Cost

Unit: NT\$ 100 million





VIII

Financial Overview

III. Financial Analysis for the Past 5 Years

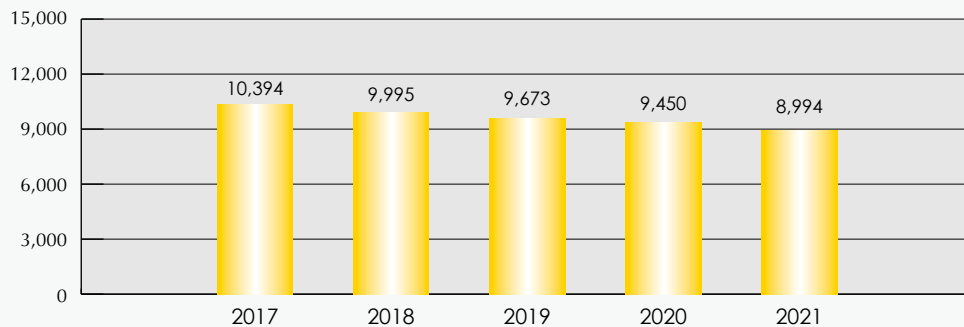
Item		2017	2018	2019	2020	2021
Operating Capability	Turnover of Total Assets (Number of Times)	0.04	0.04	0.03	0.03	0.03
	Average Operating Revenue per Employee (NT\$ 1,000)	10,394	9,995	9,673	9,450	8,994
	Average Earnings per Employee (NT\$ 1,000)	406	556	359	353	395
Profitability	Return on Assets (%)	0.15	0.20	0.13	0.12	0.13
	Return on Stockholders' Equities (%)	6.67	8.86	5.24	4.49	4.52
	Net Income Ratio (%)	3.91	5.56	3.71	3.74	4.39
	Earnings per Share (NT\$)	1.33	1.81	1.17	1.14	1.26
Growth Rate	Asset Growth Rate (%)	1.34	1.74	2.20	2.60	2.89
	Profit Growth Rate (%)	43.31	(30.87)	9.05	13.18	(16.88)

Remarks: 1. Figures for 2017-2020 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2021 are CPA approved.

2. On September 30, 2021, the company transferred capital surplus to capital, making a total Paid-up capital of NT\$ 79.932 billion. Therefore, there are readjustments in 2017-2020's Earnings per Share.

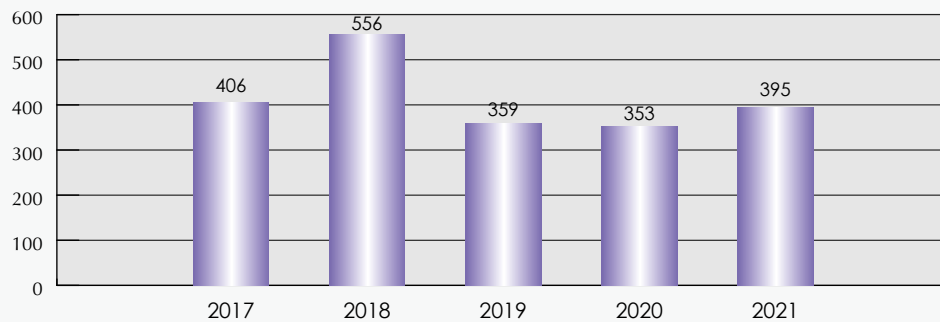
Average Operating Revenue per Employee

Unit: NT\$ 1,000

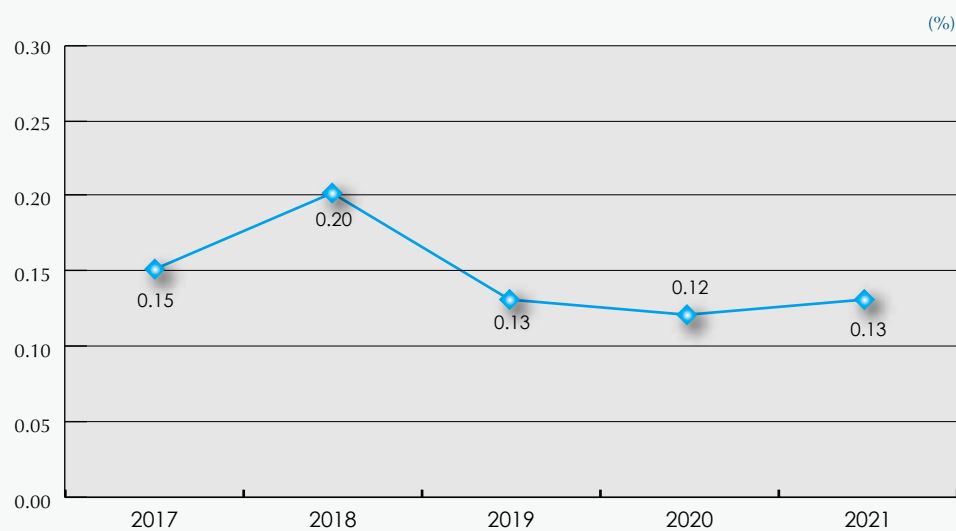


Average Earnings per Employee

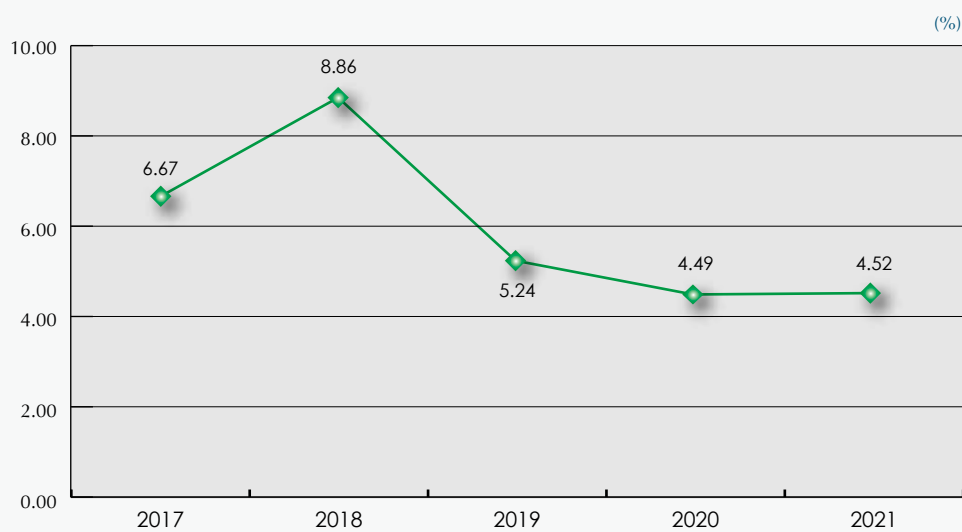
Unit: NT\$ 1,000



Return on Assets



Return on Stockholders' Equity

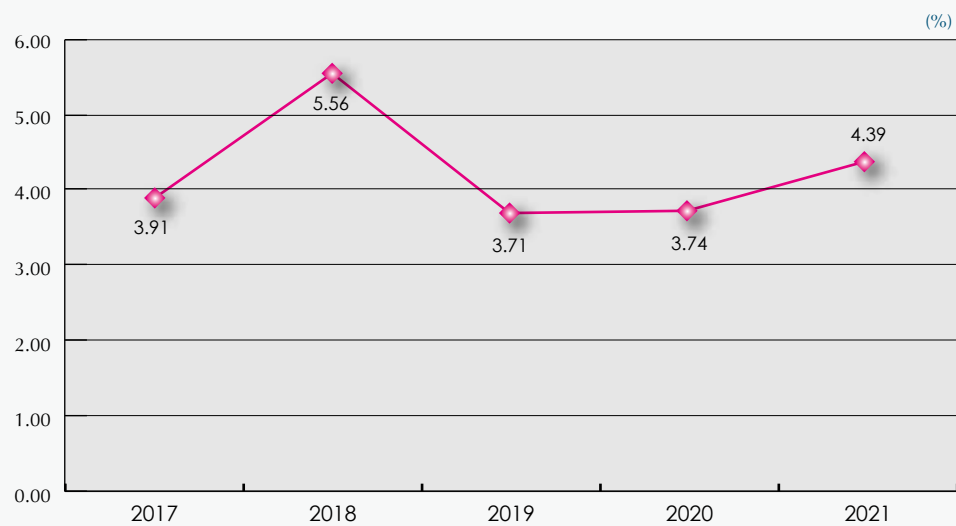




VIII

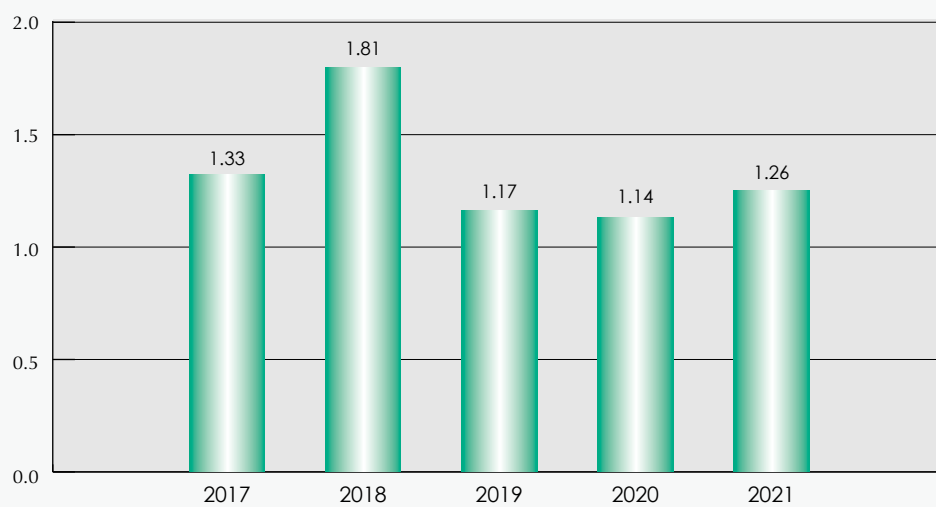
Financial Overview

Net Income Ratio



Earnings per Share

Unit: NT\$





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