



VII

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VII. Operations Summary

I. Scope of Business

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

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

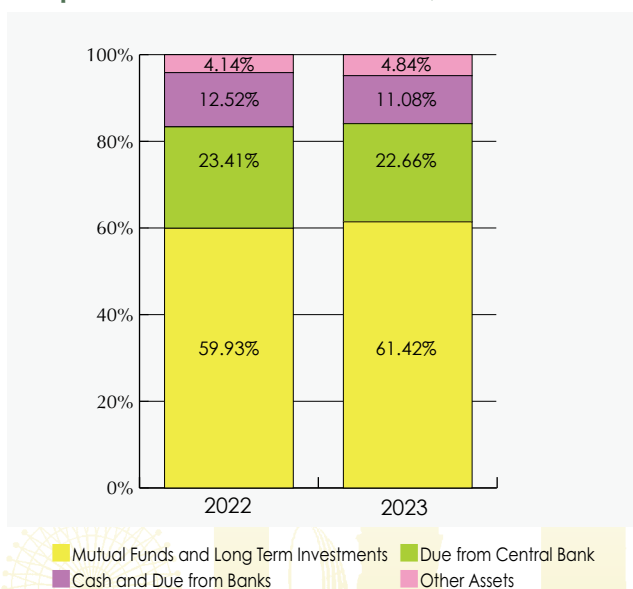
Percentage of Major Assets and Liabilities to Total Assets, 2022 and 2023

Unit: NT\$1,000; %

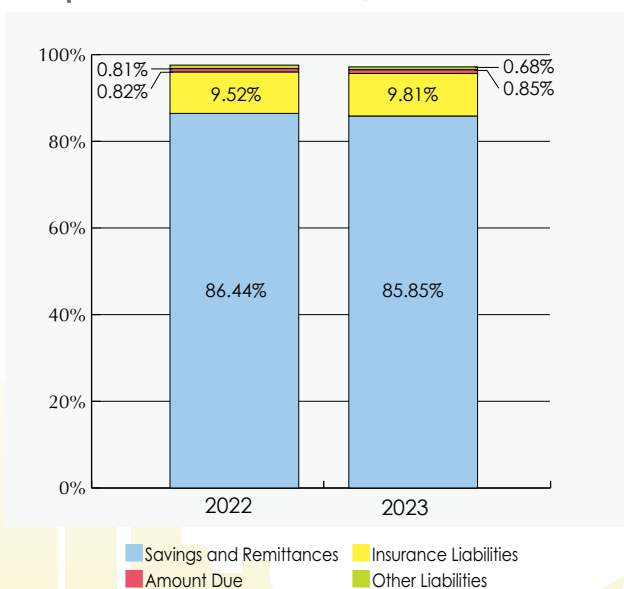
Major Items	2022		2023	
	Amount	%	Amount	%
Total Assets	7,987,758,926	100.00	8,331,665,238	100.00
Mutual Funds and Long-Term Investment	4,787,315,974	59.93	5,117,158,074	61.42
Due from Central Bank	1,869,734,976	23.41	1,887,966,573	22.66
Cash and Due from Other Banks	1,000,092,074	12.52	922,931,679	11.08
Other Assets	330,615,902	4.14	403,608,912	4.84
Total Liabilities	7,795,202,023	97.59	8,097,282,147	97.19
Deposits and Remittances	6,904,657,201	86.44	7,152,415,838	85.85
Insurance Liabilities	760,757,599	9.52	817,531,738	9.81
Amount Dues	65,418,127	0.82	70,631,071	0.85
Other Liabilities	64,369,096	0.81	56,703,500	0.68

Note: Figures for 2022 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2023 are CPA approved.

Comparison Chart of Asset Allocation, 2022 and 2023



Comparison Chart of Liabilities, 2022 and 2023



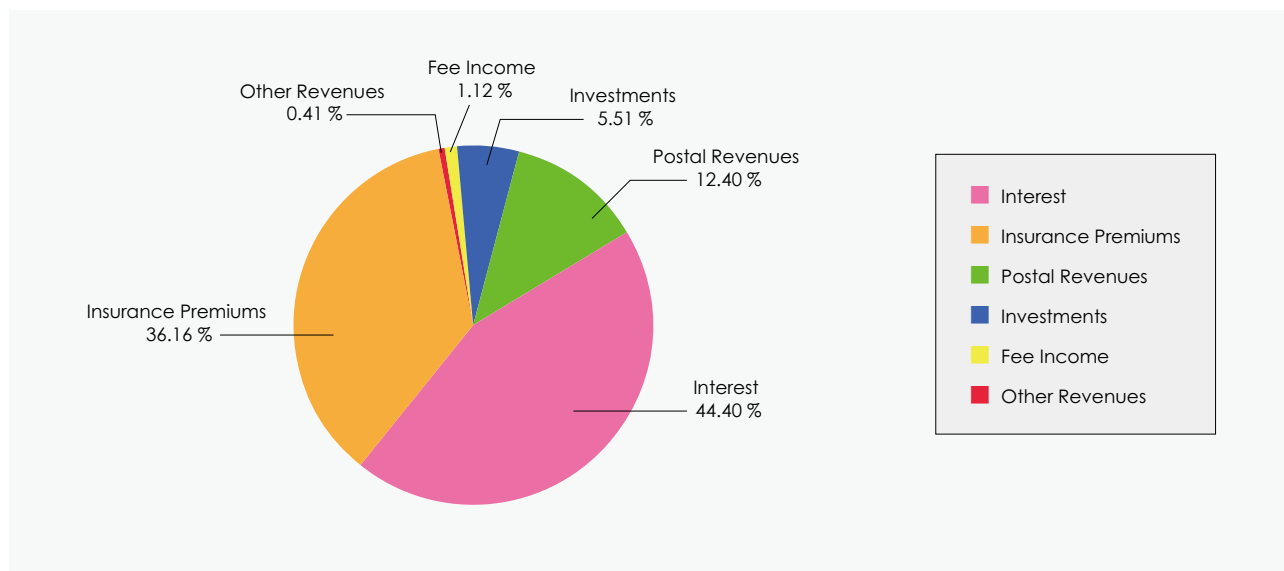
Percentage of All Business Revenues, 2022 and 2023

Unit: NT\$1,000; %

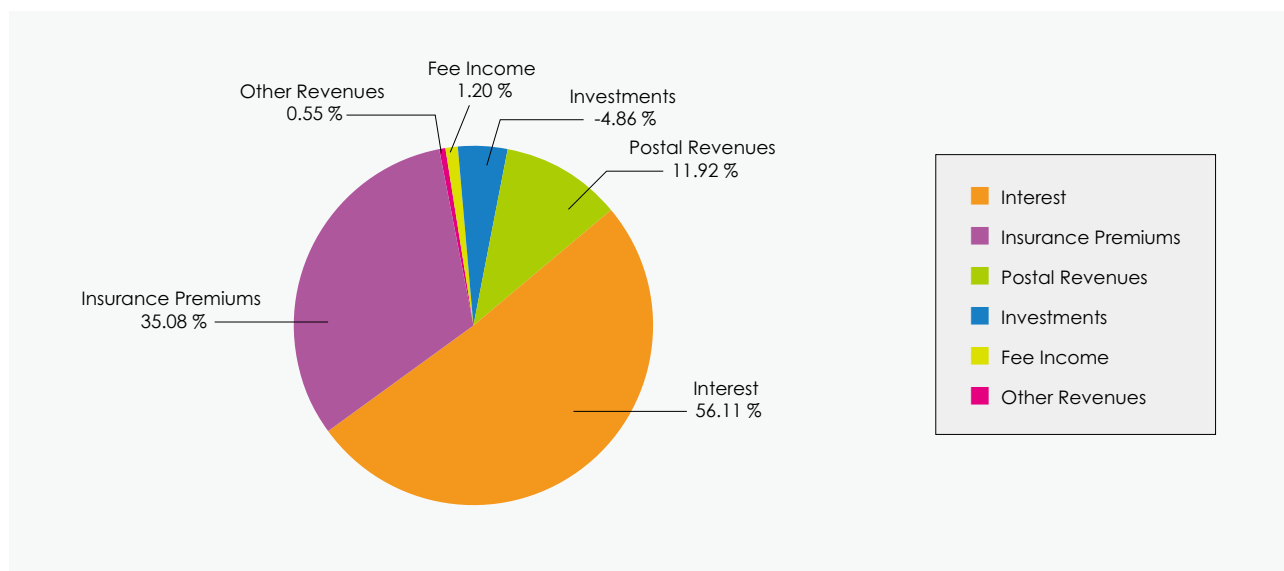
Item	2022		2023	
	Amount	%	Amount	%
Insurance Premiums	84,045,343	36.16	80,237,025	35.08
Interest	103,191,700	44.40	128,355,698	56.11
Postal Revenues	28,812,673	12.40	27,257,071	11.92
Investments	12,801,549	5.51	(11,112,068)	(4.86)
Fee Income	2,613,017	1.12	2,755,916	1.20
Other Revenues	937,850	0.41	1,259,917	0.55
Total Revenues	232,402,132	100.00	228,753,559	100.00

Note: Figures for 2022 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2023 are CPA approved.

Sources of Business Revenues, 2022



Sources of Business Revenues, 2023





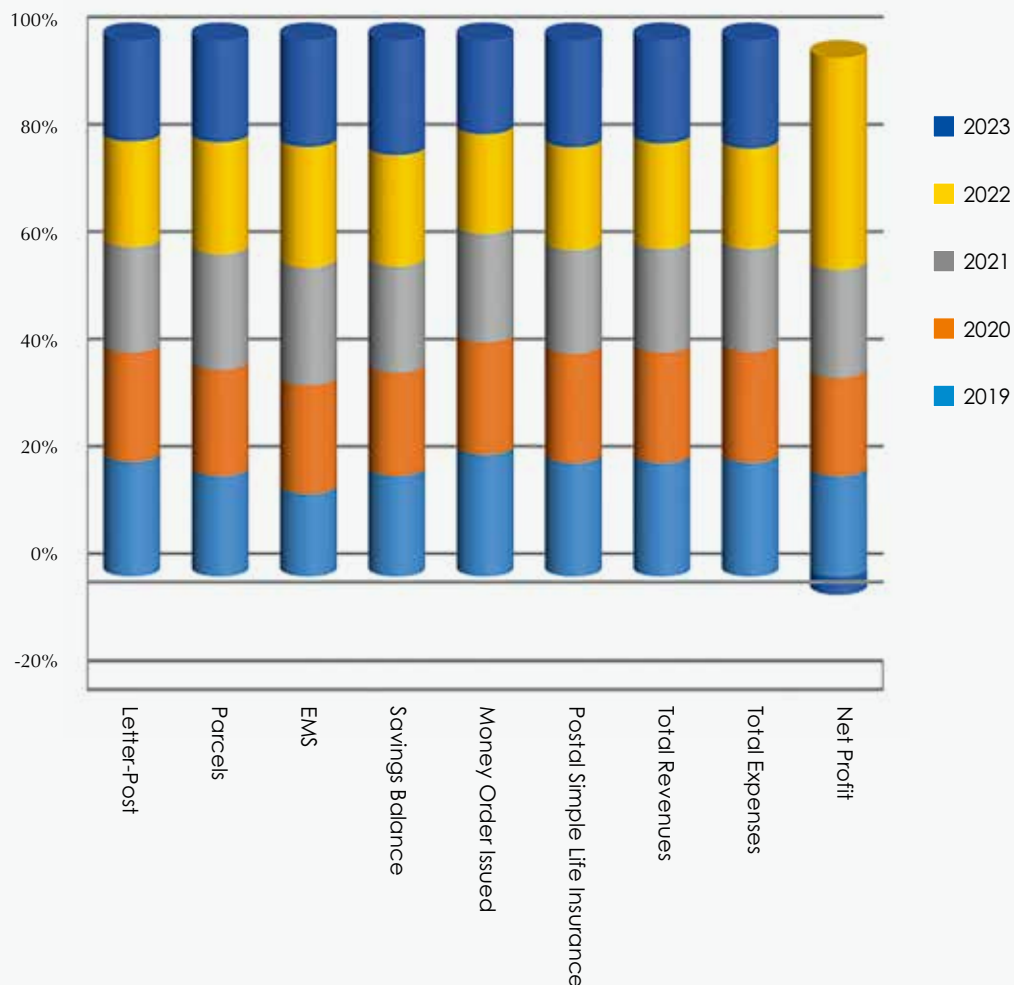
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Business Highlights over the Past 5 Years

Item	Unit	2019	2020	2021	2022	2023
1. Letter-Post	Million pcs.	2,023	1,912	1,845	1,850	1,783
2. Parcels	Thousand pcs.	25,946	27,362	29,821	28,726	26,358
3. EMS	Thousand pcs.	12,364	16,186	17,548	18,015	15,920
4. Savings Balance	Million NT\$ Dollars	6,279,948	6,418,183	6,610,818	6,912,359	7,159,566
5. Money Order Issued	Thousand pcs	16,174	14,948	14,353	13,217	12,491
6. Postal Simple Life Insurance	Thousand pcs	2,270	2,185	2,065	2,048	2,140
7. Total Revenues	Million NT\$ Dollars	252,033	244,668	228,992	233,403	229,258
8. Total Expenses	Million NT\$ Dollars	242,685	235,531	218,964	213,762	230,914
9. Net Profit	Million NT\$ Dollars	9,348	9,137	10,028	19,641	(1,656)

Note 1: Figures for 2019, 2020, 2021, and 2022 are readjusted by the CPA in accordance with figures approved by the National Audit Office; figures for 2023 are CPA approved.
 2: In 2023, despite experiencing an after-tax net loss, there was a profit of NT\$12.517 billion realized from the disposal of financial assets (transferred from other comprehensive income).

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 bill 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. However, in 2023, various retailers, telecommunications, and financial companies adopted ICT (Information and Communications Technology) to replace physical mail in response to trends in energy conservation, carbon reduction, and going paperless. This shift resulted in a 4.40% decline in regular mail volume. However, due to the lower substitutability of special mail, its volume only saw a slight decrease of 0.27%. The total domestic mail volume for 2023 was 1,769 million pieces, a 3.72% decrease from the 1,837 million pieces in 2022. The correspondence posted per capita was 75.53.

International letter-post items sent and received in 2023 totaled some 13.78 million pieces, 6.49 % higher than that in 2022, which was some 12.94 million pieces. The increase in operational volume was mainly due to the gradual rise in mail volume across various offices as the pandemic eased.

2. Parcels

The logistics market has seen a shift due to changes in consumer behavior, leading to increased demand for store pickup services. Additionally, the trend toward lighter and smaller packages in e-commerce has prompted many e-commerce platforms to switch to using small parcels, which are then handed over to the sharing economy logistics (i.e., express delivery service in urban areas) for parcel delivery, a total of 25,811,000 pieces of domestic parcels were delivered in 2023, 8.2% lower than that in 2022, which was 28,115,000. 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 2023 totaled 547,000 pieces, 10.47% lower than the 611,000 pieces in 2022. The main reasons were the current unfavorable international economic situation, which led to a decrease in purchasing power among foreign customers and reduced their procurement from the Taiwanese market. Additionally, with the freedom for Taiwanese citizens to travel abroad, there was a significant drop in the need to send pandemic-related supplies to relatives overseas.

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 2023 totaled 14,931,000 pieces, down 1.1 % compared with that in 2022, which was 16,699,000 pieces. Chunghwa Post will continue to offer integrated logistics services such as doorstep pick-up, express delivery, and collection on delivery 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.



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The volume of international express mail sent and received in 2023 amounted to 989,000 pieces, 24.85% lower than the 1,316,000 pieces in 2022. The main reasons were the current unfavorable international economic situation, which led to a decrease in purchasing power among foreign customers and reduced their procurement from the Taiwanese market. Additionally, with the freedom for Taiwanese citizens to travel abroad, there was a significant drop in the need to send pandemic-related supplies to relatives overseas.

4. E-mail service

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 299.82 million e-mails were handled in 2023, 0.71% lower than the 301.95 million in 2022.

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 15 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 the Cross-Strait Postal Courier (EMS) and Cross-Strait Postal E-packet, 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. The statistics of cross-strait mail volume in 2023 are as follows:

The volume of mail sent from Taiwan amounted to more than 2,080,000 items, 10.02% lower than that in the previous year; more than 1,020,000 items were received from China, 4.06% higher than the volume in the previous year.

6. Cargo to Mail services

- (1) In 2023, due to the high prices of air freight space in Taiwan and the suspension of mail forwarding to countries such as Japan and South Korea following a suspected unidentified gas package incident reported by Korean media at the end of July, the operational volume and value declined. The operational volume in 2023 was approximately 732 metric tons, and the operational value was about NT\$142.59 million, representing decreases of 21.62% and 28.46% compared to the previous year, respectively.
- (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 an 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 2023, the services have processed 288 metric tons of merchandise, a 9.27% decrease compared to the previous year.

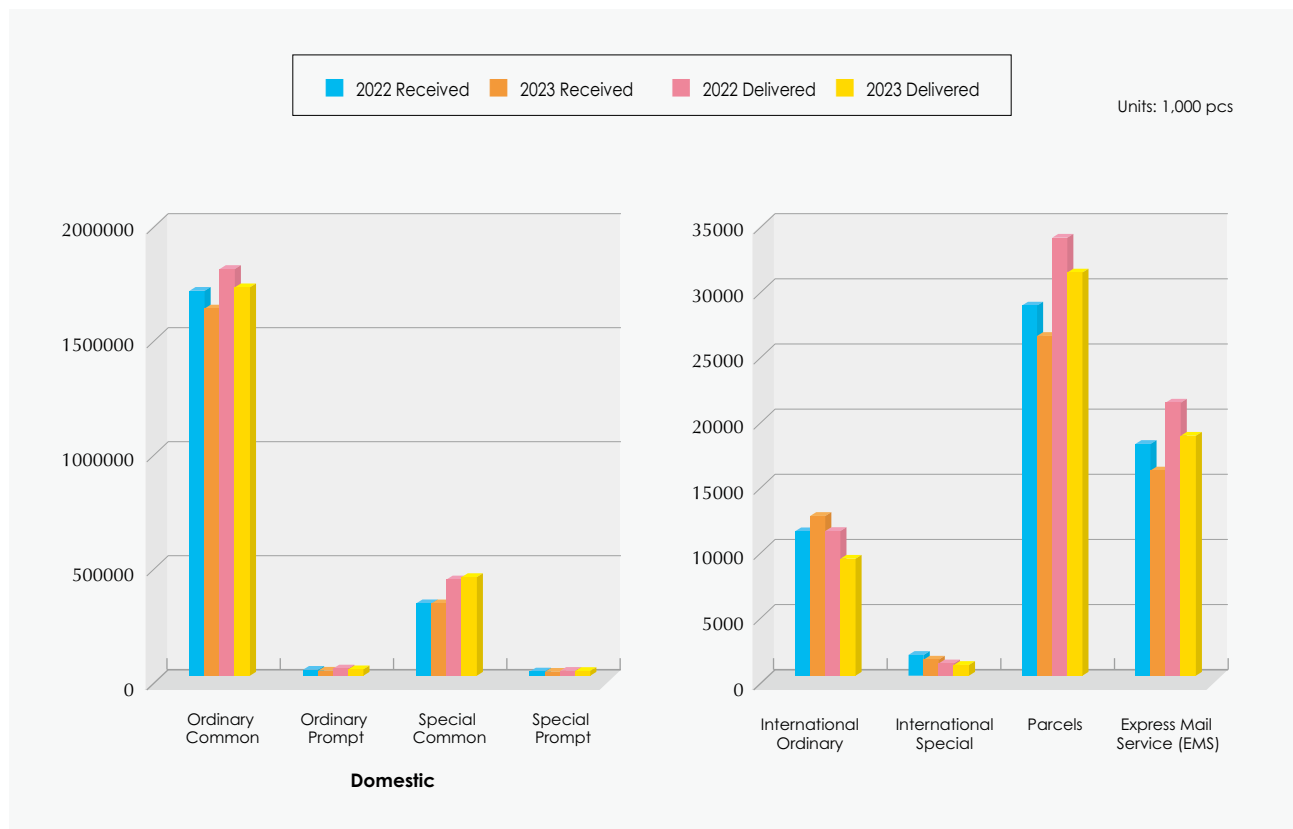


Number of Mail Items Received and Delivered, 2022 and 2023

Units: 1,000 pcs

Parcel Item			Received		Delivered	
			2022	2023	2022	2023
Domestic Letter	Ordinary	Common	1,509,623	1,443,059	1,596,394	1,522,079
		Prompt	25,273	24,284	32,494	30,897
	Special	Common	286,796	286,753	381,536	388,214
		Prompt	15,658	14,873	17,949	17,282
	Sub-total		1,837,350	1,768,969	2,028,373	1,958,472
International Letter	Ordinary		11,295	12,447	11,285	9,036
	Special		1,649	1,335	980	948
	Sub-total		12,944	13,782	12,265	9,984
Parcels	Domestic		28,115	25,811	33,375	30,767
	International		611	547	588	459
	Sub-total		28,726	26,358	33,963	31,226
Express Mail Service (EMS)	Domestic		16,699	14,931	18,257	16,356
	International		1,316	989	2,920	2,272
	Sub-total		18,015	15,920	21,177	18,628
Total			1,897,035	1,825,029	2,095,778	2,018,310

Graphic Presentation of Mail Items Received and Delivered, 2022 and 2023





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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 2023, 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 113,269 kilometers.

(2) International mail routes

As Taiwan is an island, most international mail is delivered through air or over water. Taiwan's international mail routes start here on the island, extend overseas, and end at the exchange offices of foreign countries where cross-border mail is exchanged in bulk. By the end of 2023, the international air routes (EMS routes included) and waterways had reached 1,203,635 and 591,116 kilometers respectively.

Mileage of Mail Route, 2022 and 2023

Unit: KM

Type	2022	2023	%
I. Land	107,655	107,519	-0.13%
1. High-speed Railway	345	345	0%
2. Railroads	Discontinued in 2016	Discontinued in 2016	—
3. Highways	17,548	17,528	-0.11%
4. Others	89,762	89,646	-0.13%
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 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 2023, the total balance of various savings accounts amounted to NT\$7,159.5 billion, a growth of 3.58% compared to the previous year. The total number of account holders reached 37.42 million, an increase of 1.55% from the previous year, with an average balance of over NT\$190,000 per account.

1. New services introduced in 2023

(1) Offering "Google Pay Linkage with Postal VISA Debit Card" Service:

To continually expand diverse payment options, our company has partnered with Google Inc. Starting February 14, 2023, the public can link their postal VISA debit cards to Google Pay, allowing them to make contactless payments at physical partner stores or shop online using their mobile phones.

(2) Introducing Postal Account Identity Verification Service:

Starting March 8, 2023, customers can use online identity verification services, which include identity confirmation and account verification. This service offers both card-insert (chip debit card, Citizen Digital Certificate) and card-free (dual-factor authentication via online banking, bank account information verification mechanism) options, meeting identity verification needs for various applications in banking, insurance, securities, telecommunications, online shopping, and government services.



Premier Encouraged Employees' Efforts in Handling the "Cash for All" Initiative



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(3) Adding Open Banking “Phase 2 – Consumer Information Inquiry” Partners:

In collaboration with the Taiwan Depository & Clearing Corporation, starting May 9, 2023, the public can use the “TDCC e-Handbook” app to query postal savings account information. This service meets the need for depositors to view cross-asset information at a glance, enhancing the convenience of account management.

(4) Issuing Digital VISA Debit Cards:

To provide convenient payment services and respond to the international ESG global sustainability trends, starting July 21, 2023, we launched digital VISA debit cards without physical cards. Adult holders of chip debit cards can apply through the Post App to make purchases online or link the card to a payment wallet for contactless or QR code payments at physical stores.

(5) Providing “Financial FIDO Chip Debit Card Identity Verification” Service:

In line with the Financial Supervisory Commission's promotion of standardized mechanisms for financial mobile identity verification, we offer the “Financial FIDO Chip Debit Card Identity Verification” service. The public can use their chip debit cards at our company's physical or online ATMs to verify their ID number, account status, and account type.

2. Improved working procedures

(1) Offering In-Person Identity Verification for Digital Deposit Accounts:

To enhance the convenience of opening digital deposit accounts, starting January 3, 2023, we introduced a new identity verification channel that allows customers without a Citizen Digital Certificate to verify their identity in person at our branches.

(2) Adding “Account Closure” Function to Post App:

Beginning July 6, 2023, account holders who meet certain criteria can close their passbook or Giro savings accounts using the Post App, providing a fast and convenient closure process.

3. New services for the convenience of the public

(1) New Account Analysis Feature in Post App:

The Post App now includes a personal account analysis feature, allowing users to visualize account changes with graphical representations. Additionally, the app offers customizable push notifications, enabling users to receive personalized alerts and stay updated on real-time account changes.

(2) English Version of Post App:

To create a more user-friendly financial environment and meet the needs of foreign users, the Post App now includes an English language option, allowing users to access all app functions in English.

(3) New Notification for Non-Prearranged Payments from Nationwide Payment Current Accounts:

Starting May 24, 2023, account holders can make real-time online payments using their passbook account number and ID number on equipment provided by nationwide payment networks, government agencies, enterprises, or financial institutions (websites, apps). Upon successful payment, the system will send an email or SMS notification to the account holder, enhancing transaction security.

(4) Introducing Foreign Currency Remittance Service via Post App:

In response to the ongoing digital trend and to provide more diverse and convenient foreign exchange financial services, we launched the “Foreign Currency Remittance” service through the Post App on July 21, 2023. Account holders can apply for this service at the international exchange handling office and then remit foreign currency through the app.

(5) Opening Digital Deposit Accounts for Minors:

Starting August 22, 2023, we expanded our digital deposit account services to include minors aged 7 and above who hold a national ID card, allowing them to open digital deposit accounts.

(6) Allowing Natural Persons to Open Both Physical Passbook Savings Accounts and Digital Deposit Accounts:

Beginning December 21, 2023, natural persons can open both one physical passbook savings account and one digital deposit account, provided they are aged 7 and above and hold a national ID card. This provides customers with more flexible financial planning and account management options.

(7) Promoting Nationwide Cash Distribution Initiative:

In line with the government's "Cash for All" initiative, we offer multiple channels for cash collection, including account registration, direct deposit, ATM withdrawal, and post office withdrawal. By the end of December 2023, over 10.28 million people had collected their cash through various post office channels.

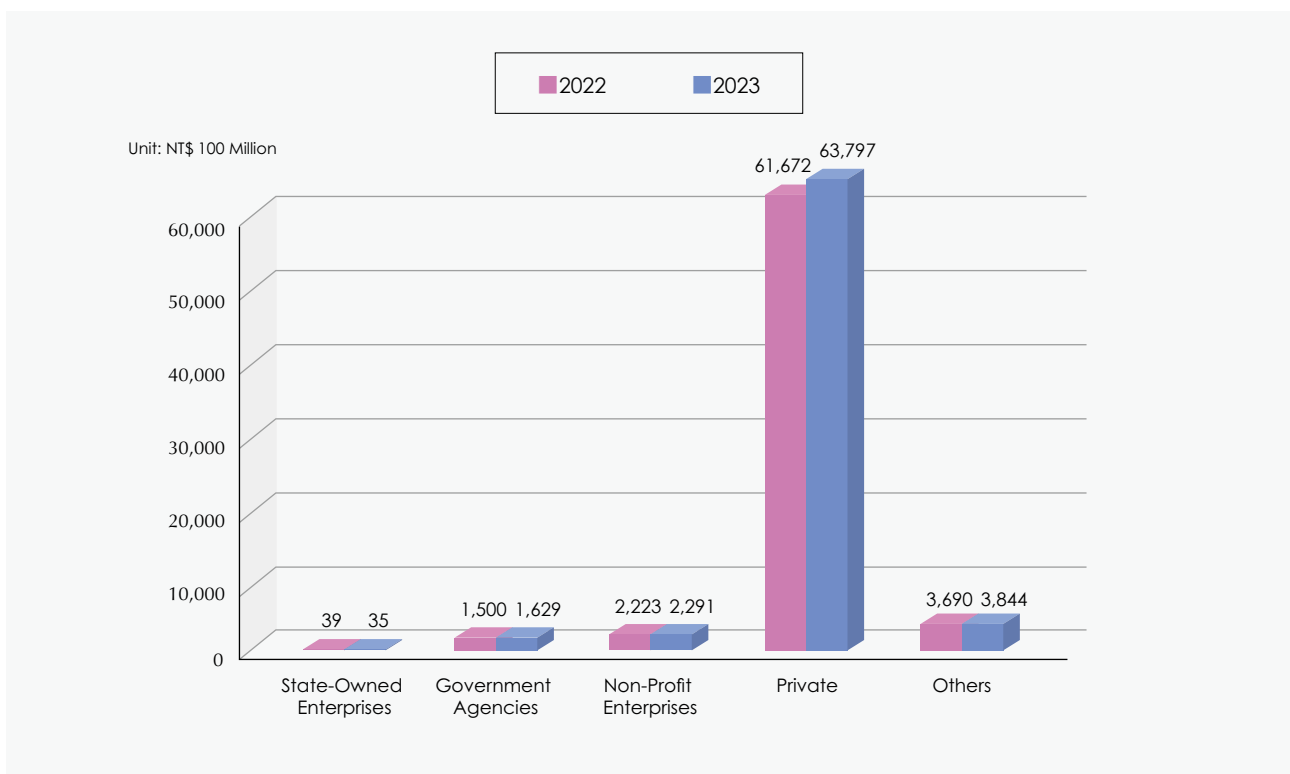
(8) To make it more convenient for remittances, the Company continuously increases the number of handling branches providing inter-bank remittances. By the end of 2023, there were 1,267 branches providing the service.

Volume of Postal Savings Services

Unit: NT\$ Million

Type	Number of Deposits		Number of Withdrawals		Number of Accounts		Total Balance	
	2022	2023	2022	2023	2022	2023	2022	2023
Passbook Accounts	318,436,043	338,884,686	465,045,895	496,446,061	29,163,053	29,349,364	2,922,867	2,948,132
Time Deposit Accounts	7,076,740	7,510,664	40,944,615	43,009,629	6,151,834	6,558,706	3,944,708	4,165,308
Giro Accounts	42,273,332	43,584,859	14,321,540	21,675,834	1,535,722	1,518,397	44,784	46,126
Total	367,786,115	389,980,209	520,312,050	561,131,524	36,850,609	37,426,467	6,912,359	7,159,566

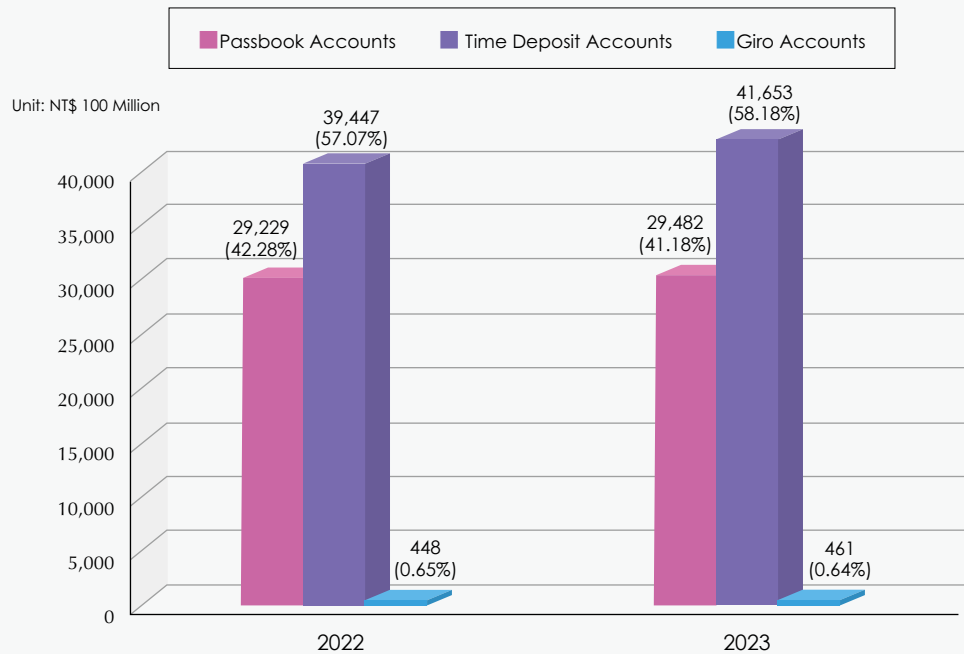
Comparison Chart of Savings Account Holders, 2022 and 2023



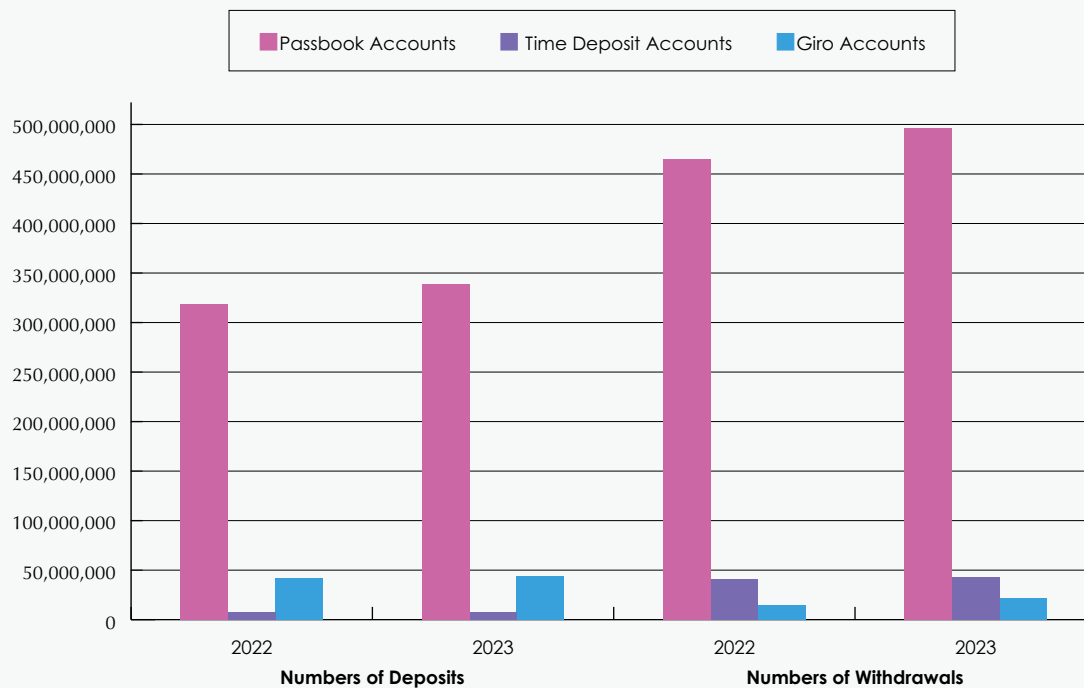


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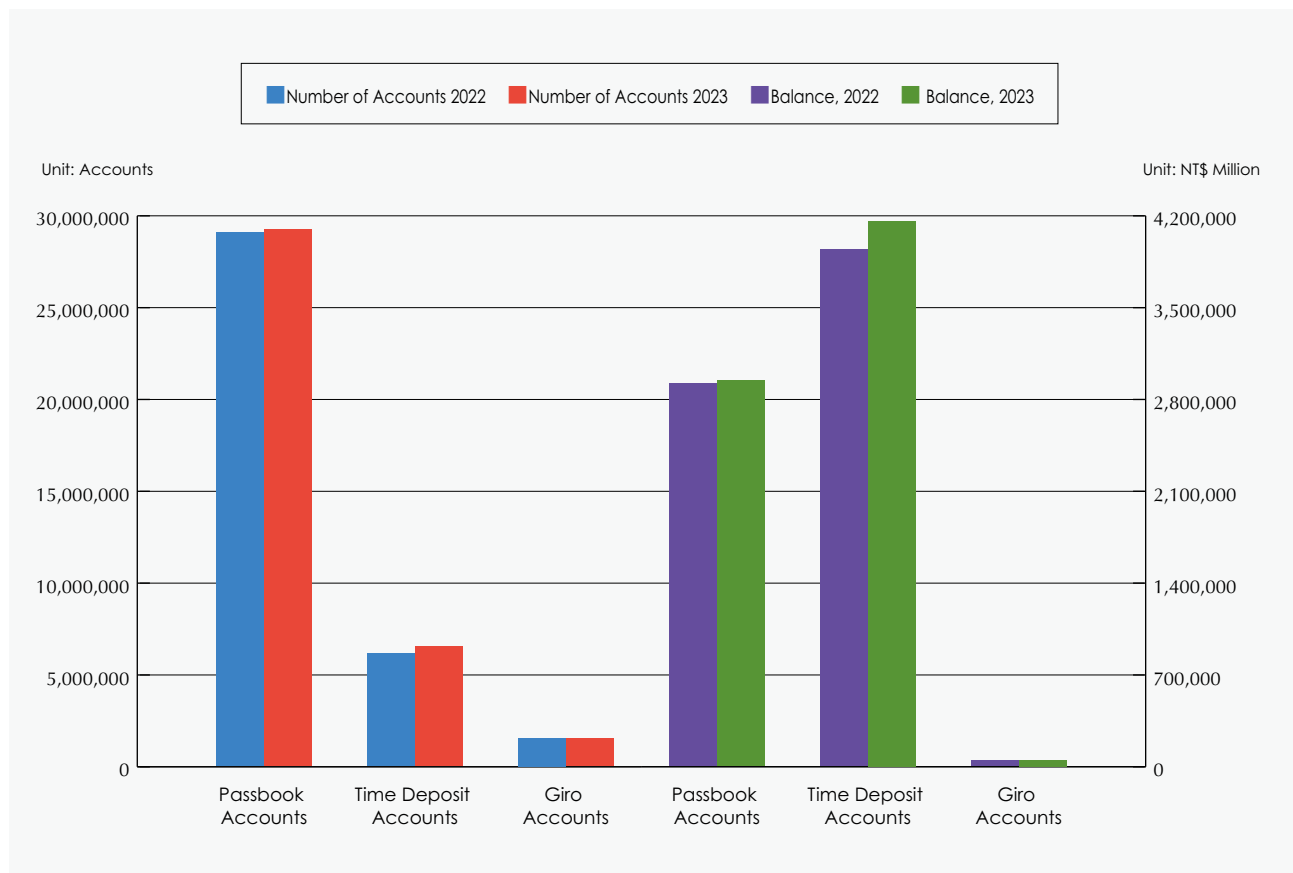
Comparison Chart of Postal Savings Services, 2022 and 2023



Numbers of Deposits and Withdrawals of Various Types of Accounts, 2022 and 2023



Numbers of Accounts and Balances of Various Types of Accounts, 2022 and 2023



(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 2023, the number of branches which provide international remittance services, including the trading of foreign currency, had reached 260, and the Taoyuan International Airport as well as 28 scenic areas/regional branches had been appointed to undertake the exchange of foreign currencies and the trading of US dollar travelers' checks.

In 2023, funds remitted through Chunghwa Post amounted to over NT\$ 1,567.7 billion, down 1.65% compared with that of 2022, while money orders totaled more than 12,490,000, down 5.45% compared with that of 2022.



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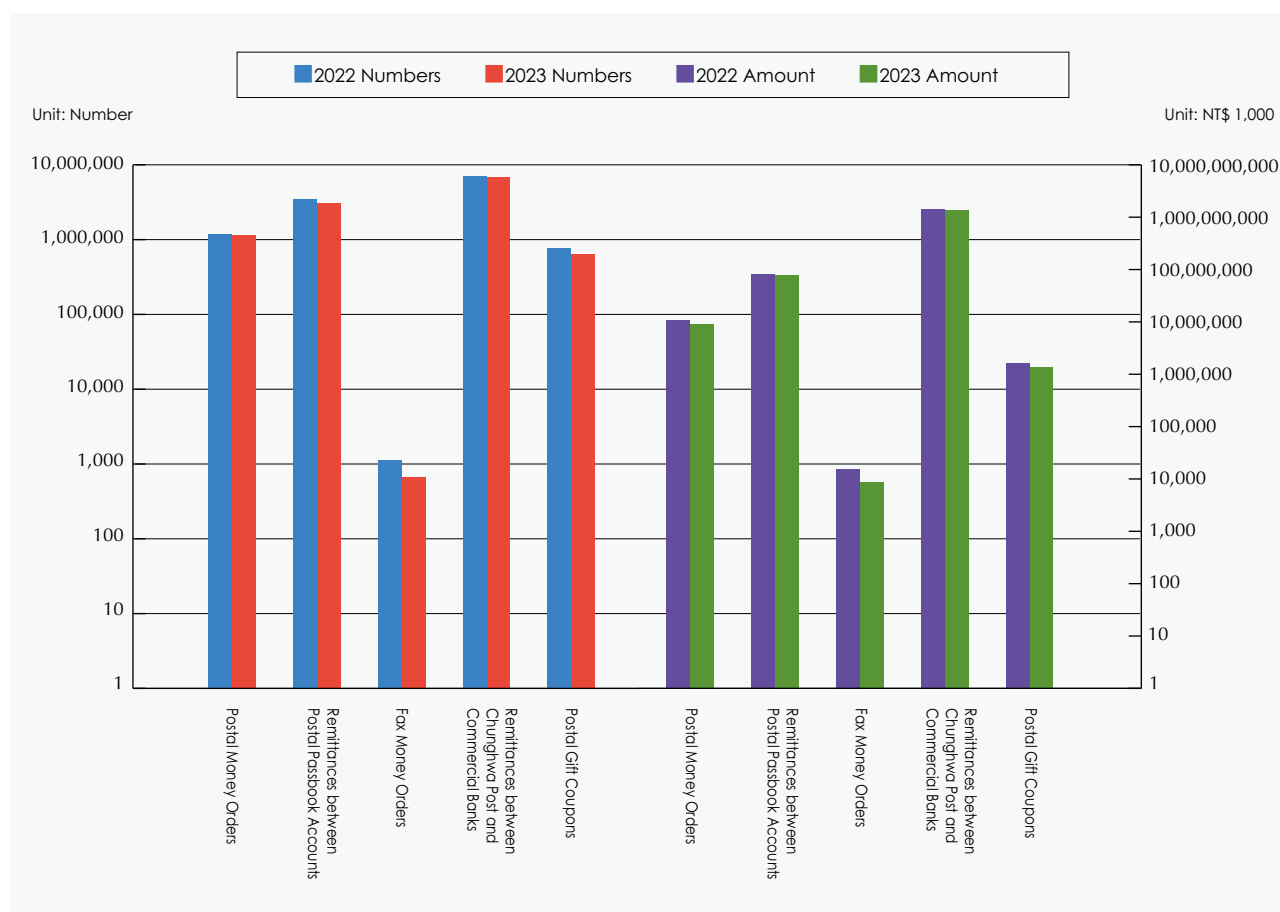
Volume of Remittance Services

Unit: NT\$ 1,000

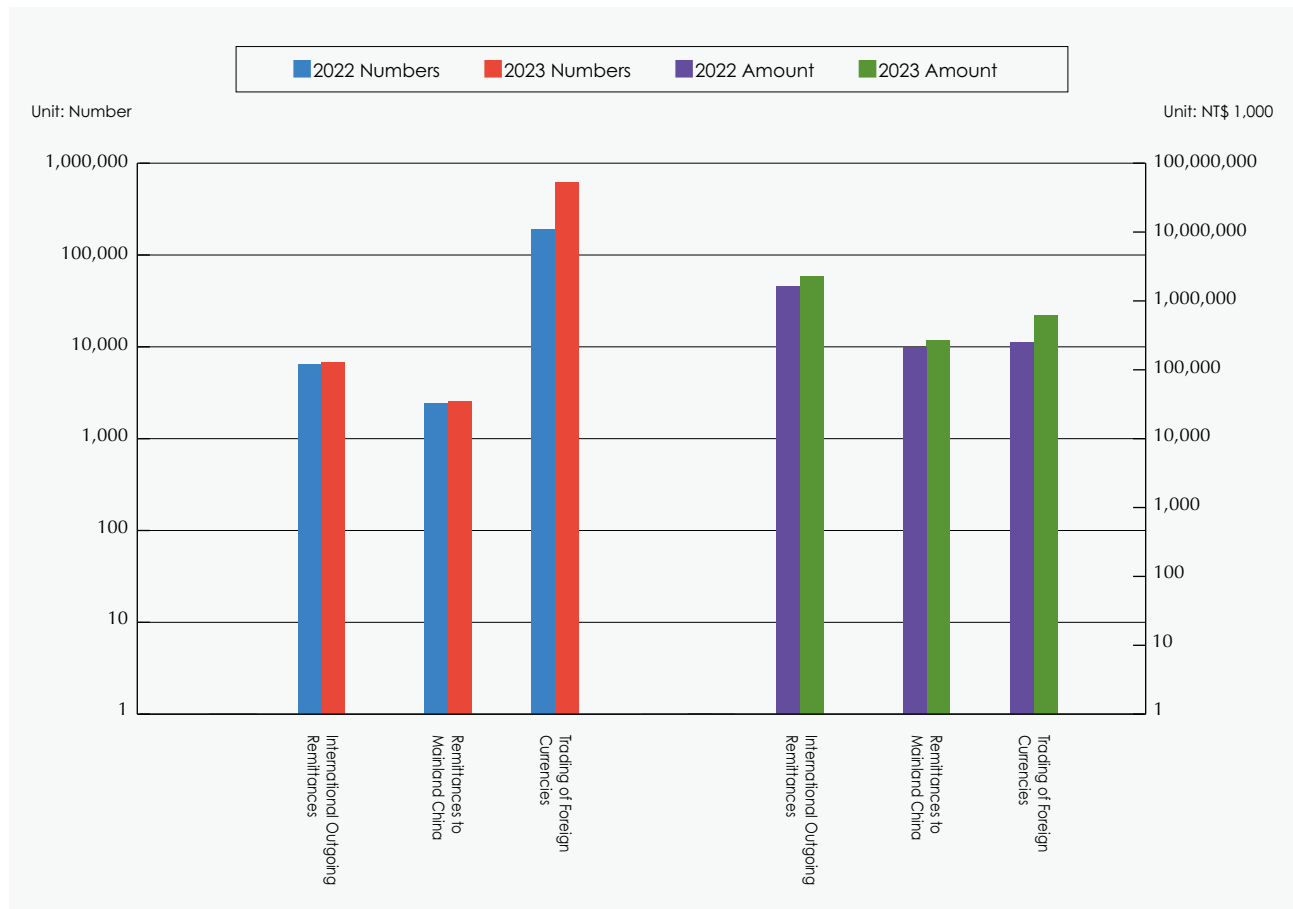
Type	Number		Account	
	2022	2023	2022	2023
Postal Money Orders	1,168,786	1,096,873	10,135,219	9,428,791
Remittances between Postal Passbook Accounts	3,580,952	3,130,858	83,062,813	81,564,946
Fax Money Orders	1,081	666	14,920	8,762
Remittances between CHP and Commercial Banks	7,475,655	6,973,211	1,496,946,237	1,471,972,658
Postal Gift Coupons	779,947	646,458	1,711,359	1,385,301
International Postal Money Orders	0	0	0	0
International Outgoing Remittances	6,660	7,208	1,748,923	2,449,310
Travelers' Checks in USD	0	0	0	0
Remittances to Mainland China	2,467	2,609	219,612	277,558
Trading of Foreign Currencies	201,611	633,558	255,625	653,010
Total	13,217,159	12,491,441	1,594,094,708	1,567,740,336

Note: Sales of USD traveler's checks were discontinued in 2020, but the buy-back service is still available.

Volume of Domestic Remittance Services, 2022 and 2023



Volume of International Remittance Services, 2022 and 2023



(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 “溥益民生”, 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



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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 Insurance Products

Postal Simple Life Insurance includes survival benefit, insurance against death and endowment insurance. Health insurance and accident insurance are offered as riders. Non-ROC citizens are not eligible to be the insured of Simple Life Insurance.

(2) No Physical Checkup Required

Postal Simple Life Insurance does not require a physical checkup; however both the insured and the proposer are obligated to answer health questionnaires truthfully in written form for the insurer withholds the right to deny an application at its discretion.

(3) Insured Amount

The maximum total insured amount per insured individual is NT\$6 million.

(4) Premium payment

The premium payment plans include options in annual, semiannual, quarterly, and monthly premiums. The initial and renewal premiums can only be paid either via the postal deposit book or via giro account and the policyholder can enjoy a 1% transfer discount.

2. New insurance products introduced in 2023

(1) The Hao-li-wang Interest Sensitive Insurance was launched on June 1, 2023

i. Age eligibility:

6-year term: 16-65 years old.

10-year term: 16-60 years old.

ii. Premium paying term: 6 or 10 years.

iii. Insurance policy period: 20 years.

iv. Incremental Paid-Up Insurance Amount:

On each policy anniversary during the contract period, the incremental paid-up insurance amount is calculated. It is determined by the difference between the average declared interest rate for the current year and the policy's predetermined interest rate, multiplied by the interim policy value reserve. (If the average declared interest rate is lower than the predetermined interest rate of this policy, the predetermined interest rate of this policy will be used as the standard.) This value is used as the single premium for the incremental paid-up insurance amount effective from that policy anniversary.

v. Living benefits:

If the insured is still alive on the following policy anniversaries and the contract remains valid, the Company will pay the living benefits as agreed:

- Policy anniversaries 1-10: Every 2nd anniversary, 3% of the then-current insurance amount (basic insurance amount plus cumulative increased insurance amount) will be paid as living benefits.
- Policy anniversaries 11-19: On each policy anniversary, 6% of the then-current insurance amount (basic insurance amount plus cumulative increased insurance amount) will be paid as living benefits.

vi. Policy maturity benefit:

If the insured is still alive on the contract maturity date and the contract remains valid, the Company will pay 1.5 times the then-current insurance amount (basic insurance amount plus cumulative increased insurance amount) as the maturity benefit.

vii. Minimum Sum Assured: NT\$100,000.

Maximum Sum Assured: NT\$1,500,000.

(2) The Nian-nian-chang-chun Increasing Endowment was launched on November 23, 2023

i. Age eligibility: 16-65 years old.

ii. Premium Payment Terms: 6 or 10 years.

iii. Insurance policy period: From the date of insurance to the policy anniversary when the insured reaches the insurance age of 78.

iv. Sum assured: Starting from the first policy year, the basic insurance amount increases annually by



20% simple interest, up to the 10th policy year.

v. Living Benefits:

If the insured is still alive on the following policy anniversaries and the contract remains valid, the company will pay the living benefits as agreed:

- During the premium payment period: On each policy anniversary, 2% of the then-current basic insurance amount will be paid as living benefits.
- After the premium payment period (including the last payment period): On each policy anniversary up to the policy anniversary when the insured reaches the age of 77, 5% of the then-current basic insurance amount will be paid as living benefits.

vi. Policy Maturity Benefits: If the insured is still alive on the policy anniversary when they reach the insurance age of 78 and the contract remains valid, the company will pay the then-current insurance amount as the maturity benefit.

vii. Minimum Sum Assured: NT\$100,000.

Maximum Sum Assured:

Age Group	16~17	18~45	46~65
Maximum (10K)	98	100	125

3. New policies

In 2023, newly issued Postal Life Insurance policies totaled 178,681, the sum assured reached NT\$69.01932 billion, and the first-year premium income generated therefrom was NT\$87.4546 billion.

New Policies by Type

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

Types		Number of Policies	%	Sum Insured	%	First-year Premium Income	%
Total		178,681	100.00	69,019,317	100.00	8,745,462	100.00
Endowment	Chang-hong Increasing Endowment	62,806	35.15	15,251,541	22.10	4,591,891	52.51
	Nian-nian-chang-chun Increasing Endowment	6,257	3.50	1,327,320	1.92	383,113	4.38
	Chang-chun Increasing Endowment						
	You-e-kao Endowment	2,920	1.63	408,030	0.59	17,281	0.20
	You-sing-fu Endowment	744	0.42	239,550	0.35	30,334	0.35
	Jin-sing-fu Endowment	639	0.36	248,150	0.36	162,841	1.86
	Hao-li-wang Interest Sensitive Insurance	307	0.17	48,520	0.07	6,489	0.07
	Jin-huan-si Increasing Endowment	270	0.15	68,520	0.10	28,554	0.33
	Chang-le Increasing Endowment	240	0.13	60,170	0.09	266,598	3.05
	Lohas-168 Endowment	103	0.06	38,770	0.06	13,772	0.16
	Chang-fu-123 Endowment	35	0.02	11,640	0.02	3,386	0.04
Insurance Against Death	An-xin Whole Life Insurance	84,715	47.41	41,729,736	60.46	3,226,582	36.89
	1-year Term Insurance	13,126	7.35	2,025,980	2.93	3,721	0.04
	e68 Term Insurance	6,519	3.65	4,507,680	6.53	6,111	0.07
Accident Insurance	Accident Microinsurance Rider	6,663	-	2,917,910	4.23	3,634	0.04
	Jin-ping-an Injury and Child Injury Disability Insurance Rider	245	-	104,860	0.15	122	0.00
	Ji-an Injury and Child Injury Disability Insurance Rider	82	-	30,560	0.04	37	0.00
Health Insurance	Daily Hospitalization Expense Insurance Rider	306	-	380	0.00	996	0.01

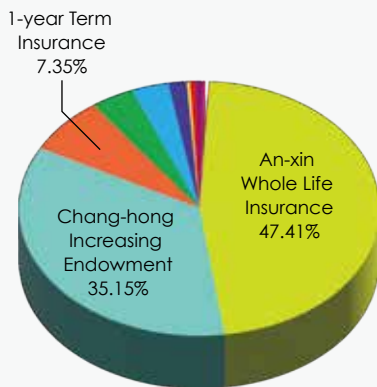
Note: Accident Insurance and Health Insurance are sold as a rider and therefore not included in the total number of policies.



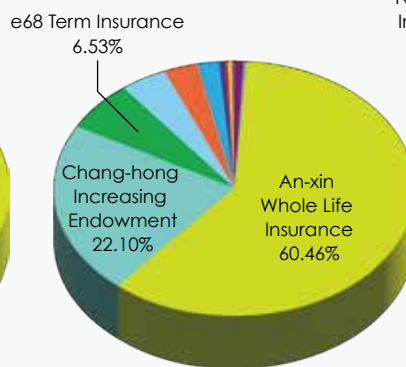
VII. Operations Summary

Percentage Distribution of New Policies by Type

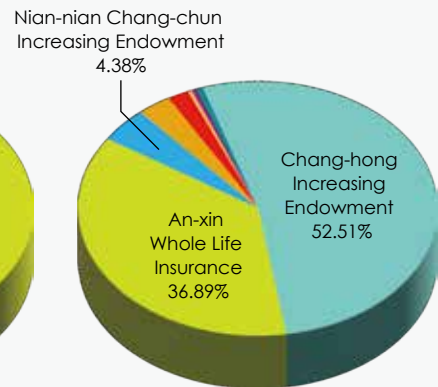
An-xin Whole Life Insurance 47.41%	An-xin Whole Life Insurance 60.46%	Chang-hong Increasing Endowment 52.51%
Chang-hong Increasing Endowment 35.15%	Chang-hong Increasing Endowment 22.10%	An-xin Whole Life Insurance 36.89%
1-year Term Insurance 7.3%	e68 Term Insurance 6.53%	Nian-nian Chang-chun Increasing Endowment 4.38%
e68 Term Insurance 3.65%	Accident Microinsurance Rider 4.23%	Chang-le Increasing Endowment 3.05%
Nian-nian Chang-chun Increasing Endowment 3.50%	1-year Term Insurance 2.93%	Jin-sing-fu Endowment 1.86%
You-e-kao Endowment 1.63%	Nian-nian Chang-chun Increasing Endowment 1.92%	You-sing-fu Endowment 0.35%
You-sing-fu Endowment 0.42%	You-e-kao Endowment 0.59%	Jin-huan-si Increasing Endowment 0.33%
Jin-sing-fu Endowment 0.36%	Jin-sing-fu Endowment 0.36%	You-e-kao Endowment 0.20%
Hao-li-wang Interest Sensitive Endowment 0.17%	You-sing-fu Endowment 0.35%	Lohas-168 Endowment 0.16%
Jin-huan-si Increasing Endowment 0.15%	Jin-ping-an Accident Insurance Rider 0.15%	Hao-li-wang Interest Sensitive Endowment 0.07%
Chang-le Increasing Endowment 0.13%	Jin-huan-si Increasing Endowment 0.10%	e68 Term Insurance 0.07%
Lohas-168 Endowment 0.06%	Chang-le Increasing Endowment 0.09%	Chang-fu-123 Endowment 0.04%
Chang-fu-123 Endowment 0.02%	Hao-li-wang Interest Sensitive Endowment 0.07%	1-year Term Insurance 0.04%
	Lohas-168 Endowment 0.06%	Accident Microinsurance Rider 0.04%
	Ji-an Accident Insurance Rider 0.04%	Daily Hospitalization Expense Insurance Rider 0.01%
	Chang-fu-123 Endowment 0.02%	



Number of Policies



Sum Insured



Premium Income

4. Policies in force

In 2023, the number of in-force postal life insurance policies were 2,139,879, the sum assured amounted to NT\$ 691.82694 billion, and the premium income was NT\$80.23703 billion.

In-Force Policies by Type

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

Types		Number of Policies	%	Sum Insured	%	Premium Income	%
Total		2,139,879	100.00	691,826,943	100.00	80,237,025	100.00
Endowment	Chang-chun Increasing Endowment	907,067	42.39	200,935,551	29.04	46,916,017	58.47
	An-jia Refundable Whole Life Insurance	156,904	7.33	57,489,330	8.31	57	0.00
	Chang-hong Increasing Endowment	79,047	3.69	19,035,309	2.75	5,813,841	7.25
	Chang-le Increasing Endowment	71,369	3.34	18,583,939	2.69	4,578,055	5.71
	Sing-fu-ba-ba Endowment	64,817	3.03	22,568,187	3.26	2,686,824	3.35
	Others	415,370	19.41	129,474,736	18.71	11,095,914	13.82
Insurance Against Death	An-xin Whole Life Insurance	230,355	10.77	104,710,254	15.14	8,538,528	10.64
	An-ho Whole Life Insurance	78,622	3.67	53,260,523	7.70	24,577	0.03
	1-year Term Insurance	29,220	1.37	4,966,430	0.72	12,109	0.02
	An-ping Double-Indemnity Whole Life Insurance	17,425	0.81	8,770,887	1.27	8,051	0.01
	Fu-an Whole Life Insurance	11,765	0.55	7,214,531	1.04	131,264	0.16
	Others	77,918	3.64	52,416,571	7.58	408,308	0.51
Accident Insurance	Accident Microinsurance Rider	16,517	—	6,501,425	0.94	3,634	0.00
	Chi-an Accident & Child Accident and Disability Insurance Rider	9,479	—	4,165,632	0.60	3,744	0.01
	Chin-ping-an Accident Child Accident and Disability Insurance Rider	3,809	—	1,729,313	0.25	2,128	0.00
Health Insurance	Daily Hospitalization Expense Insurance Rider	3,549	—	4,325	0.00	13,974	0.02

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



Vibrant Postal Employees Sports Day 2023

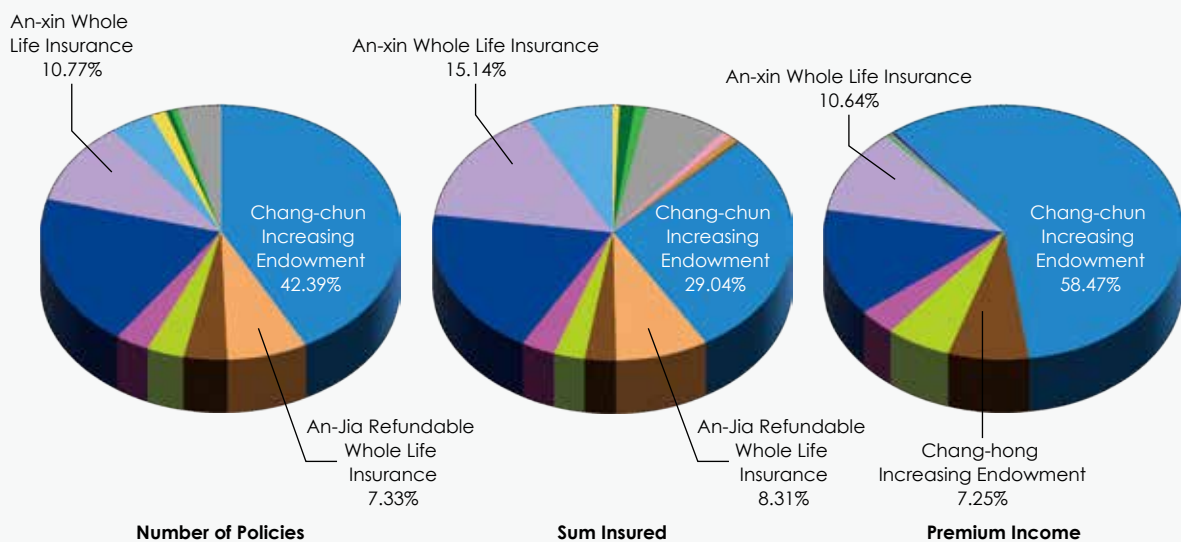
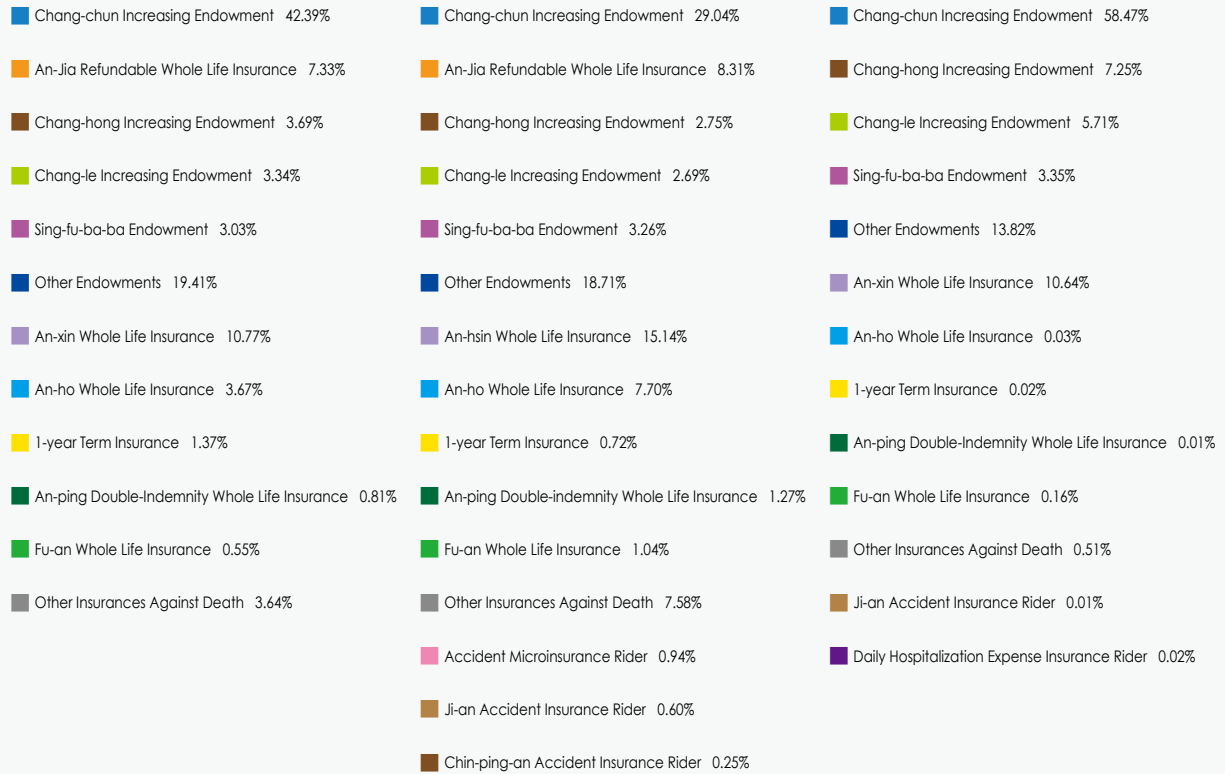


2023 The Postal Life Insurance Cup - National Table Tennis Games for the Disabled



VII. Operations Summary

Percentage Distribution of In-Force Policies by Type





5. Benefit payment

(1) Payment on maturity

In 2023, a total of 20,472 payments were made on maturity, and the sum assured was NT\$8.51266 billion.

(2) Payment to claims

The year of 2023 saw 9,012 payments to claims, and the sum assured was NT\$3.30706 billion.

(3) Surrender value

The year of 2023 saw 43,101 cases of surrender, and the sum insured was NT\$12.31362 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 Web ATM, or the Post App to apply for loans in a more convenient and efficient manner.

The year of 2023 saw 80,076 cases of policy loans, and the loan balance was NT\$12.06694 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 2023, the number of secured mortgage loans issued by Chunghwa Post totaled 10,656, and the loan balance was NT\$21.95576 billion.

8. Business Operations in Recent Years

General Account of the Business and Premium Income in the Last Five Years

Unit: Pieces; NT\$ Million

Year	2019	2020	2021	2022	2023
New Business (Policies)	251,780	217,654	173,679	191,190	178,681
Increase or Decrease%	10.17	-13.55	-20.20	10.08	-6.54
New Business (Amount)	62,060	62,596	65,079	76,624	69,019
Increase or Decrease%	13.57	0.86	3.97	17.74	-9.93
Business in Force (Policies)	2,269,987	2,184,668	2,065,329	2,048,184	2,139,879
Increase or Decrease%	-1.67	-3.76	-5.46	-0.83	4.48
Business in Force (Amount)	765,461	713,072	664,153	656,196	691,827
Increase or Decrease%	-5.87	-6.84	-6.86	-1.20	5.43
Premium Income	127,794	118,502	99,178	84,045	80,237
Increase or Decrease%	-4.40	-7.27	-16.31	-15.26	-4.53

Note: The increase or decrease is calculated with the previous year as the base year.



VII. Operations Summary

General Account of Claims Payment in the Last Five Years

Unit: Pieces; NT\$ Million

Year	2019	2020	2021	2022	2023
Claims Payment to Beneficiaries (Number of Policies)	282,118	295,314	284,092	195,877	72,585
Increase or Decrease %	-24.86	4.68	-3.80	-31.05	-62.94
Matured Endowment	241,778	256,285	248,083	155,193	20,472
Increase or Decrease %	-27.17	6.00	-3.20	-37.44	-86.81
Death & Disability	6,549	6,671	7,136	8,278	9,012
Increase or Decrease %	4.35	1.86	6.97	16.00	8.87
Surrender (Number of policies)	33,791	32,358	28,873	32,406	43,101
Increase or Decrease %	-9.14	-4.24	-10.77	12.24	33.00
Claims Payment to Beneficiaries (Amount)	104,162	109,891	107,569	76,326	24,134
Increase or Decrease %	-24.72	5.50	-2.11	-29.04	-68.38
Matured Endowment (Amount)	92,750	99,676	97,564	64,731	8,513
Increase or Decrease %	-26.04	7.47	-2.12	-33.65	-86.85
Death & Disability (Amount)	2,520	2,506	2,651	3,041	3,307
Increase or Decrease %	1.61	-0.56	5.79	14.71	8.75
Surrender (Amount)	8,892	7,709	7,354	8,554	12,314
Increase or Decrease %	-15.05	-13.30	-4.61	16.32	43.96

Note: The increase or decrease is calculated with the previous year as the base year.

(V) Philately – Educational and Entertaining

Philately is among the key business activities operated by Chunghwa Post. 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\$ 629.29 million in 2023.

1. Philately business overview

(1) 2023 budget execution

Business Item	Unit	Final Accounts for 2023	Budget	Final Accounts for 2022	Budget Achievement (%)	YoY Growth (%)
Philately	NT\$1,000	629,290	568,900	626,587	110.62%	0.43%

(2) Operating objectives for 2024

Estimated final accounts for 2024: NT\$568,900,000.

2. Issuing new postage stamps and philatelic accessories

(1) In 2023, a total of 18 sets of stamps were issued, including 4 sets of commemorative stamps and 14 sets of special stamps. Among them, 5 distinctive sets were issued in conjunction with the "Taipei 2023 39th Asian International Stamp Exhibition": "Taipei 2023 39th Asian International Stamp Exhibition Commemorative Issue", whose left-hand marginal inscription features a tea leaf pattern printed with special ink that emits a tea fragrance, making it highly unique. "Colorful Porcelain" Souvenir Sheet and "Myriad Butterflies" are themed on the National Palace Museum's collections, specifically on the subjects of colorful porcelain from the National Palace Museum: Coupled vase with flower-

and-bird panels in yangcai painted enamels, Qianlong reign, Qing dynasty and Revolving vase with swimming fish in cobalt blue glaze, Qianlong reign, Qing dynasty and on the scroll painting Myriad Butterflies by the Qing dynasty painter Yu Sheng. In addition, two miniature sheets featuring the main characters of the Sanrio family combined with the themes "Bringing Happiness" and "Sightseeing in Taiwan," which have been very popular among the public. The "Taiwan in Literature" stamps highlight local art with themes based on Yu Kwang-chung's "Passing Fangliao Town" and Xu Di-shan's "The Peanut," showcasing a strong sense of local culture and exquisite printing craftsmanship.

- (2) Additional issues include 1 stamp yearbook (one in hardback and the other in loose-leaf), 1 postage stamp catalog, 1 pictorial, 9 stamp folios, 5 maximum card, and 1 press sheet of New Year's Greeting Postage Stamps (Issue of 2023). Furthermore, in line with business demands, Chunghwa Post also released 1 set of two postal cards depicting "The Implementation of Citizen Judges System Commemorative Sheet"; 1 set of 12 "Taiwan Scenery" postal cards (Series 1); 2 Auspicious Dragon New Year Cards; 2 sets of postage labels and 1 set of 2 New Year's greeting cards.

(3) Issuing Philatelic Accessories

In our quest for diversified product development and growth in philately business, Chunghwa Post, manufactured and launched: Personalized stamp frames in deluxe boxes; "Joyful Taiwan" bath towels (Fresh Green); "Family Peace" bags; "Early Birth" cards; "Top Scholar" booklets; a series of 8 "Bobo Dove" philatelic items (including tote bags, sticky notes, USB drives, night lights, storage bags, keychains, and pen holders); personalized stamp frames and deluxe box sets; "Large Auspicious Dragon" series philatelic accessories; these include pure gold and fine silver ingots, pure gold and fine silver ingots collectibles and pure gold ingots special editions; a series of 19 Sanrio-themed philatelic items (including music boxes, plush toys, miniature mail trucks, double-layer glass mugs, multipurpose blankets, large soup bowls, mouse pads, file folders, sticky notes, multipurpose cards, postcards, and stamp folios); Qing Dynasty Lang Shining's "Gathering of Auspicious Signs" golden painting; small personalized stamp frames in deluxe boxes; 2024 calendars, notebooks, and bi-monthly desk calendars from Chunghwa Post; "Auspicious Dragon" series of pure gold and fine silver ingots (including type A and B silver ingots collectible editions, high-relief copper medallions, and collectible sets); "Philatelic Fun" mugs; these include a total of 16 types. Additionally, Chunghwa Post also authorized its branches nationwide to design and sell a total of 40 types of philatelic products.

3. Organizing sales promotions to expand philately business

(1) Stamp Yearbook Issue of 2022 Sales Promotion

The Stamp Yearbook Issue of 2022 Sales Promotion was held from January 5 to April 29, 2023. During the event period, for every purchase of a Stamp Yearbook Issue of 2022, the purchaser would get 1 scratch off. A diverse range of prizes were available, including an Apple iPhone 14 Pro Max, "Golden Rabbit" pure gold ingot, fine silver ingot collectibles, copper medallion set, a NT\$15,000 PX Mart gift voucher, a Panasonic fully automatic American coffee machine, and various exquisite philatelic products.

(2) 2023 Stamp Beauty Pageant

The 2023 Stamp Beauty Pageant was held from March 6th to April 6th, 2023. In the event, people could 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 "Fong Fei-fei Postage Stamps" (NT\$15 value), "Taiwan's Beautiful Highways Postage Stamps – The Tongxiao section of Provincial Highway No.61", and "Fong Fei-fei Postage Stamps" (NT\$6 value).



VII. Operations Summary



Premier Attended the Issuing Ceremony of the Human Rights Postage Stamps



Opening Ceremony of the 2023 Covid-19 Prevention Stamp Special Exhibition

4. Philately promotion events

- (1) Holding the issuing ceremony of "The Implementation of Citizen Judges System Commemorative Souvenir Sheet"

The Citizen Judges System officially took effect on January 1, 2023, marking a significant milestone in Taiwan's judicial history. To commemorate the first joint trial system by citizens and professional judges, a commemorative souvenir sheet was issued on January 3, 2023. The issuing ceremony was held at the Citizen Judge Court of the Taiwan Taipei District Court – Baoqing Campus on the same day.

- (2) Issuing Ceremony for the "Taiwan Scenery Postage Stamps – Kinmen County":

To mark the anniversary of the Kinmen Bridge opening, a set of four stamps featuring the Kinmen Bridge, Chen Jinglan Western-style House, Shanhou Folk Culture Village, and Dadan Island was issued on October 30, 2023. The issuing ceremony was held in the multimedia briefing room of the Kinmen County Government on the same morning.

- (3) Issuing Ceremony for the "Human Rights Postage Stamps":

To emphasize Taiwan's commitment to human rights and align with human rights policies, a set of four stamps themed on the "Universal Declaration of Human Rights," "Convention on the Elimination of All Forms of Discrimination Against Women," "Convention on the Rights of the Child," and "Convention on the Rights of Persons with Disabilities" was issued on December 8, 2023. The issuing ceremony was held in collaboration with the National Human Rights Commission at the Taipei Beimen Post Office on the same morning.

- (4) Hosting the "Taipei 2023 39th Asian International Stamp Exhibition":

The "Taipei 2023 39th Asian International Stamp Exhibition" was held from August 11 to 15, 2023, at the Taipei World Trade Center Exhibition Hall 1. The event featured participants from 26 member countries/regions of the Federation of Inter-Asian Philately, showcasing the world's rarest stamps, including the "British Guiana 1c Magenta," classic Chinese stamps, and 1,050 frames of precious philatelic collections from home and abroad. With 89 unique booths, the exhibition attracted over 180,000 visitors, successfully promoting the development of the philatelic cultural and creative industry and enhancing cooperation between Chunghwa Post and the international philatelic community, thereby raising Taiwan's international visibility.

- (5) Supporting Philatelic Groups in Domestic and International Activities:

Supported 60 philatelic exhibitions and promotional activities organized by local philatelic societies

and other groups.

(6) Organizing Various Youth-Oriented Philatelic Events:

- i. The "2023 Summer Parent-Child Philatelic Workshop" was conducted, attracting 1,090 participants.
- ii. A total of 163 Philatelic Classrooms in schools nationwide were established in 2023, with 4,027 members recruited.
- iii. On October 19, 2022, 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 28 pieces of Little Philatelic Artworks and 11 pieces of One Frame Stamp Collections with rich and diversified materials used.
- iv. We have been supporting senior high and vocational schools as well as universities, colleges and junior colleges to start philatelic clubs, of which 17 were established in academic year 2022-2023.

(7) Establishment of Senior Philatelic Clubs:

- i. We invited communities and organizations to establish Senior Philatelic Groups, aiming to fulfill our corporate social responsibilities by expanding and promoting philatelic activities with local community resources, developing philatelic communities, and creating adaptive learning environments for the elderly that help to improve physical and mental health.
- ii. A total of 28 Senior Philatelic Clubs were established, with 643 registered members.

(8) Organizing Exhibitions and Activities at the Postal Museum

The Postal Museum was established for collecting, preserving, displaying and conducting research on postal artifacts, so as to carry on postal missions, promote postal culture, and provide the public with a recreational place to learn about postal business and appreciate the beauty of stamps. In 2023, the Museum organized six special exhibitions, 16 philatelic lectures, and 28 cultural activities, attracting 104,016 visitors. Postal revenue, including sales of philatelic products and venue rentals, reached NT\$4,135,332. Additionally, the Museum regularly held Brother Pigeon's Story Time sessions and actively participated in community markets and cultural heritage exploration activities to enhance local recognition and cultural engagement.



Premier Attended the Opening Ceremony of the 2023 39th Asian International Stamp Exhibition



VII. Operations Summary

- i. Organizing Special Exhibitions and Cultural Activities to Promote Philatelic Aesthetics:
Main Museum: Held "The Land of Sweet Potatoes – The Beauty of Fertility Special Exhibition" and "Dragon Ascending Fortune Gathering – Chinese Zodiac Postage Stamps and Cultural Relics Special Exhibition", along with 14 associated activities such as spring couplets and handicraft workshops.
 - Taipei Branch: Organized "Variety – Costume Postage Stamps Special Exhibition" and "Quality Life with Plant Sense – Plant Postage Stamps and Pressed Flowers Special Exhibition," along with four handicraft workshops.
 - Kaohsiung Branch: Hosted "Memorial Imprint: COVID-19 Prevention Stamps Special Exhibition" and "Children's Fun with Drawings – World School Children's Art Special Exhibition", along with 10 activities, including lectures, painting lessons, and handicraft workshops.
- ii. Conducting Philatelic Lectures to Promote Philatelic Knowledge:
 - To foster philatelic exchanges and enhance knowledge of postal history, the Museum collaborated with the Chinese Taipei Philatelic Federation to host the "Postal Museum Talks" on the third Saturday of each month. Experts in philately and postal history were invited to share and discuss stamps and postal knowledge, with a total of 12 sessions held in 2023.
 - Since February 2022, the Museum has partnered with Kaohsiung Post Office, Kaohsiung Philatelic Society, Tainan Philatelic Society, and Tainan City Fucheng Philatelic Association to host the "Southern Taiwan Philatelic Talks" quarterly. Four sessions were held in 2023 to promote philatelic exchanges in southern Taiwan.
- iii. Selling Philatelic Products and Renting Venues to Increase Revenue:
To promote philately and cultural education, the Museum sold philatelic products at the first-floor service counter and rented out the second-floor audiovisual room, sixth-floor special exhibition room, and tenth-floor auditorium and conference room. In 2023, revenue from the sale of philatelic products amounted to NT\$2,621,992, and venue rental income was NT\$1,513,340, totaling NT\$4,135,332 in revenue.
- iv. Conducting "Brother Pigeon's Story Time" Sessions to Enhance the Museum's Educational Role:
On the second and fourth Saturday afternoons of each month, the "Brother Pigeon's Story Time" session was held in the Forest Classroom of the Children's Postal Garden on the Museum's fourth floor. Topics included elements from exhibitions or stamps, as well as timely themes, leading children into the fascinating world of stamps to explore topics such as ecological conservation and humanitarian concerns. These sessions promoted character education, enhanced parent-child interaction, and created memorable learning experiences. A total of 22 sessions were held in 2023.
- v. Participating in Community Activities to Enhance Corporate Image
 - From April 1 to 2, 2023, the Museum participated in the "2023 Southern City Fun Book Market" hosted by the General Association of Chinese Culture, featuring the sale of philatelic products and activities such as "Read · Enjoy · Love Reading," "A Letter of Thoughts and Blessings," and "Today I'm the Most 'Philatelic' Hero – Little Postal Hero Challenge." Nearly a thousand people enthusiastically participated in the two-day event.
 - From December 16 to 17, 2023, in conjunction with the "23rd Guling Street Book Fair" organized by Zhongzheng District, Taipei City, the Museum held activities such as "Philatelic Time – Letters to the Future," "Children's Philatelic Painting," "Read · Enjoy – Fun Book Market and Philatelic Floating Books," and "Welcoming Christmas with You – Origami Workshop." These activities, combining education with entertainment, expanded community engagement and enhanced the Company's image. Approximately a thousand people participated and visited the Museum during the two-day event.



(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 upon the approval of the Ministry of Transportation and Communications. 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 2023, the cumulative number of franchise stores totaled 2,353, and the cumulative number of products on the shelves exceeded 140,000. 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 569 branch offices to sell 129 domestic funds by the end of 2023.

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

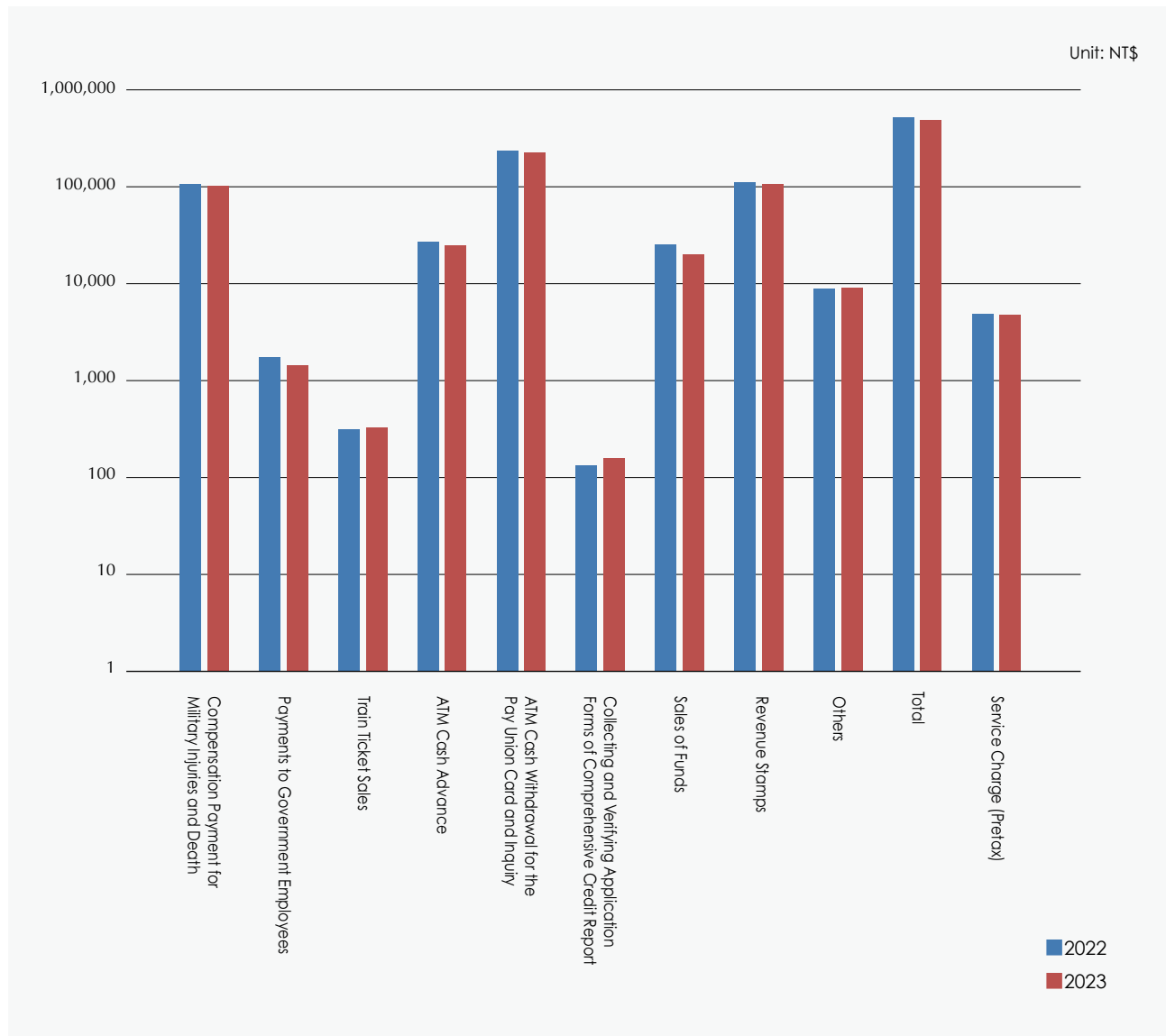
Unit: NT\$10,000

Item	2022	2023	Growth %
Compensation Payment for Military Injuries and Death	105,591	104,136	-1.38%
Payments to Government Employees	1,785	1,452	-18.66%
Train Ticket Sales	323	340	5.26%
ATM Cash Advance	27,749	25,258	-8.98%
ATM Cash Withdrawal for the Pay Union Card and Inquiry	240,270	225,640	-6.09%
Collecting and Verifying Application Forms of Comprehensive Credit Report	139	166	19.42%
Sales of Funds	26,089	20,558	-21.20%
Revenue Stamps	111,833	105,004	-6.11%
Others	8,943	8,974	0.35%
Total	522,722	491,528	-5.97%
Service Charge (Pretax)	5,025	4,842	-3.64%



VII. Operations Summary

Comparison Chart of Agential Business, 2022 and 2023



(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 alignment 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 2023. 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\$393.44 million in the year of 2023, up NT\$ 48.15 million or 13.94% compared with the NT\$345.29 million generated in 2022.

2. Asset development

Chunghwa Post participated in a number of urban renewal projects:

- (1) Participated in 2 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 2023, 25 exemplary post offices have been set up.
- (2) In line with the sustainable energy policies promoted by the government, Chunghwa Post has installed photovoltaic power generation systems on the roof of post offices. From 2015 to 2023, photovoltaic power generation systems were installed on the roof of 110 offices, reaching a capacity of about 3,580 kilowatts and resulting in a total carbon reduction of about 2.140 million kilograms per year (equivalent to approximately 5.54 times the size of Da'an Forest Park).
- (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) 4 of the estates of Chunghwa Post were selected by the Ministry of the Interior and local governments to join the public housing scheme.



VII. Operations Summary

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 once in 2023 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.

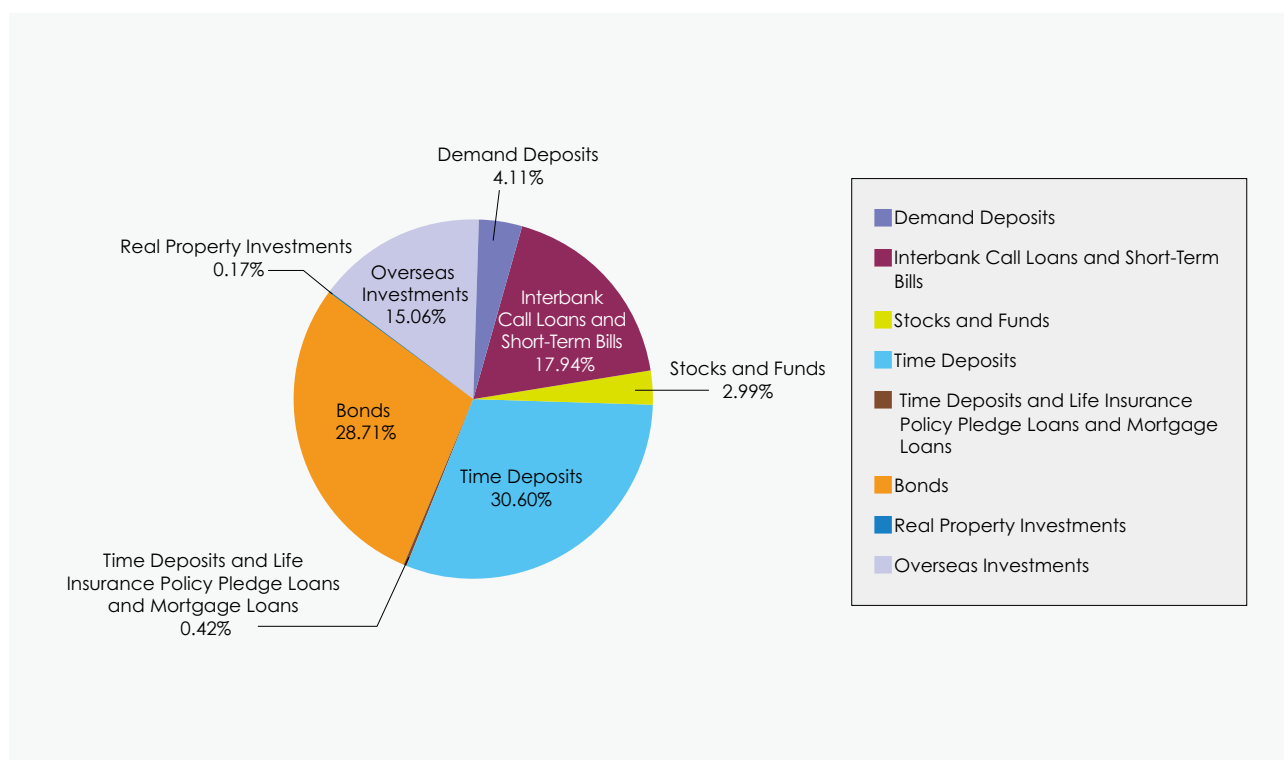
(VIII) Capital Utilization – Supporting state construction programs

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 2023, postal capital (savings, remittances and life insurance capital inclusive) put into use has totaled NT\$8,046 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\$330.6 billion, accounting for 4.11% of the total.
2. Time deposits (time savings deposits inclusive): NT\$2,462.2 billion, or 30.60% of the total.
3. Interbank call loans and short-term bills: NT\$1,443.7 billion, or 17.94% of the total.
4. Bonds (government bonds, corporate bonds and financial bonds inclusive): NT\$2,309.6 billion, or 28.71% of the total.
5. Overseas investments: NT\$ 1,211.2 billion, or 15.06% of the total.
6. Stocks and funds (outsourced investments inclusive): NT\$240.6 billion, 2.99% of the total.
7. Time deposits and life insurance policy pledge loans and mortgage loans: NT\$34.3 billion, or 0.42% of the total.
8. Real property investments: NT\$13.8 billion, or 0.17% of the total.

Utilization of Postal Capital



By the end of 2023, Chunghwa Post has provided more than NT\$1,612.5 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		2022	2023	As of January 20, 2024
Number of Employees	Staff	14,083	14,327	14,247
	Laborers	9,439	9,230	9,215
	Contract Workers	1,707	1,670	1,677
	Total	25,229	25,227	25,139
	Average Age	45.6	45.3	45.2
Average Seniority		16.5	16.1	15.9
Educational Background (Half-day Workers Counted as Whole)	Doctorates	9	8	8
	Masters	1,471	1,555	1,564
	Bachelors	17,328	17,671	17,667
	Senior High School	6,334	5,935	5,853
	Junior High School and Below	506	463	456
Employee Holding Professional Certificates		2,718	5,377	194
2023 Employee Training	1. Training Courses: Launched 1,960 classes on technical skills, computer and lectures on specific topics for new recruits, executives and professionals, with 60,683 recorded attendances. 2. Online Learning: Launched for all employees, having total hours amounting to 574,033.5 hours.			
2023 Volunteering	In 2023, a total of 2,314 volunteers worked for 1,079,021.5 hours in branches and mail processing centers at all levels.			

(I) Budget quota

In accordance with the quota set in budget 2023, 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, 2023, Chunghwa Post included 25,227 employees (counting part-time employees as half), consisting of 1 chairman, 1 president, 7,081 transferred employees, 16,474 staff members and 1,670 contract workers. Of these, 23,229 employees (92.08% of the entire workforce) were basic-level clerks, 1,909 employees (7.57%) worked at the management level, 20 (0.08%) were training staff, and 69 (0.27%) were staff worked on temporary transfer. Such a workforce structure displays that, compared with a rather small number of managerial positions, a large number of employees work behind counters or at departments handling postal mail.

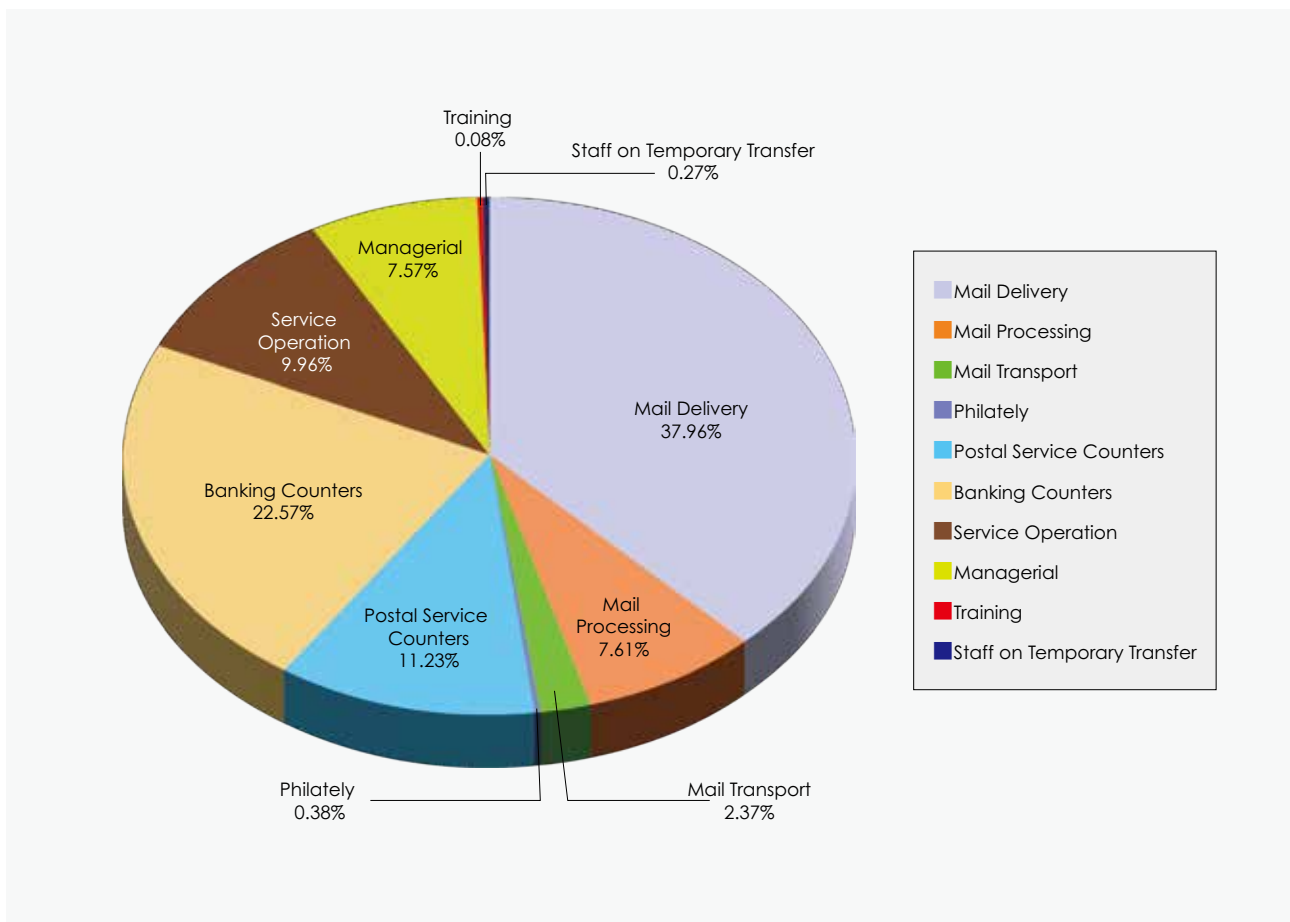


Employee by Function

December 31, 2023 Unit: Person

	Total	%	Head Office	Branches at All Levels	Mail Processing Center
Total	25,227	100%	1,774	22,774	679
Total Business Staff	23,229	92.08%	913	21,685	631
Mail Delivery	9,577	37.96%	0	9,577	0
Mail Processing	1,920	7.61%	0	1,526	394
Mail Transport	597	2.37%	0	360	237
Philately	96	0.38%	66	30	0
Postal Service Counters	2,833	11.23%	0	2,833	0
Banking Counters	5,693	22.57%	0	5,693	0
Service Operation	2,513	9.96%	847	1,666	0
Managerial	1,909	7.57%	801	1,061	47
Training	20	0.08%	17	3	0
Staff on Temporary Transfer	69	0.27%	43	25	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. 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 IBM2828-V04 mainframe computers, each with four central processing units (CPUs) and a z/OS V2.5 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 1,296 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 V2.5 operating system, and an internal processor to support a Parallel Sysplex environment. Based on the needs of the Company and its business systems, the host system of the backup center is divided into various logical partitions corresponding to the mainframe computer of the main center in Taipei, preparing for the activation of the backup system in the event of any disaster 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.

(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.