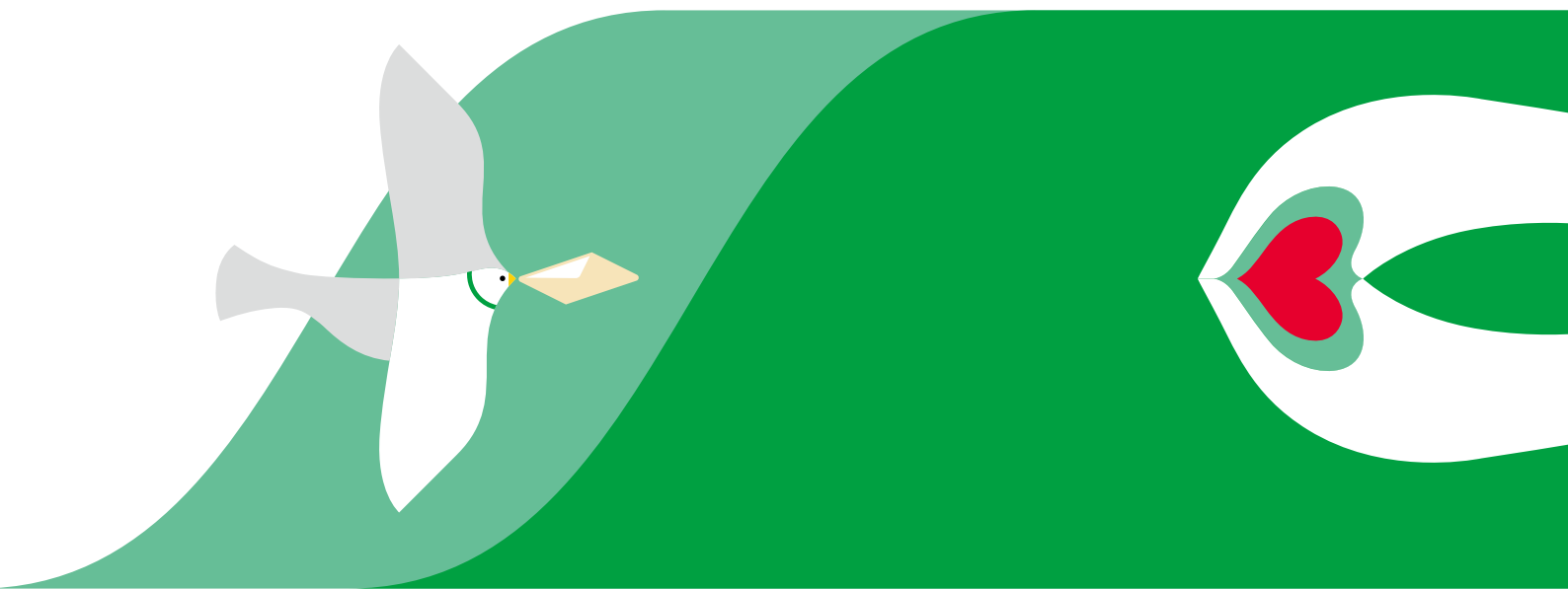




Business Report

8 I. 2024 Operation Results

9 II. 2025 Outline of Operation Plan





President
CHIANG, JUI-TANG

Looking back at 2024, global economic volatility¹ intensified amid rising uncertainty stemming from trade policies and geopolitical tensions. Domestically, Taiwan recorded a GDP growth rate of 4.59%. The Light Signal (monitoring indicators) turned red in December, with coincident indicators continuing to rise—suggesting a steady economic expansion—though leading indicators remained on a downward trend, warranting continued close observation. Looking ahead to 2025, global trade volume is expected to grow further, supported by the vigorous development of emerging technologies. This will drive increased investment as the semiconductor supply chain expands advanced capacity and R&D spending. Additionally, increased investment in Taiwan by international corporations and ongoing business initiatives in low-carbon and digital transformation are expected to boost investment momentum^{2, 3}. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan's economy is projected to grow by 3.14%⁴ in 2025.

To support digital transformation and carbon neutrality goals, Chunghwa Post has actively pursued digital service innovation and optimization, while improving capital utilization efficiency to enhance revenue. At the same time, the Company remains committed to ESG principles and net-zero emission policies, fulfilling its corporate social responsibility and striving to contribute to a more sustainable and livable society.

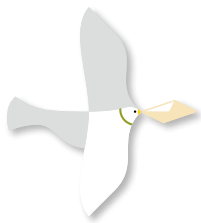
Amid an increasingly challenging and dynamic external environment, Chunghwa Post, as a policy-oriented enterprise, faced considerable operational pressure. Nevertheless, with the dedication and diligence of all postal employees, the Company successfully achieved its major operational targets in 2024. A summary of Chunghwa Post's 2024 business results and 2025 operational plans is provided below.

[1] According to the economic situation overview data from the Department of Statistics, Ministry of Economic Affairs on February 27, 2025.

[2] According to the press release of the national income statistics and domestic economic outlook by the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan on February 26, 2025.

[3] According to the press release of the economic situation in December of 2024 by the National Development Commission on February 5, 2025.

[4] Same as the above footnote 2.



I. 2024 Operation Results

(I) Major Operation Items: Estimation and Execution

Operational Items	Unit	Actual (2024)	Budget	Actual (2023)	Budget Achievement Rate	Year-On-Year Growth Rate
Mail Services	1000 pcs	1,813,290	1,741,051	1,825,029	104.15%	(0.64%)
Philatelic Services	NT\$1000	578,449	568,900	629,290	101.68%	(8.08%)
Savings Services (Average Daily Balance)	NT\$100 million	72,591.38	69,670.00	70,922.90	104.19%	2.35%
Remittance Services (Transaction Volume)	NT\$100 million	16,785.62	15,384.00	15,677.40	109.11%	7.07%
Simple Life Insurance Services (Premium Income)	NT\$100 million	758.41	853.36	802.37	88.87%	(5.48%)
Agential Services (Transaction Volume)	NT\$100 million	51.40	49.22	373.37	104.43%	(86.23%)

Notes: 1. Total mail volume slightly declined compared to the previous year. Letter mail was affected by the ongoing trend toward paperless operations, while parcel and speedposts volumes dropped due to reduced orders from major clients impacted by economic conditions and inflation. Additionally, e-commerce vendors increasingly turned to shared logistics providers for the delivery of lightweight small parcels, further contributing to the decline in mail business volume.

2. Philatelic revenue decreased year-on-year, mainly because there were no major stamp exhibitions held in 2024. In contrast, the previous year benefited from the "TAIPEI 2023 – The 39th Asian International Stamp Exhibition," which significantly boosted stamp-related income.

3. Premium income from simple life insurance declined compared to the previous year. The primary reasons were reduced consumer purchasing power due to inflation, customers reallocating funds to other financial products amid an active financial market, and the maturity of savings-type policies and the end of premium payment terms for valid contracts.

4. The volume of agential services handled declined significantly compared to the previous year, primarily due to Chunghwa Post's participation in the government's universal cash distribution program from April 2023 to January 2024. In 2024, the transaction volume was NT\$59.13 million, compared to NT\$31,759.55 million in 2023—a decrease of NT\$31,700.42million.

(II) The Use of Funds

The use of postal funds has been legalized and is conducted in accordance with Article 18 of the Postal Remittances and Savings Act and Article 27 of the Postal Simple Life Insurance Act. The details of the use of postal funds as of the end of December 2024 are as follows:

2024 Postal Capital Utilization

Unit: NT\$100 million

Item	As of the End of Dec 2024	Percentage in Postal Capital (%)	As of the End of Dec 2023	Increase/Decrease (%)
Demand Deposits (including reserves against deposits in the Central Bank of the ROC and the revolving funds in all branch offices)	3,607	4.35%	3,306	9.10%
Time Deposits (including time savings deposits)	29,135	35.17%	24,622	18.33%
Inter-Bank Call Loans and Short-Term Notes and Bills	9,940	12.00%	14,437	(31.15%)
Bonds (including government bonds, corporate bonds, and financial bonds)	23,695	28.61%	23,096	2.59%
Overseas Investment	13,274	16.03%	12,112	9.59%
Stocks and Mutual Funds (including investment outsourcing)	2,686	3.24%	2,406	11.64%
Mortgage Loans on Certificates of Deposit, Insurance Policies and Real Estate	341	0.41%	343	(0.58%)
Real Estate Investment	160	0.19%	138	15.94%
Total	82,838	100.00%	80,460	2.96%

(III) Financial Status and Profitability Analysis

In 2024, Chunghwa Post recorded total revenue—including operating and non-operating income—of NT\$261,997.21 million. Total expenditures—including operating costs, operating expenses, and non-operating expenses—amounted to NT\$261,355.97 million. Pre-tax net income was NT\$641.24 million, while income tax benefits totaled NT\$2,013.92 million, resulting in a net profit of NT\$2,655.16 million for the year. This represented a shortfall of NT\$6,869.97 million compared to the budgeted net profit of NT\$9,525.13 million. The post-tax return on assets (ROA) was 0.03%, the return on equity (ROE) was 1.09%, and the net profit margin was 1.02%. Although net profit after tax fell short of the budget target, realized gains from the disposal of financial assets contributed an actual remittance of NT\$8,584.26 million to the national treasury.

(IV) Research and Development Status

The relevant business units of our company regularly and irregularly analyze domestic and international financial conditions, industry dynamics, and trends, compiling various business research reports for reference. The key research and development activities for 2024 are as follows:

1. A total of 348 regular research analyses on domestic and international financial conditions:

- (1) Monthly reports on domestic and international macroeconomic analysis.
- (2) Weekly reports on the domestic fixed income market.
- (3) Weekly reports on the domestic stock market.
- (4) Weekly and monthly reports on international investment research and analysis.

2. Commissioned Research Projects with Experts and Academic Institutions

- (1) A study on drone-based mail delivery, focusing on drone models, operational environments, and commercial models.
- (2) A carbon footprint assessment of debit cards.
- (3) A research project on implementing data governance for the Postal Big Data Platform.

3. A total of 8 reports on overseas study and research.

II. 2025 Outline of Operation Plan

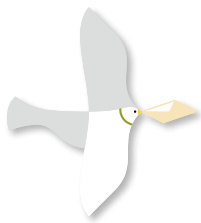
(I) Strategy

By integrating postal logistics, financial flows, and information flows, we aim to provide universal and high-quality mail, savings and remittance, and life insurance services. By developing smart logistics, e-commerce, and digital finance, we aim to expand business advantages to promote inclusive finance. By enhancing the efficiency of postal fund utilization and optimizing asset management, we aim to improve operational effectiveness.

(II) Policy

1. On executing government policies:

- (1) Support major public infrastructure and private investment projects to boost national competitiveness.
- (2) Expand diverse financial services to promote inclusive finance and sustainable finance.
- (3) In response to climate change policies, promote green energy, green transportation, and green finance, while balancing economic development with environmental sustainability.
- (4) Optimize asset management to enhance development benefits and increase revenue.



- (5) Strengthen postal exchanges and cooperation with other countries and cross-strait postal services to provide convenient postal services to the public.

2. Regarding business management:

- (1) Advocate for regulatory relaxation to integrate postal resources, develop postal savings and life insurance services, and provide universal, high-quality services.
- (2) Develop smart logistics services to expand postal business, drive demand for speedpost services, parcel, and small packet delivery, and expand business advantages.
- (3) Continue to promote financial technology, advance the digitalization of financial services, and expand the scope of diversified financial offerings.
- (4) Properly plan asset allocation to enhance fund utilization efficiency, activate asset usage, and increase development benefits.
- (5) Utilize digital technology to strengthen information security and personal data management, optimize operational processes, and enhance service efficiency.
- (6) Strengthen human resource management, diversify recruitment, and cultivate professional talent to enhance human resource utilization efficiency.
- (7) Strengthen corporate governance, implement risk management, information security, and compliance with regulations.
- (8) In line with net-zero emissions and environmental sustainability goals, leverage emerging transportation technologies to enhance delivery services.
- (9) Actively promote various public welfare activities, continue to organize postal senior activities and care for the elderly living alone, fulfill social responsibilities, and shape a positive corporate image.

3. About supply and demand matching:

- (1) Actively acquire and beautify postal offices to improve service facilities, creating a bright, comfortable, and user-friendly postal environment to enhance service quality and operational efficiency.
- (2) Expand information equipment and system functions to meet diverse customer needs and improve operational efficiency.
- (3) Promote postal transformation, develop smart logistics, and establish postal logistics parks to provide industrial support services and strengthen corporate competitiveness.
- (4) Build a comprehensive cross-border logistics public service platform and system to drive the transformation and development of traditional postal services domestically and support the expansion of domestic industries into international markets.

(III) Operational Targets

1. Mail Services: Projected to handle 1,741.254 million pieces of mail.
2. Philatelic Services: Projected revenue of NT\$568.9 million from philatelic services.
3. Savings Services: Projected average daily balance of NT\$7,300,000 million for the year.
4. Remittance Services: Projected annual transaction volume of NT\$1,393,000 million.
5. Simple Life Insurance Services: Projected annual premium income of NT\$85,336 million.
6. Agential Services: Projected annual transaction volume of NT\$4,541 million.

(IV) Profit Target

Projected pre-tax net profit of NT\$4,402.601 million.