

I. Preface



Chairperson *Ol. J. L. Yu*

The number 100 symbolizes perfection. The year 2011 marked the 100th anniversary of the Republic of China as we completed a series of operations and events. As time went by, we have entered the 101st year (2012) which signifies the beginning and renewal of everything as well as better and better and a breakthrough.

With the economic tide constantly changing, Taiwan and Japanese business leaders are bearish on global economy while United States Postal Service (USPS) has posted consecutive-year deficits and is on the brink of bankruptcy, the operation of Chunghwa Post has somehow been affected both directly and indirectly. In addition, the intense competition of the market has made us realize that the changes and transformation of our operation are inevitable. We must strive to keep up with the global trend and at the same time further localize the postal business by providing farther-reaching and more solid service to give the customer better convenience. Therefore, the operation will be more demanding and our competitiveness must be upgraded. In the face of these challenges, we must also change our thinking and mindset as we conduct the business.

Looking back at the year 2011, our postal, deposit and remittance and insurance businesses were all carried out in line with the government policy, providing the people with diverse and convenient services, including the logistic service, cross-straight postal exchange and cooperation, strategic alliance with a major international logistics operator, further consummation of the VISA card service and continuous promotion of the micro on-line shopping platform. They all came with innovations and breakthroughs. We were also able to accomplish the legal budget surplus, showing the vitality of Chunghwa Post as a 100-year-old enterprise in responding to the changing social and economic conditions to maintain its competitiveness in a very steady way.

In 2011, we were double champion according to a survey jointly conducted by the “30” magazine and iSURVEY for being the bank most frequented and aspired by the Y-generation. We came out No.2 in the financial service category for the “Emotive Brand Awards” event held by Yahoo-Kimo. We also received a special honor of No.4 in the category of the fastest growing financial business from the “Commonwealth” magazine. These are the evidence of the general public's recognition of endeavors of the postal staff.

In 2012, our country's economic growth and the economic outlook are still deeply affected by the global economic situation while the competition in the market persists. The operational challenges faced by CHP can only be more difficult and the customers' requirements are increasingly demanding. The uplift of our service quality is a vital issue for the whole staff of Chunghwa Post. We still rely on the whole staff for realizing these operation goals and plans : (1) Continuous development of the logistics business for building a comprehensive online shopping supply chain; (2) Planning of more convenient measures in deposit and remittance services and new insurance products; (3) Better control risk management for higher effectiveness of capital use; (4) Improvement of asset management; (5) Continuous promotion of talent development and cross-strait business cooperation; (6) Uplift of competitiveness through the increase of capital adequacy. At last, the total upgrade of information operation is even more urgent; these are all imperative tasks and important transformation strategies for the company at current stage.

The points mentioned above emphasize professionalism in operation and effective self-demanding, which are the basis of complementary operation of the postal, deposit and remittance and insurance businesses and perpetual operation of Chunghwa Post.

For the work attitude, we expect the entire staff to endeavor for the three points as follows:

- (1) Harmony: We must seek harmony among the departments, headquarters and responsibility-centered offices; between the company and labor union; between executives and subordinates; between the management and operation field; between the field personnel and customers. Only when there is harmony can the relationships be maintained and business be promoted smoothly.
- (2) Stability: The world is always changing. The pervasive uncertainties and risks can also mean opportunities. With inherited stability and centered on smooth business operation, we can synergize our strength as a team, overcome the difficulties and problems and seize opportunities if we work in unity. The stability of Chunghwa Post and the staff's peace of mind are the basis of steady business operation and where the core value of customer first and trust of the general public lie. Please keep these merits.
- (3) Development: With harmony and stability, we are able to devote ourselves to the work. Each department must strengthen the foundation and explore new business fields and actively expand the business based on its responsibilities. The business can be developmental and operation can be sustainable.

The year 2011 was a year filled with great accomplishments as the endeavors of the staff were highly recognized. Please keep up with the good work for a splendid future of Chunghwa Post.