

I Chairperson's Remarks





Chunghwa Post Co., Ltd. is a government-owned public service business that provides services of mails, savings and remittances, and life insurance altogether. The Company undertakes the political missions of the country and has to face competition from the market. Over the years, all colleagues have worked assiduously toward the vision of becoming "a trustworthy postal company that provides excellent service." This has enabled the stable growth of the Company in various aspects, and the Company has been able to meet the target revenue requirement payable to the National Treasury, contributing greatly in boosting national finances, stabilizing financial order, and supporting major construction projects.

Though "long-standing and trust-worthy" is what comes to mind when people think of Chunghwa Post, the Company has experienced many new challenges in recent years when the business environment changes extremely fast. Rapid change in financial environment in this digital era has posed great challenges for the operation and management of postal services. The fast-changing environment makes it even more urgent for the Company to keep up with the current trends. How to keep the heritage of the Company while making innovative changes with creativity will be the most vital task for Chunghwa Post Co., Ltd.

Chairperson

Wei, Chien-Hung

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Therefore, improvements and transformations in each service are necessary. In the future, Chunghwa Post will work towards four operational goals to ensure the stability and sustainability of the Company. The four operational goals are (I) to stabilize the financial order in compliance with policies and regulations of the country, (II) to strive for deregulation that allows the development of new services for mails, savings and remittances, and life insurance, (III) to develop smart logistic, and (IV) to hold charity events and promote long-term care service.

I. To stabilize the financial order in compliance with policies and regulations of the government

The funds of the Company have reached a record high amount of NTD 6 trillion and 900 billion. The Company will make proper use of the large funds with careful asset allocation and improved hedging strategies and asset liability management. Investment diversification will also be adopted for more effective fund use. In addition, the Company will play a more proactive role in stabilizing the country's financial order and continue to finance major construction projects and private investment projects approved by the government.

II. To strive for deregulation that allows the development of new service for mails, savings and remittances, and life insurance

Chunghwa Post will accelerate the development of new financial instruments and strive for more space for business. In addition, the Company will also play an active role in expediting the reviewing, amending, and implementing process of Postal Remittances and Savings Act and Simple Life Insurance Act.

Chunghwa Post has turned the Kinnan branch office in Taipei into an unmanned e-Finance post office where various smart devices, such as postal self-service kiosks, i-mailboxes, tablets, and digital interactive wall, are installed to provide convenient digital financial services to the public. In the future, a virtual teller machine, or VTM, will be installed to offer 24/7 service, making the office a model post office.

In response to the booming development of e-commerce, Chunghwa Post has launched the service of cross-border electronic payment. The Company will continue optimizing the service of online postal office, proactively developing various methods for electronic payment and mobile payment, and promoting the O2O financial service by incorporating big data analysis and AI application so as to go digital and go intelligent.

III. To bring transformation to mail business and operations as well as actively develop smart logistics

Chunghwa Post provides mail and parcel delivery services to the public. In the future, the Company will optimize the procedures of mail business and operations based on the framework and merits of smart logistics in order to provide more effective and reliable service to lower the costs and to ensure the safety of delivery colleagues.

In recent years, e-commerce has flourished with the emergence of IoT, creating growing demand for packet and parcel delivery. In response to such market trends, Chunghwa Post has to proactively establish a new customer-oriented business model and achieve data visualization through ICT, big data analysis, and other technologies so as to improve operations management and optimize mail delivery, ultimately boosting our services and efficiency.



Following the global trend of smart logistics, Chunghwa Post is building the Postal Logistics Park near the A7 station of Taoyuan Airport MRT. The park, slated to complete in 2021, will deliver a comprehensive logistics solution, serving as the foundation for the logistics service of domestic and cross-border e-commerce.

IV. To hold charity events and promote long-term care service to fulfill corporate social responsibility

Chunghwa Post has premises, facilities, and resources nationwide that are closely related to the public. In the future, Chunghwa Post will contemplate how to make the best of these resources for charity, implementing corporate social responsibility by working with local people, customers, and organizations.

Chunghwa Post is a long-term supporter of disability organizations and promotes charity through the "Care and Concern for the Community" program, whereby branch offices can collaborate with local authorities and organizations to hold various charity events that provide services for the underprivileged. In the future, Chunghwa Post will continue to make use of its dense network of offices to care for seniors living alone. Mail carriers will be encouraged to visit solitary seniors on their rounds and provide doorstep mail delivery services for the disabled.

Chunghwa Post has a dense network of 1,300 offices nationwide, provide trustworthy mail services, savings and remittances, and simple life insurance to the public. In the future, Chunghwa Post will continue flourishing on the most vital foundations of the Company, the dense network and trustworthiness, to develop more diverse, up-to-date, and innovative services.

As is generally predicted, the operation of postal services will face great challenges in the future. However, with the solid foundation laid by forerunners in the past 122 years, Chunghwa Post will thrive and build a sustainable business as long as all colleagues strictly uphold the principle of "Customers First" and continue providing the public with innovative postal services that conform to the Company's spirit of professionalism, honesty and efficiency.

Hence, the development of future postal service will work towards the following two goals. The first goal is to achieve digital transformation with constructing a digital platform for each service as the primary mission. The second goal is to seek collaboration with strategic partners from other industries so as to create an innovative postal service.

Lastly, I would like to encourage my colleagues to go all out for themselves, the public, and all matters with regards to the Company. Do meaningful work and never do things by halves or give up easily so as to achieve the goal of the Company and success in life.