

Driving ESG Excellence
through Robust Corporate Governance



I. Name, job title, contact phone number and email address of the Company's spokesman and acting spokesman

Spokesman:	Name: Yao-Yuan Liu Job title: President Telephone: 070-1018-6688 (02)2657-6688 Email: ir_chief@chief.com.tw
Acting spokesman:	Name: Lin-Tung Chang Job title: Senior President, Head Business Division Telephone: 070-1018-6688 (02)2657-6688 Email: ir_chief@chief.com.tw

II. Addresses and telephone numbers of head office, branch offices and factory

Address of head office:	2nd Floor, No. 68 Ruiguang Road, Neihu District, Taipei
Telephone:	(02)2657-6688
Branch offices and factory:	None

III. Name, address, website and telephone number of the stock transfer institution

Name:	Stock Affairs Agency Department of Yuanta Securities Co., Ltd.
Address:	B1, No. 67, Section 2, Dunhua South Road, Da'an District, Taipei City
Telephone:	(02)2586-5859
Website:	http://www.yuanta.com.tw/

IV. Name of the certifying CPAs for the past year's financial report and name, address, website and telephone number of the CPA firm

Name of the CPAs:	Hsien-Cheng Chen and Hsiao-Tzu Chou
Name of the CPA firm:	PwC Taiwan
Address:	27F, No. 333, Section 1, Keelung Road, Taipei City
Telephone:	(02)2729-6666
Website:	https://www.pwc.tw

V. Name of the trading place where overseas securities are listed for trading and the method of inquiry of the overseas securities:

None.

VI. Company website

<https://en.chief.com.tw>

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One. Report to Shareholders

Dear shareholders:

The Company's operational strategy objectives for the year 2025 are four main directions: "enhancing revenue and profitability, deepening enterprise customer engagement, strengthening service certifications, and reinforcing talent development." In addition to pursuing revenue and profit growth, the Company's operations are centered on enhancing corporate sustainability value, improving information transparency, aligning with international standards, and deepening the culture of corporate sustainability governance, thereby continuously refining corporate governance and ESG sustainable development. In 2025, the Company was honored as one of the top 5% of companies in the 11th Corporate Governance Evaluation by the Taipei Exchange, and received multiple awards, including CommonWealth Magazine's "CommonWealth Corporate Sustainability Award," "CommonWealth Talent Sustainability Award," and ranking 36th in the "Top 50 Benchmark Entrepreneurs," as well as the CIO Taiwan Elite Vendor award for "Local Cloud Integration Services." The Company also successfully obtained the highest "Excellent" certification in the Corporate Governance System Evaluation conducted by the Taiwan Corporate Governance Association in 2025. At the same time, the Company successfully passed the annual verification and recertification for information security management standards ISO 27001, ISO 27011, ISO 27017, and ISO 27018; the greenhouse gas inventory standard ISO 14064-1; the data center operation standard DCOS; and ESG sustainable operations. In 2025, the Company additionally obtained certification for the ISO 50001 Energy Management System and passed the ISO 27001 and ISO 27011 information security certifications for the LY2 Intelligent Data Center. This was done to meet customer information security requirements and regulatory compliance, thereby enhancing the Company's market competitiveness and customer trust.

In 2025, the Company continued to expand its data center and cloud businesses, and, based on the competitive advantages of the LY2 Intelligent Data Center – "three highs" (high power density, high load capacity, high heat dissipation) and "three fasts" (rapid deployment, fast connectivity, and quick service) – launched an AI "plug-and-play" solution for customers, becoming the optimal choice for enterprises to enter AI services and applications, thereby continuously improving the utilization rate of the LY2 Intelligent Data Center. The Company has established a triple-ring fiber optic network (Taipei ring, Taiwan ring, and international ring), successfully extending its service coverage to 40 countries and 60 cities, and achieving a total domestic and international network capacity exceeding 1,200G. Meanwhile, the TPIX (Taipei Internet Exchange), operated by the Company, is not only the largest internet exchange in Taiwan in terms of number of members and traffic volume but also ranked 50th globally by number of members as of the end of 2025, and is progressing toward becoming one of the top three internet exchanges in Asia.

I. Financial Performance

For the year 2025, through the efforts of all employees and the management team, Chief Telecom Inc. achieved continued growth in operating revenue and profitability. The consolidated total operating revenue for 2025 amounted to NT\$3.94 billion, representing an increase of 3.97% compared with 2024, and consolidated net profit after tax amounted to NT\$1.23 billion, representing an increase of 14.21% compared

with 2024, achieving earnings per share of NT\$15.75. Performance was outstanding, and both annual revenue and profit reached new historical highs.

II. Improvement in Revenue and Profitability

In 2025, the main growth drivers of the Company's revenue and profitability were the two major businesses of IDC and cloud services. Compared with the same period of the previous year, revenue from IDC data center services increased by 20.16%, and revenue from cloud services increased by 8.34%. The Company continues to optimize the structure of each product line and provide target customers with satisfactory products and services, thereby enhancing overall core competitiveness and pursuing the dual growth objectives of revenue and profitability.

III. Expanding product line functionality and providing comprehensive services

In 2025, in response to the needs of AI customers for deployment, the Company carried out adjustments and optimization of the water-cooled data center facilities at the LY2 Intelligent Data Center to meet the "plug-and-play" requirements of AI customers. In terms of business expansion, through the Company's three-ring network, geographical limitations between domestic and international markets have been overcome, with a focus on data, AI, and cloud application services. Services have been extended globally to expand service coverage and capture customer opportunities. At the same time, to enhance the resilience of international leased line services, the Company successfully introduced the Taiwan–Hong Kong and Taiwan–Singapore SJC2 new submarine cable systems in 2025. In response to frequent submarine cable disruptions, diversified submarine cable systems have been introduced to provide mutual backup among different systems. To further expand TPIX operations, the Company successfully established overseas TPIX points of presence in Europe and the west coast of the United States in 2025 and continues to expand TPIX membership. After ranking among the top 50 internet exchange centers globally, the Company is progressing toward becoming one of the top three internet exchange centers in Asia.

The Company also successfully obtained Google Verified Peering Provider (VPP) Gold certification in 2025, becoming one of the few internet service providers in Taiwan to receive this distinction. The Google VPP Gold certification not only demonstrates that Chief Telecom has achieved Google's highest standards in international multi-point network connectivity quality, bandwidth capacity, and service redundancy, but also reflects its leading position in domestic and international cloud service markets. In addition, in 2025, the Company actively conducted testing of advanced DDoS traffic scrubbing systems from various vendors and has planned to introduce such advanced systems to defend against increasingly frequent network attacks. In cloud services, the Company promotes a cloud self-service management platform enabling customers to effectively manage and monitor cloud resources, and collaborates with international providers to offer bare metal cloud services across 40 countries and 60 cities worldwide, enriching the cloud service product portfolio and providing comprehensive enterprise hybrid cloud application services.

IV. Implementing social responsibility and Improving Employees' welfare

In 2025, the Company continued to engage in charitable donations and social care, with beneficiaries

including Hualien County Kaige Youth Shelter, Kaohsiung Private Christian Mountain Children's Home, and the Taitung One Grain of Wheat Foundation. Internally, the Company continues to fulfill its social responsibility toward employees by promoting and incentivizing employee stock ownership trusts, providing childcare subsidies and employee travel subsidies, arranging health examinations at reputable medical institutions, and subsidizing external professional training programs. In addition, among all listed companies in 2024, the median salary of full-time non-managerial employees ranked 22nd.

V. Operating strategies and directions for 2026

(1) Company operations:

- Continue to enhance the utilization rate of the LY2 AI Data Center, and boost the growth of revenues and profits.
- In response to enterprises' overseas expansion, increase SD-WAN and CCX overseas points of presence to provide cost-effective network connectivity services supporting enterprise networks, cloud, and AI application needs.
- In order to keep up with industry trends, the Company will strengthen its partnerships with international internet exchange centers, augment the volume of traffic and the number of members, broaden the scope of TPIX operations, and consistently enhance the global IX ranking.
- Develop the smart healthcare industry chain by introducing AI interactive functions, enhancing health cloud APP services, and expanding the health promotion management market.
- Plan to introduce AI computing and AI application services, enrich product lines, and create new revenues.

(2) Impact of external business environment and overall regulations:

- In the face of the ESG wave, RE100 and carbon neutrality issues, the Company, in addition to continuously paying attention to international trends and complying with the regulations of competent authorities (such as GRI2021, SASB and TCFD, green energy, carbon fee levy), are proactively formulating countermeasures. In order to achieve the carbon reduction objectives of RE100 and SBTi, the Company is currently in the process of establishing and executing its carbon reduction roadmap, as well as developing response plans.
- Cloud, AI and OTT are the focuses of future development of data centers and network services. The plans of providers for related services will affect changes in future market competition.
- The global industrial supply chain is undergoing substantial structural changes as a result of the trends in geopolitical economics and politics and the retreat of globalization. Business operations and services will be affected by these changes, which will introduce new variables and create economic uncertainties.

VI. Future Prospects

Based on the new generation of carrier-neutral cloud and AI data centers, the Company seeks to attract AI and cloud service providers. Through the establishment of a “three-circle and three-line” network, customers both at home and abroad can connect to the Company’s data centers via high quality, fast, and stable broadband networks to meet the needs of companies in information and communication solutions, including data and cloud services, which have become the focus of the Company’s strong competitiveness and growth. The LY2 AI Data Center not only satisfies the demand for servers under the future development of AI and cloud services, but also drives the company’s future revenue and profit, and generates significant business growth momentum. The Company continues to adopt platform economy and membership economy business models to create a clustering effect among customers, expand the industry ecosystem, and become the preferred choice for domestic and international customers establishing service nodes in East Asia. The Company continues to advance its position as an East Asian digital convergence hub and an AI and cloud business application center, striving to create value for society, shareholders, employees, and customers, while achieving a multi-win business objective and the mission of sustainable corporate development.

Chairperson: *Hong-Chia Shao*

President: *Yao-Yuan Liu*

Accounting Officer: *Yu-Pei Chen*

Two. Corporate Governance Report

I. Information about directors, the president, vice presidents, assistant vice presidents, and heads of departments and branches:

(I) Directors:

1. Information about directors

March 29, 2026; Unit: Share: %

Title	Name	Gender Age	Nationality or place of registration	Date of first election	Election (inauguration) date	Term	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Managers, directors or supervisors of the Company who are the spouse or relatives within the second-degree kinship		
							Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship
Directors	Chunghwa Telecom Co., Ltd.	-	Republic of China	September 6, 2006	2023.11.16	3 years	40,169,803	66.90%	43,368,383	55.63%	-	-	-	-	-	Note 1	-	-	-
	Representative: Hong-Chia Shao	Male 40~50 years old	Republic of China	2024.11.12 (taking office after change of appointment)	2024.11.12 (taking office after change of appointment)	3 years	-	-	-	-	-	-	-	-	Master of Marketing and Distribution Management, National Kaohsiung University of Science and Technology Deputy Assistant General Manager, E-Commerce Department, PChome Online Inc. CBO, ELTA Technology Co., Ltd. COO, Formosa Television Co.,Ltd. (FTV)	Note 2	-	-	-
	Representative: Pen-Yuang Chang	Male 60~70 years old	Republic of China	2024.01.01 (taking office after change of appointment)	2024.01.01 (taking office after change of appointment)	3 years	-	-	-	-	-	-	-	-	PhD in Information Engineering, Chiao Tung University President of Taipei Operation Office, Chunghwa Telecom Co., Ltd. President, Corporate Client Branch of Chunghwa Telecom Co., Ltd.	Note 3	-	-	-
	Representative: Yi-Xiu Lin	Male 40~50 years old	Republic of China	2025.01.01 (taking office after change of appointment)	2025.01.01 (taking office after change of appointment)	3 years	-	-	-	-	-	-	-	-	Master of Information Engineering, Chiao Tung University Senior Engineer and Deputy Director, Enterprise Customer Division, Mobile Business Branch, Chunghwa Telecom Co., Ltd. Associate Vice President, Network Technology Branch, Chunghwa Telecom Co., Ltd.	Note 4	-	-	-
Directors	Investar Corporation	-	Republic of China	June 30, 2015	2023.11.16	3 years	109,000	0.18%	119,900	0.15%	-	-	-	-	-	Note 5	-	-	-
Directors	Representative: Chung-He Tai	Male 70~80 years old	Republic of China	June 30, 2015	2023.11.16	3 years	134,367	0.22%	135,703	0.17%	1,496,073	1.92%	-	-	Master's degree in Management Science at Tamkang University Bachelor of Electrical Control Engineering, Chiao Tung University Co-founder of Acer Computer Chairman of Investar Corporation	Note 6	-	-	-

Title	Name	Gender Age	Nationality or place of registration	Date of first election	Election (inauguration) date	Term	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Managers, directors or supervisors of the Company who are the spouse or relatives within the second-degree kinship		
							Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship
Independent Directors	Chan-Chuan Lin	Female 60~70 years old	Republic of China	2023.11.16	2023.11.16	3 years	-	-	-	-	-	-	-	-	PhD in Accounting, University of Maryland, USA Director, Accounting Research and Development Foundation Acting Dean, College of Management, National Taiwan University Dean and Director, Accounting Department, National Taiwan University Professor, Department of Accounting, National Taiwan University	Note 7	-	-	-
Independent Directors	Tao-Hong Lu	Male 70~80 years old	Republic of China	November 20, 2020	2023.11.16	3 years	-	-	-	-	-	-	-	-	Master's degree in Electronics at Chiao Tung University Chief Auditor, Chunghwa Telecom Co., Ltd. VP, Corporate Client Branch of Chunghwa Telecom Co., Ltd.	Note 8	-	-	-
Independent Directors	Yu-Fen Lin	Female 50~60 years old	Republic of China	2024.8.27 (By-election of new directors)	2024.8.27 (By-election of new directors)	3 years	-	-	-	-	-	-	-	-	Dual Degree, Department of Political Science and Department of Law, National Taiwan University Member of the Private Equity Fund Review Committee, National Development Council Attorney-at-Law/Chief of Honor Partner, Law and Honor Attorneys-at-Law	Note 9	-	-	-

Note 1: Concurrently serving as Director and Supervisor of Light-Era Development Co., Ltd., Director and Supervisor of Chunghwa System Integration Co., Ltd., Director and Supervisor of SuperhiPage, Director of Chunghwa Telecom Thailand Co., Ltd., Director of Chunghwa Telecom Global, Inc., Director of Donghwa Telecom Co., Ltd., Director of Chunghwa Telecom Singapore Pte., Ltd., Director of Chunghwa Telecom Japan Co., Ltd., Director and Supervisor of Chunghwa Telecom Vietnam Co., Ltd., Director and Supervisor of HonghwaC International Technology Co., Ltd., Director of Prime Asia Investments (BVI) Company, Director of China Investment Co., Ltd., Director of Smartfunc Digital Co., Ltd., Director of Chunshuitang Technology Entertainment Co., Ltd., Director of Senao International Co., Ltd., Director of Taiwan International Standard Electronics Inc., Director of International Integrated Systems, Inc., Director of Kinwaytech Technology Co., Ltd., Director of So-net Entertainment Taiwan Limited, Director of Viettel CHT Co., Ltd., Director of Taiwan International Ports Logistics Corporation, Director of Taipei Financial Center Corp., Director of Chunghwa Leading Photonics Tech Co., Ltd., Director of CHT Security Co., Ltd., Director of 4Gamers Entertainment Inc., Director of Chunghwa Web No.1 Co., Ltd., Director of Next Commercial Bank Co., Ltd., Director of WiAdvance Technology Corporation, Director of Top Taiwan Venture Capital Co., Ltd., Director of IKALA GLOBAL ONLINE CORP., Director and Supervisor of Chunghwa Telecom Europe GmbH, Director and Supervisor of Chunghwa Digital Culture and Creative Management Co., Ltd., CHT InventAI Co., Ltd., and Director of Taiwan Smart Electricity & Energy Co., Ltd.

Note 2: Concurrently serving as Chief Strategy Officer of the Company; director (corporate representative) of Unigate Telecom Co., Ltd.; Convener of the Company's Nomination Committee and Sustainability Development Committee.

Note 3: Concurrently serving as President of Corporate Client Branch of Chunghwa Telecom Co., Ltd., Chunghwa System Integration Co., Ltd., Director of Kinwaytech Technology Co., Ltd., Director of International Integrated Systems, Inc., and Director of WiAdvance Technology Corporation.

Note 4: Deputy Assistant General Manager of Network Technology Branch and Director of Business Group Service Division, Chunghwa Telecom Co., Ltd.

Note 5: Concurrently serving as Director of Heyang Investment Co., Ltd. and Director of Evest Corporation.

Note 6: Concurrently serving as Chairman of Investar Corporation, Director of Digitimes Inc., Director of Wafer Works Corporation, Director of Lumens Digital Optics Inc., Independent Director and Remuneration Committee Member of Asustech Computer Incorporation, Director (corporate representative) of Global Testing Corporation, Director of Wafer Works(shanghai)Co.,Ltd., Director of 21st Century Internet Broadband Data Center Co., Ltd., Executive Chairman of Taiwan Chiao Tung University Alumni Association, and Chairman of Zettabyte Holdings, Inc.

Note 7: Concurrently served as Independent Director and Member of Audit Committee and Remuneration Committee of Advantech Co., Ltd.; Independent Director and Member of Audit Committee and Remuneration Committee of FocalTech Systems Co., Ltd.; Independent Director and Member of Audit Committee and Remuneration Committee of Vanguard International Semiconductor Corporation; Convener of Audit Committee and Remuneration Committee of the Company, Convener of the Nomination Committee, Member of the Risk Management Committee, Member of the Sustainable Development Committee.

Note 8: Concurrently serving as member of the Company's Audit Committee, Remuneration Committee, Nomination Committee, and Sustainability Development Committee; convener of the Company's Risk Management Committee.

Note 9: Concurrently served as Independent Director and Member of Audit Committee of China Airlines Ltd.; Supervisor of Infinity Communication Tech. Inc.; Member of the Company's Audit Committee, and Member of Remuneration Committee and the Risk Management Committee of the Company.

2. Major shareholders of corporate shareholders:

July 7, 2025

Corporate shareholder's name	Major shareholders of corporate shareholders	Shareholding ratio
Chunghwa Telecom Co., Ltd.	Ministry of Transportation and Communications	35.29%
	Trust Asset Account at ChinaTrust Commercial Bank Entrusted by Employee Stock Holding Committee of Chunghwa Telecom	3.83%
	Shinkong Life Insurance Co., Ltd.	3.73%
	Cathay Life Insurance Co., Ltd.	2.73%
	GDR Account for Chunghwa Telecom at Morgan Chase Bank	2.39%
	Chunghwa Post Co., Ltd.	2.06%
	New-System Labor Pension Fund	1.98%
	Labor Insurance Fund	1.19%
	Taishin International Bank Co., Ltd., acting as custodian of the Taiwan ESG Sustainable High Dividend ETF Securities Investment Trust Fund under the Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund Special Account	1.11%
	Old Labor Pension Fund	1.07%
Investar Corporation	Chung-He Tai	59.65%
	Ni-Lian Ruan	20.14%

Source: Website of Chunghwa Telecom Co., Ltd.; Ministry of Economic Affairs Public Information Service

3. Major shareholders of corporate shareholders:

July 7, 2025

Corporate shareholder's name	Major shareholders of corporate shareholders	Shareholding ratio
Ministry of Transportation and Communications	Not applicable	Not applicable
Shinkong Life Insurance Co., Ltd.	Shinkong Financial Holding Co., Ltd.	100.00%
Trust Asset Account at ChinaTrust Commercial Bank Entrusted by Employee Stock Holding Committee of Chunghwa Telecom	Not applicable	Not applicable
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd.	100.00%
GDR Account for Chunghwa	Not applicable	Not applicable

Corporate shareholder's name	Major shareholders of corporate shareholders	Shareholding ratio
Telecom at Morgan Chase Bank		
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100.00%
New-System Labor Pension Fund	Not applicable	Not applicable
Labor Insurance Fund	Not applicable	Not applicable
Old Labor Pension Fund	Not applicable	Not applicable
Taiwan Life Insurance Co., Ltd.	ChinaTrust Financial Holding Co., Ltd.	100.00%

Source: Ministry of Economic Affairs Public Information Service

4. Professional knowledge and independence of directors

Requirements Name	Professional qualifications and experience	Independence status	Number of independent director positions of other public companies concurrently serving
Representative of Chunghwa Telecom Co., Ltd.: Hung-Chia Shao	The main experience of the Directors includes the Deputy Assistant General Manager of e-commerce business department of PChome Online Inc., the CBO ELTA Technology Co., Ltd., and the COO, Formosa Television Co.,Ltd. (FTV). They have more than 5 years of experience in commerce or the work experience and professional qualifications required for the business operation of the Company, and they do not have any matters specified in Article 30 of the Company Act.	1. Any situation as stipulated in Article 26-3 and paragraphs 3 and 4 of the Securities and Exchange Act: None. 2. Any relationship of spouse or relatives within the second-degree kinship among directors: None.	0
Representative of Chunghwa Telecom Co., Ltd.: Ben-Yuan Chang	Experience as President of Corporate Client Branch of Chunghwa Telecom Co., Ltd., with more than 5 years of work experience and qualifications for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	1. Any situation as stipulated in Article 26-3 and paragraphs 3 and 4 of the Securities and Exchange Act: None. 2. Any relationship of spouse or relatives within the second-degree kinship among directors: None.	0

Requirements Name	Professional qualifications and experience	Independence status	Number of independent director positions of other public companies concurrently serving
Representative of Chunghwa Telecom Co., Ltd.: Yi-Hsiu Lin	Experience as VP of Network Technology Branch of Chunghwa Telecom Co., Ltd., with more than 5 years of work experience and qualifications for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	1. Any situation as stipulated in Article 26-3 and paragraphs 3 and 4 of the Securities and Exchange Act: None. 2. Any relationship of spouse or relatives within the second-degree kinship among directors: None.	0
Representative of Investar Corporation: Chung-Ho Tai	Co-founder of Acer Computer and experience as Chairman of Investar Corporation, with more than 5 years of work experience and qualification for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	1. Any situation as stipulated in Article 26-3 and paragraphs 3 and 4 of the Securities and Exchange Act: None. 2. Any relationship of spouse or relatives within the second-degree kinship among directors, among supervisors, or between directors and supervisors: None.	1
Chan-Chuan Lin (Independent Director)	Major experience including Dean and Director of Accounting Department, National Taiwan University and Professor of Department of Accounting, National Taiwan University, with positions of lecture or above in an accounting related department of public or private university or college, with more than 5 years of work experience and qualification for finance, accounting, commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	During the two years before being elected and during the term of office, the independent directors have met the qualifications set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act. The independent directors have also been granted the right to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, in order to perform their duties independently.	3

Requirements Name	Professional qualifications and experience	Independence status	Number of independent director positions of other public companies concurrently serving
Dao-Hung Lui (Independent Director)	Experience as Chief Audit Executive of Chunghwa Telecom Co., Ltd., with more than 5 years of work experience and qualifications for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	During the two years before being elected and during the term of office, the independent directors have met the qualifications set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act. The independent directors have also been granted the right to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, in order to perform their duties independently.	0
Yu-Fen Lin (Independent Directors)	Experience as Member of the Private Equity Fund Review Committee, National Development Council, and Attorney-at-Law/Chief of Honorary Partner, Law and Honor Attorneys-at-Law, with more than 5 years of work experience and qualifications for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	During the two years before being elected and during the term of office, the independent directors have met the qualifications set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act. The independent directors have also been granted the right to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, in order to perform their duties independently.	1

5. Board members’ overall capabilities and implementation of diversification policies

- (1) Diversification of the board of directors: The Company has established the "Corporate Governance Best Practice Principles of Chief Telecom Incorporation", regulating that diversification should be considered for the composition of the board of directors, and appropriate diversification policies should be formulated based on its own operation,

business form and development needs, which should include but not be limited to the following two major aspects:

- A. Basic conditions and values: gender, age, nationality and culture.
- B. Professional knowledge and skills: professional background (such as law, accounting, production, finance, marketing or technology), professional skills, and industry experience.

Board members should generally possess the necessary knowledge, skills and literacy to perform their duties. To achieve the ideal goals of corporate governance, the board of directors as a whole should possess the following abilities:

- A. operational judgment ability.
- B. Accounting and financial analysis ability.
- C. Operation and management ability.
- D. Crisis management ability.
- E. Industrial knowledge.
- F. International market perspective.
- G. Leadership.
- H. Decision-making ability.

The implementation of the diversification policy for the current board members of the Company is as follows:

Currently there are three independent directors: Independent Director Chan-Chuan Lin possesses professional accounting skills, Independent Director Dao-Hung Lui possesses professional skills in auditing, and Independent Director Yu-Fen Lin possesses professional skills in law. They all have expertise in different fields, and meet the diversified goals of professional knowledge and skills in the basic diversification policy for the Company's Board of Directors. The Company also focuses on gender equality in the composition of board members. As of the end of 2025, there are seven directors, including two female directors, with a ratio of 29%. This meets the gender equality and diversity goals of the basic diversification policy that the composition of the Board of Directors should comprise at least one female director.

If the board of directors of a TWSE/TPEX listed company does not have at least one-third of its seats held by directors of either gender, the reasons shall be explained and measures to enhance gender diversity of the board shall be disclosed: Currently, three of the Company's directors are appointed by its parent company, Chunghwa Telecom Co., Ltd., ensuring the necessary management expertise, professional competence, and industry-academia experience. Gender diversity is also taken into account. By the end of 2025, the Company's board consists of seven directors, including two female directors, representing 29%, which exceeds the average gender ratio of board members in listed companies. Measures to enhance board gender diversity: Future director nominations will consider ensuring that at least one-third of the board seats are held by directors of any single gender, as recommended by Chunghwa Telecom Co., Ltd.

The specific management objectives and achievement of the Company's diversification policy in 2025 are as follows:

Management objectives of diversity policy	Achievement status of diversity policy
Diversity in professional knowledge and skills of board members (such as legal, accounting, finance, auditing, marketing, or information technology)	Achieved (three independent directors, with accounting, auditing, and legal professional ability and experience)
Does the board of directors include at least one director of different gender	Achieved (seven seats at the end of 2025, including five male and two female directors)

The diversification of board members is shown in the table below:

Name	Age distribution	Gender	Independent director's term	Compliance with capability requirement									
				Operational judgment ability	Accounting and financial analysis ability	Operation and management ability	Crisis management ability.	Industrial knowledge.	International market perspective	Leadership	Decision-making ability	Audit ability	Legal capacity
Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao	40-50	Male	-	✓	✓	✓	✓	✓	✓	✓	✓		
Chunghwa Telecom Co., Ltd. Representative: Ben-Yuan Chang	60-70	Male	-	✓	*	*	✓	✓	✓	✓	✓		
Chunghwa Telecom Co., Ltd. Representative: Yi-Hsiu Lin	40-50	Male	-	✓	*	*	✓	✓	✓	✓	✓		
Investar Corporation Representative: Chung-Ho Tai	70-80	Male	-	✓	*	✓	✓	✓	✓	✓	✓		
Chan-Chuan Lin	60-70	Female	1	✓	✓		*	*	✓	*	✓	*	*
Tao-Hong Lu	70-80	Male	2	✓	*		*	✓	✓	*	✓	✓	*
Yu-Fen Lin	50-60	Female	1	✓			*	*	✓	*	✓	*	✓

Note 1: * indicates possession of partial abilities. Currently among the three independent directors, Chan-Chuan Lin (with a continuous tenure of the third term) has the major experience as Dean and Director, Accounting Department, National Taiwan University and Professor, Department of Accounting, National Taiwan University, with accounting professional abilities; Dao-Hung Lui (with a continuous tenure of the second term) has the major experience as Attorney-at-Law/Chief of Honorary Partner, Law and Hornor Attorneys-at-Law, with professional legal capabilities; Yu-Fen Lin (with a continuous tenure of the first term) has the major experience as Director of the Institute of Information Network and Multimedia, Taiwan University, with information and communication capabilities. They all have expertise in different fields, and meet the diversified goals of professional knowledge and skills in the basic diversification policy for the Company's board of directors that the board of directors should have diverse professional backgrounds, skills and industry experiences (such as legal, accounting, finance, auditing, marketing or information).

Note 2: As of the end of 2025, the proportion of directors with employee status in the Company is 1/7 (14%); the proportion of independent directors is 3/7 (43%); the proportion of female directors is 2/7 (29%).

(2) Independence of the board of directors: In accordance with the provisions of the Company's "Articles of Association", directors are elected through a candidate nomination system. When nominating and selecting board members, written statements and other materials from each director candidate should be obtained certifying that there are no relationship of spouse or relatives within the second degree of kinship. All independent directors, their spouses and relatives within the second degree of kinship do not hold any shares in the Company, and maintain their independence within the scope of their business operations without any direct or indirect interest in the Company. In addition, to implement corporate governance and improve the functions of the Board of Directors and functional committees, the Company has formulated and implemented the "Regulations Governing the Board Performance Evaluation," which is to implement an internal self-assessment of the Board of Directors and a self-assessment of the Board members. The performance evaluation of the Board of Directors includes five major aspects: (1) participation in the Company's operations; (2) the quality of the Board of Directors' decision-making; (3) the composition and structure of the Board of Directors; (4) the election and continuing education of directors; and (5) internal control, etc. The self-assessment of the Board members includes six major aspects: (1) mastery of the Company's goals and missions; (2) awareness of the Board of Directors' responsibilities; (3) participation in the Company's operations; (4) internal relationship management and communication; (5) the directors' professionalism and continuing education; and (6) internal control, etc. The Company commissions an external professional institution every three years to conduct a performance evaluation of the Board of Directors (most recently conducted in 2022 and 2025). The evaluation results and recommendations are reported to the Board of Directors and serve as a reference for the selection or nomination of directors for the next term.

(II) Information of President, Vice Presidents, Senior Managers and Supervisors of all departments and branches:

March 29, 2026; Unit: shares; %

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
Chief Strategy Officer	Hong-Chia Shao	Male	Republic of China	2024.11.13	-	-	-	-	-	-	Master's Degree in Marketing and Distribution Management, National Kaohsiung University of Science and Technology Deputy Assistant General Manager, E- Commerce Department, PChome Online Inc. CBO, ELTA Technology Co., Ltd. COO, Formosa Television Co.,Ltd. (FTV)	Chairman (legal representative) of Unigate Telecom Inc.	-	-	-	-
President	Yao-Yuan Liu	Male	Republic of China	2005.05.01	267,000	0.34%	51,300	0.07%	-	-	PhD, Management Research Institute of Taiwan University of Science and Technology EMBA, Royal University of Canada Chung Yuan Christian University/Department of Electronic Engineering Technical Manager of Taiwan Telecom Network Technical Manager of Dimension Data President of TimeNet	Director (corporate representative) of Shanghai Shitai Network Technology Director (corporate representative) of Unigate Telecom Inc. Director of Chief International Corp. (corporate representative) Director of GrandTech Systems Limited	-	-	-	-

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
Head Business Division Senior VP	Lin-Tung Chang	Male	Republic of China	2008.01.01	126,780	0.16%	76,486	0.10%	-	-	Industrial Management Department of Taiwan Engineering Vocational and Technical College Co-founder of Acer Computer	Supervisor (corporate representative) of Unigate Telecom Inc.	-	-	-	-
Planning Department VP	Wen-Han Chiang	Male	Republic of China	2008.03.24	93,000	0.12%	55,300	0.07%	-	-	Master's degree in Electrical Engineering, Illinois Institute of Technology Bachelor of Department of Telecommunications Engineering, Chiao Tung University VP of the Taiwan Branch of Nortel Networks (Asia) Limited in Hong Kong.	Chairman (corporate representative) of Shanghai Shitai Network Technology	-	-	-	-
General Management Division VP	Ching- Hsiang Yan	Male	Republic of China	2019.05.03	32,800	0.04%	-	-	-	-	PhD from National Taipei University of Science and Technology/Institute of Computer and Communication Engineering Captain of the Seventh Investigation Brigade of the Criminal Police Department (for investigation of corporate financial and economic crimes) Part-time lecturer at the Police Academy and the Police University (computer technology and	-	-	-	-	-

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
											financial crime investigation). Judicial officer training institute, judge college lecturer (computer technology and financial crime investigation). Advisor on Economic Crime Investigation of the Procuratorate of the High Court. Technology Management Security Advisor to Taipei City Government					
Technical Department VP	Yan Chou	Male	Republic of China	2008.01.01	37,400	0.05%	159,120	0.20%	-	-	Bachelor of Electrical Engineering, Chung Cheng Institute of Technology Manager of Wangyu International Army Headquarters Internet Engineering Officer	-	-	-	-	-
Finance Division VP	Ming-Chi Hsiao (Note)	Male	Republic of China	2024.05.02	1,000	0.00%	2,000	0.00%	-	-	Department of Accounting, Ling Tung University AVP of Accounting Division of Chunghwa Telecom Co., Ltd.		-	-	-	-
Finance Division VP	Yu-Pei Chen (Note)	Female	Republic of China	2025.08.01	6,000	0.01%	-	-	-	-	Master of Business Administration, Leiden University, the Netherlands Department of Accounting, Fu Jen Catholic University Chief Financial Officer of HonghwaIC International	Director (corporate representative) of Unigate Telecom Inc. Director of Chief International Corp. (corporate	-	-	-	-

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
											Technology Co., Ltd. Director-level Management Analyst and Section Chief, Accounting Division, Headquarters of Chunghwa Telecom Co., Ltd. Associate Director, Deloitte Taiwan	representative)				
Deputy General Manager, Internet Applications Division	Pi-Yun Sung	Female	Republic of China	2019.08.01	83,991	0.11%	-	-	-	-	National Taiwan University of Science and Technology, Department of Information Management, Executive Master Program Engineer, Taiwanese Fujitsu Engineer, Comtel Technology Co., Ltd.	-	-	-	-	-
Head Business Division Associate Manager, Business I Department	Kuo-Lung Chiu	Male	Republic of China	2020.08.10	12,300	0.02%	4,000	0.01%	-	-	AP-EMBA, Institute of Electronic Engineering, Chinese University of Hong Kong, and Taiwan Institute of Technology Section Chief, Customer Division, Digital Communications Branch of Chunghwa Telecom Co., Ltd. Section Chief, Marketing Division, International Communications Branch of Chunghwa Telecom Co., Ltd.	-	-	-	-	-

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
Head Business Division Associate Manager, Business I Department	Guo-Chung Pao	Male	Republic of China	2026.03.01	11,800	0.02%	-	-	-	-	Master of Business Administration, National Taipei University of Business Sales Supervisor, Taiwan Fixed Network Co., Ltd.	-	-	-	-	-
Head Business Division Associate Manager, Business II Department	Chia-Ying Chen	Male	Republic of China	2008.05.20	69,300	0.09%	4,500	0.01%	-	-	Bachelor, Department of Radio, Television and Film (RTF), Shih Hsin University Division Director of Seednet	-	-	-	-	-
Head Business Division Associate Manager, Business II Department	Hung-Yi Lin	Male	Republic of China	2022.08.01	9,600	0.01%	11,000	0.01%	-	-	Bachelor, Department of Industrial Management, Da-Yeh University Product Manager of KGEX.COM Co., Ltd. MCI Project Manager Product Specialist of SCH Equipment Co., Ltd.	-	-	-	-	-
AVP, Machine Room Management Department	Cheng-Ta Li	Male	Republic of China	2022.08.01	9,700	0.01%	-	-	-	-	Master's degree in Information Engineering, National Taiwan Ocean University Technology Director, Dynamic Computing Technology Co., Ltd. Senior Manager, Ingrasys Technology Inc.	-	-	-	-	-
Associate Manager, Sustainable Development Department	Chang-Hung Shen	Male	Republic of China	2025.05.01	5,000	0.01%	-	-	-	-	Bachelor of Commercial Design, Ming Chuan University Vice President of Sales, Eyes Media	-	-	-	-	-

Title	Name	Gender	Nationality	Election (inauguration) date	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at the Company and other companies	Manager who is spouse or relatives within second degree of kinship			Situation of managers obtaining employee stock option certificates
					Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio			Title	Name	Relationship	
											Co., Ltd. Executive Manager, Yowoo Technology Inc.					
Planning Department AVP	Ta-Chung Liang	Male	Republic of China	2025.10.01	2,000	0.00%	-	-	-	-	Master of Industrial Engineering and Management, National Taipei University of Technology Section Chief, Chunghwa Telecom Co., Ltd.	-	-	-	-	-

Note: The Deputy General Manager of the Finance Division, Ming-Chi Hsiao, was replaced by Yu-Pei Chen on August 1, 2025 due to routine internal personnel rotation within the Group.

II. Remuneration paid to directors, president and vice presidents in the past year

(I) Remuneration of general directors and independent directors

December 31, 2025 Unit: NT\$ thousand; share; %

Title	Name	Directors' remuneration								Total amount of items A, B, C and D as a proportion of the net profit after tax		Relevant remuneration received due to part-time employee status								Total amount of items A, B, C, D, E, F and G as a proportion of the net profit after tax		Remuneration from reinvestment enterprises other than subsidiaries or parent company
		Remuneration (A)		Retirement pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salary, bonus and special expenses (E)		Retirement pension (B)		Employees' remuneration (G)						
		All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies		in the Company's financial report		All the companies	in the Company's financial report	
																Cash amount	Stocks amount	Cash amount	Stocks amount			
Chairman	Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao	0	0	0	0	3,360	3,360	160	160	3,520 0.29%	3,520 0.29%	7,234	7,234	0	0	300	0	300	0	11,054 0.9%	11,054 0.9%	8,474
Directors	Chunghwa Telecom Co., Ltd. Representative: Yi-Hsiu Lin																					
Directors	Chunghwa Telecom Co., Ltd. Representative: Ben-Yuan Chang																					
Directors	Representative of Investar Corporation: Chung-Ho Tai																					
Independent Directors	Chan-Chuan Lin	2,520	2,520	0	0	0	0	150	150	2,670 0.22%	2,670 0.22%	0	0	0	0	0	0	0	0	2,670 0.22%	2,670 0.22%	0
Independent Directors	Tao-Hong Lu																					
Independent Directors	Yu-Fen Lin																					

Note 1: Please describe the independent directors' remuneration policy, system, standards, and structure, and explain the factors including the independent directors' duties, risks, and invested time connecting to the remuneration amount: The Company's independent directors did not participate in the distribution of remuneration to directors. The fixed remuneration of independent directors has been taken into consideration of the Company's operating objectives, financial position and directors' duties.

Note 2: Except as disclosed in the table above, the remuneration received by the Company's directors for their services (such as serving as consultants of non-employees of all companies/reinvestment enterprises of the parent company/in the financial report) in the past year: None.

Remuneration Tier Table

Tiers of remuneration paid to directors of the Company	Name of director			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	All the companies	in the Company's financial report	All the companies	parent and all reinvested enterprises
Lower than NT\$1,000,000	Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao Representative: Yi-Hsiu Lin Representative: Ben-Yuan Chang Investar Corporation Representative: Chung-Ho Tai Tao-Hong Lu Chan-Chuan Lin Yu-Fen Lin	Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao Representative: Yi-Hsiu Lin Representative: Ben-Yuan Chang Investar Corporation Representative: Chung-Ho Tai Tao-Hong Lu Chan-Chuan Lin Yu-Fen Lin	Chunghwa Telecom Co., Ltd. Representative: Yi-Hsiu Lin Representative: Ben-Yuan Chang Investar Corporation Representative: Chung-Ho Tai Tao-Hong Lu Chan-Chuan Lin Yu-Fen Lin	Investar Corporation Representative: Chung-Ho Tai Tao-Hong Lu Chan-Chuan Lin Yu-Fen Lin
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	Representative of Chunghwa Telecom Co., Ltd.: Yi-Hsiu Lin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Representative of Chunghwa Telecom Co., Ltd.: Hung-Chia Shao	Representative of Chunghwa Telecom Co., Ltd.: Hung-Chia Shao Representative of Chunghwa Telecom Co., Ltd.: Ben-Yuan Chang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Above NT\$100,000,000	-	-	-	-
Total	7 people	7 people	7 people	7 people

(II) Supervisors' remuneration: Not applicable, as the Company established the Audit Committee to replace supervisors on June 22, 2016.

(III) Remuneration of the President and Vice Presidents

Remuneration of the President and Vice Presidents

December 31, 2025; Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special expenses (C)		Employees' remuneration (D)				Total amount of items A, B, C and D as a proportion of the net profit after tax		Remuneration from reinvestment enterprises other than subsidiaries or parent company
		All the companies	in the Company's financial report	All the companies	in the Company's financial report	All the companies	in the Company's financial repor	All the companies		in the Company's financial report		All the companies	in the Company's financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Strategy Officer	Hong-Chia Shao	19,676	19,676	0	0	27,598	27,598	11,708	0	11,708	0	58,982 4.81%	58,982 4.81%	0
Chief Strategy Officer	Yan-Hung Wu													
President	Yao-Yuan Liu													
Senior VP	Lin-Tung Chang													
VP	Wen-Han Chiang													
VP	Ching-Hsiang Yan													
VP	Yan Chou													
VP	Pi-Yun Sung													
VP	Ming-Chi Hsiao (Note)													
VP	Yu-Pei Chen (Note)													

Note: The Deputy General Manager of the Finance Division, Ming-Chi Hsiao, was replaced by Yu-Pei Chen on August 1, 2025 due to routine internal personnel rotation within the Group.

Remuneration Tier Table

Tiers of remuneration paid to the President and Vice Presidents of the Company	Names of the President and Vice Presidents	
	All the companies	in the Company's financial report
Lower than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Ming-Chi Hsiao, Yu-Pei Chen	Ming-Chi Hsiao, Yu-Pei Chen
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Hong-Chia Shao, Ching-Hsiang Yan Yan Chou, Wen-Han Chiang, Pi-Yun Sung	Hong-Chia Shao, Ching-Hsiang Yan Yan Chou, Wen-Han Chiang, Pi-Yun Sung
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Lin-Tung Chang	Lin-Tung Chang
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	—	—
Above NT\$100,000,000	—	—
Total	9 people	9 people

(IV) Names of managers who are distributed employee remuneration, and the distribution status:

December 31, 2025; Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Proportion of total amount in net profit after tax (%)
Managers	Chief Strategy Officer	Hong-Chia Shao	0	18,153	18,153	1.48%
	President	Yao-Yuan Liu				
	Senior VP	Lin-Tung Chang				
	VP	Wen-Han Chiang				
	VP	Ching-Hsiang Yan				
	VP	Yan Chou				
	VP	Pi-Yun Sung				
	VP	Ming-Chi Hsiao (Note)				
	VP	Yu-Pei Chen (Note)				
	AVP	Kuo-Lung Chiu				
	AVP	Hung-Yi Lin				
	AVP	Chia-Ying Chen				
	AVP	Cheng-Ta Li				
	AVP	Chang-Hung Shen				
	AVP	Ta-Chung Liang				

Note 1: Deputy General Manager Wei-Tung Pan of the Finance Division was replaced by Ming-Chi Hsiao on May 2, 2024 in response to the internal job-rotation.

(V) Compare and explain the proportion of the total compensation paid by the Company to its directors, supervisors, president, and vice presidents in the past two years to the after tax net income of the individual or respective financial report, and explain the compensation policy, standards and procedures for remuneration payment, as well as the relevance to business performance and future risks:

1. Compare and explain the proportion of the total compensation paid by the Company to its directors, supervisors, president, and vice presidents in the past two years to the after tax net income of the individual or respective financial report

Title	2024		2025	
	Proportion of total compensation to after tax net income (%)		Proportion of total compensation to after tax net income (%)	
	All the companies	in the Company's financial report	All the companies	in the Company's financial report
Directors	0.55%	0.55%	0.51%	0.51%
President and Vice Presidents	4.76%	4.76%	4.81%	4.81%

2. Compensation policy, standards and combinations, procedures for setting the compensation, as well as the relevance to business performance and future risks

(1) Policy, standards, and components of remuneration: The remuneration of the Company's directors (including the principles and calculation methods for director remuneration) is distributed based on resolutions of the Board of Directors and in

accordance with the Company's Articles of Incorporation through the appropriation of annual earnings. However, independent directors do not participate in the distribution of annual earnings-based director remuneration, and the fixed part-time remuneration of independent directors takes into consideration the Company's operational objectives, financial condition, and the responsibilities of directors. The remuneration of managerial officers, including the General Manager and Deputy General Managers (including the principles and calculation methods for managerial remuneration), comprises salaries, bonuses, and employee benefits, and is determined based on the positions held, responsibilities undertaken, performance of the departments under their supervision, individual performance, and contributions to the Company, with reference to industry standards. The procedures for determining remuneration are also established in accordance with the Company's Articles of Incorporation and authorization levels.

- (2) Procedures for determining remuneration: The remuneration of directors and managers is subject to regular assessment and remuneration by the Remuneration Committee of the company, and the remuneration is submitted to the Board of Directors for approval.
- (3) Correlation with Operating Performance: The remuneration for directors, general managers, and vice general managers is determined with consideration of operational risks and its positive correlation with business performance. It is linked to key performance indicators, including overall company performance (e.g. external board evaluation results, achievement rates of revenue, net income before and after tax), departmental performance (e.g. achievement of performance targets and project success rates), and individual performance (e.g. personal KPI achievement rate). Additionally, other special contributions, such as ESG sustainability efforts, greenhouse gas verification and reduction initiatives, or significant adverse events, are incorporated into performance evaluations and compensation decisions.
- (4) The policy that links the remuneration of senior managers to the evaluation of ESG performance:

ESG-related performance evaluation items for managerial officers: In accordance with the "Sustainable Development Policy" approved by the Company's Board of Directors, in order to implement such policy, it is expressly stipulated therein that the remuneration of directors and senior managerial officers is linked to sustainable development performance evaluation items, thereby fully demonstrating the high-level governance's emphasis on and active participation in sustainability-related matters. In addition, the remuneration of the Company's senior managerial officers (at the level of Deputy General Manager and above) is reviewed by the Remuneration Committee and the Board of Directors in accordance with the "Regulations Governing Managerial Compensation." In addition to conducting an annual review of the policies, systems, standards, and structure of senior managerial compensation, the implementation results of ESG are reported to the Board of Directors on a quarterly basis. The ESG-related performance evaluation items include multiple non-financial ESG objectives, such as "continued passing of ISO27001/27011/27017/27018 certification renewals," "DCOS certification renewal," and "corporate governance evaluation," all of which are included as annual ESG-related performance evaluation items for individual senior managerial officers. For example, passing the renewal of the annual ISO certification is one of the ESG-related performance evaluation items for the Vice President of the Company's Planning Department; "new energy POC" was include as one of the performance items for the President in 2025, and the full implementation of paperless operations, energy adjustments, and other

implementation items are also included in the performance indicators for partial senior managers.

The principles and calculation methods for remuneration paid by the Company to senior managerial officers (at the level of Deputy General Manager and above) have incorporated ESG-related performance evaluation items: for the year 2025, the employee performance appraisal includes six key individual performance indicators. Among these, the results of ESG-related performance evaluation items are included as one of the six evaluation indicators for senior managerial compensation. Factors such as timely completion, quality, and effectiveness are taken into consideration, and ESG-related performance evaluation items account for up to 20% of the total weighting. (For example, passing the annual ISO certification renewal is one of the ESG-related performance evaluation items for the Deputy General Manager of the Planning Division. All ESG-related performance evaluation items for the Vice President of the Planning Department account for approximately 10% to 20% of the total proportion for the evaluation by the Remuneration Committee at most. When reviewing bonus distribution, the Remuneration Committee will comprehensively evaluate annual operating achievements, climate, environments, and other ESG performance before submitting them to the Board for approval.

- (5) Relevance of future risks: The board of directors of the Company established the Remuneration Committee on November 20, 2015, to assist the board in formulating the remuneration or directors and managers and the Company's compensation policy. In accordance with the Company's Articles of Association, for the remuneration or directors and managers, the Remuneration Committee and the board of directors shall conduct a factual review based on their participation in the Company's operations and contribution value, and minimize the likelihood and relevance of future risks, in order to strike a balance between the Company's sustainable operation and risk control management.

III. Information on the Operation of Corporate Governance

(I) Operation and Evaluation of the Board of Directors

1. Operation of the Board of Directors

The Board of Directors has held 5 meetings in 2025, attendance of directors is as follows:

Title	Name	Actual number of attendance (B)	Proxy attendance Frequency	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao	5	0	100%	
Directors	Chunghwa Telecom Co., Ltd. Representative: Chung-Li Lin	5	0	100%	
Directors	Chunghwa Telecom Co., Ltd. Representative: Ben-Yuan Chang	5	0	100%	
Directors	Investar Corporation Representative: Chung-Ho Tai	1	0	20%	
Independent Directors	Chan-Chuan Lin	5	0	100%	
Independent Directors	Tao-Hong Lu	5	0	100%	
Independent Directors	Yu-Fen Lin	5	0	100%	

Other matters to be recorded:

- For matters listed in Article 14-3 of the Securities and Exchange Act and other matters decided at the board meeting that have been objected to or reserved by Independent Directors and have been recorded or stated in writing, state the date, session, content of the proposal, opinions of all independent directors, and the Company's handling of the opinions of independent directors.
- Implementation of the directors' avoidance of proposals involving personal interests: In the past year and as of the date of printing of the annual report, the relevant proposals of the board meetings of the Company and proposals regarding matters of interest to the directors are as follows:

Board meeting date	Proposal content	Reason for avoidance of interest	Name of director	Voting participation status
2025.4.30	Proposal related to the Sustainable Development Committee	Directors who avoided due to involvement of personal interest	Hong-Chia Shao	Except for the directors listed on the left who avoided due to their interests, the remaining attending directors approved the proposal.
	2024 performance bonus for managers	Directors who avoided due to involvement of personal interest	Hong-Chia Shao	Except for the directors listed on the left who avoided due to their interests, the remaining attending directors approved the proposal.
2025.7.29	Proposal regarding the establishment of the Nomination Committee	Directors who avoided due to involvement of	Hong-Chia Shao, Chan-Chuan Lin,	Except for the directors listed on the left who avoided due to their

			personal interest	Tao-Hong Lu	interests, the remaining attending directors approved the proposal.
		Remuneration of managers for 2024	Directors who avoided due to involvement of personal interest	Hong-Chia Shao	Except for the directors listed on the left who avoided due to their interests, the remaining attending directors approved the proposal.
		Remuneration of directors for 2024	Directors who avoided due to involvement of personal interest	Hong-Chia Shao, Pen-Yuang Chang, Yi-Xiu Lin	Except for the directors listed on the left who avoided due to their interests, the remaining attending directors approved the proposal.
	2025.10.28	Proposal for the appointment of members of the Sustainability Development Committee	Directors who avoided due to involvement of personal interest	Chan-Chuan Lin, Tao-Hong Lu	Except for the directors listed on the left who avoided due to their interests, the remaining attending directors approved the proposal.

Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years and the measures taken toward achievement thereof.

(1) Functions of the board of directors

- ① In order to effectively enhance corporate governance, improve the supervision function and strengthen the management function, the Company, in accordance with Article 14-4 of the Securities and Exchange Act, shall have the Audit Committee formed with all independent directors to strengthen the functions of the board of directors.
- ② The Company arranges directors to participate in professional training courses on a yearly basis to maintain their core values, professional strengths and abilities.

(2) implementation status evaluation

- ① The Company established the Remuneration Committee on November 20, 2015, the Audit Committee on June 22, 2016, the Risk Management Committee on April 27, 2022, the Sustainability Development Committee on April 30, 2025, and the Nomination Committee on July 29, 2025, to continuously strengthen the functions of the Board of Directors.
- ② The Company will immediately post important Resolutions on the MOPS after the board meeting to safeguard shareholder rights and interests. We have designated a dedicated person to be responsible for the collection and disclosure of company information, and established a spokesman system to ensure the timely and appropriate disclosure of all major information for shareholders and stakeholders to refer to on the Company's finance and business related information.
- ③ In 2025, the Company arranged for Directors to participate in professional development courses offered by the Taiwan Corporate Governance Association.

(2) Status of evaluation of the board of directors and functional committees

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of the board of directors	Internal self-evaluation of the board of directors	Participation in company operation, improvement of the decision-making quality of the board meeting, composition and structure of the board of directors, election and continuing education of directors and internal control.	99 points (out of 100) by performance evaluation questionnaire. The Company convened a total of five Board of Directors meetings in 2025, with a director attendance rate of 88.57%. Each director fully expressed opinions and provided suggestions on all proposals, and extended the greatest support.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Performed once every three years; the most recent execution was in August 2025, and the results of the external evaluation were reported to the Board of Directors on October 28, 2025.	2024.8.1-2025.7.31	External performance evaluation of the board of directors (Note)	Taiwan Corporate Governance Association was appointed to be the external professional institution for the performance evaluation,	Five major dimensions: composition and division of responsibilities of the Board of Directors, guidance and supervision, authorization and risk management, communication and collaboration, self-discipline and improvement, and others (Board meetings, support systems, etc.)	The external evaluation proposed three recommendations: (1) It is recommended that the Board of Directors periodically review its size and structure. (2) The performance evaluation of the head of internal audit shall take into consideration the opinions of the Audit Committee. (3) Encourage the Company to establish stakeholder-friendly and reliable communication channels. The Company's response (1) The Company plans to periodically review and, in accordance with the Company's stage of development and governance needs, make timely adjustments to the composition of the Board of Directors and the allocation of responsibilities. (2) The annual performance evaluation of the head of internal audit is planned to be submitted by the Human Resources Department as a special case to the Audit Committee for reference. (3) The Company has added a dedicated email mailbox for the Audit Committee on its official website (AuditCommittee@chief.com.tw).

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of board members	Self-evaluation of board members	Mastery of company goals and tasks, understanding of directors' responsibilities, level of participation in company operations, internal relationship management and communication, professional and continuous training of directors, and internal control.	99.7 points (out of 100) by performance evaluation questionnaire.
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of Audit Committee	Self-evaluation of Audit Committee	Level of participation in company operations, awareness of the responsibilities of Audit Committee members, decision-making quality, composition and member selection, internal control system, etc.	98.8 points (out of 100) by performance evaluation questionnaire. Each member fully expressed opinions and provided suggestions on all of the Company's proposals.
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of Remuneration Committee	Performance self-evaluation of Remuneration Committee	Level of participation in company operations, awareness of the responsibilities of Remuneration Committee members, decision-making quality, composition and member selection, internal control system, etc.	99 points (out of 100) by performance evaluation questionnaire. Each member fully expressed opinions and provided suggestions on all proposals.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of Risk Management Committee	Self-evaluation of Risk Management Committee	Level of participation in company operations, awareness of the responsibilities of Risk Management Committee members, decision-making quality, composition and member selection, internal control system, etc.	100 points (out of 100) by performance evaluation questionnaire. Each member fully expressed opinions and provided suggestions on all proposals.
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of the Sustainable Development Committee	Self-evaluation of Sustainable Development Committee members	Level of participation in the Company's operations, awareness of the responsibilities of the Sustainable Development Committee, quality of decision-making, composition and member selection, internal control, etc.	100 points (out of 100) by performance evaluation questionnaire. Each member fully expressed opinions and provided suggestions on all proposals.
Regularly performed once a year, and the 2025 evaluation results were submitted to the board meeting on February 25, 2026.	2025.1.1-2025.12.31	Performance evaluation of the Nomination Committee	Self-evaluation of Nomination Committee members	Level of participation in the Company's operations, awareness of the responsibilities of Nomination Committee members, quality of decision-making, composition and member selection, internal control, etc.	100 points (out of 100) by performance evaluation questionnaire. Each member fully expressed opinions and provided suggestions on all proposals.

Note: The Company conducts an external performance evaluation of the Board of Directors once every three years. The most recent evaluation was conducted in August 2025. The results of the 2025 external performance evaluation of the Board of Directors, including improvement recommendations and future improvement plans or actions, have been disclosed on the Company's website (https://www.chief.com.tw/investor/corporate_governance/board-of-directors/)

(II) Information on the operation of the Audit Committee or the participation of supervisors in the operation of the board of directors:

1. Operation status of Audit Committee

The Audit Committee held four meetings (A) in 2025, and the attendance of independent directors is as follows:

Title	Name	Actual number of attendance (B)	Proxy attendance Frequency	Actual attendance rate (%) (B/A)	Remarks
Independent Directors	Chan-Chuan Lin	4	0	100%	
Independent Directors	Tao-Hong Lu	4	0	100%	
Independent Directors	Yu-Fen Lin	4	0	100%	
Other matters to be recorded:					
1. Operation of the Audit Committee for the year:					
Audit Committee	Content of proposals and follow-up actions		Matters listed in Article 14-5 of the Securities and Exchange Act	Items of objection, reservation, or significant recommendations by independent directors	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
Fourth Term Seventh Meeting 2025.2.19	2024 business report and financial statements		V	None.	None.
	2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Declaration"		V	None.	None.
	Matters relating to the issuance of new shares upon conversion of employee stock options and the capital increase base date		V	None.	None.
	Appointment of CPAs for 2025 and evaluation of their independence and competence		V	None.	None.
	2024 earnings distribution		V	None.	None.
	Amendment to the "Articles of Association"		V	None.	None.
	The above proposals were approved by all independent directors in attendance at the Audit Committee meeting and by all directors in attendance at the 11th Term, 11th Board of Directors meeting on February 19, 2025.				
Fourth Term Eighth	Consolidated financial report for Q1 2025		V	None.	None.
	CPA remuneration for 2025		V	None.	None.

Meeting 2025.4.30	The above proposals were approved by all independent directors in attendance at the Audit Committee meeting and by all directors in attendance at the 11th Term, 12th Board of Directors meeting on April 30, 2025.			
Fourth Term Ninth Meeting 2025.7.29	Consolidated Financial Report for Q2 2025	V	None.	None.
	Amendment to the “Articles of Association”	V	None.	None.
	Amendment to the “Guidelines for Handling Overdue Receivables, Collection Items, and Bad Debts”	V	None.	None.
	Personnel change for Finance and Accounting Manager	V	None.	None.
	The above proposals were approved by all independent directors in attendance at the Audit Committee meeting and by all directors in attendance at the 11th Term, 13th Board of Directors meeting on July 29, 2025.			
Fourth Term Tenth Meeting 2025.10.28	Consolidated Financial Report for Q3 2025	V	None.	None.
	Business Report for the first half of 2025	V	None.	None.
	Earnings distribution for the first half of 2025	V	None.	None.
	Audit Plan for 2026	V	None.	None.
	The above proposals were approved by all independent directors in attendance at the Audit Committee meeting and by all directors in attendance at the 11th Term, 14th Board of Directors meeting on October 28, 2025.			

2. Implementation of the directors’ avoidance of proposals involving personal interests: None.
3. Annual focus of the Audit Committee's work, including reviewing financial reports, assessing the effectiveness of the internal control system, and the operation status as follows:

Meeting date	Important discussion proposals (annual work focus: reviewing financial report and assessing the internal control system)	Resolution (operation status)
2025.2.19	2024 business report and financial statements	Audit Committee: The proposal was approved by all the members present and submitted to the board meeting for resolution.
	2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Declaration"	
2025.4.30	Financial report for Q1 2025	Board meeting:
2025.7.29	Financial report for Q2 2025	Approval by all attending directors.
2025.10.28	Financial report for Q3 2025	The Company: Approved proposals were implemented or disclosed according to schedule.

4. Communication of independent directors with internal audit supervisor and CPAs (including communication about major matters related to the Company's financial and business status, methods and results):
 - (1) After verifying the statements in the audit report and follow-up report, the audit supervisor submits the audit report and follow-up report to the independent directors and promptly responds to the matters instructed by the independent directors.
 - (2) The audit supervisor and the certified public accountants hold separate meetings on a quarterly basis. In such separate meetings, the certified public accountants first communicate with the independent directors regarding financial statement matters, followed by the audit supervisor communicating with the independent directors regarding audit matters. The meetings held in 2025 are as follows:

Meeting date	Communication Method	Communication Counterpart	Communication Matters	Execution Results
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2025.2.6	Separate meeting	CPAs and internal audit supervisor	Financial reporting and audit matters	Matters were fully communicated; no follow-up comments.
2025.2.19	Audit Committee	Certified Public Accountant	Report on the audit of the 2024 consolidated financial statements	No comments.
			Closed-door meeting with the Audit Committee	Matters were fully communicated; no follow-up comments.
		Audit Manager	Report on audit results and follow-up status for Q4 2024	No comments.
			Submission of the 2024 “Assessment of Effectiveness of Internal Control System” and issuance of the “Internal Control System Statement”	Submitted to the Board of Directors for discussion and approved without objection by all directors in attendance.
2025.4.23	Separate meeting	CPAs and internal audit supervisor	Financial reporting and audit matters	Matters were fully communicated; no follow-up comments.
2025.4.30	Audit Committee	Certified Public Accountant	Report on the review of the consolidated financial statements for Q1 2025	No comments.
		Audit Manager	Report on audit results and follow-up status for Q1 2025	No comments.
2025.7.23	Separate meeting	CPAs and internal audit supervisor	Financial reporting and audit matters	Matters were fully communicated; no follow-up comments.
2025.7.29	Audit Committee	Certified Public Accountant	Report on the review of the consolidated financial statements for Q2 2025	No comments.
		Audit Manager	Report on audit results and follow-up status for Q2 2025	No comments.
2025.10.23	Separate meeting	CPAs and internal audit supervisor	Financial reporting and audit matters	Matters were fully communicated; no follow-up comments.
2025.10.28	Audit Committee	Certified Public Accountant	Report on the review of the consolidated financial statements for Q3 2025	No comments.
		Audit Manager	Report on audit results and follow-up status for Q3 2025	No comments.
			Submission of the Company’s 2026 audit plan	Submitted to the Board of Directors for discussion and approved without objection by all directors in attendance.

- (3) The audit supervisor attends the review committee and reports on the audit status. The communication between the independent directors and the internal audit supervisor is good.
- (4) The CPAs conducted face-to-face communication with independent directors at Audit Committee meetings regarding the Company’s financial and operational status and also held separate

meetings with the independent directors.

2. Participation of supervisors in the operation of the board of directors
Not applicable, as the Company established the Audit Committee to replace supervisors on June 22, 2016.

(III) Corporate governance implementation status and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has passed the "Corporate Governance Best Practice Principles" at the board meeting on October 23, 2017 which has been posted on the Company's website. The actual implementation of corporate governance is disclosed annually in the governance section of the Company's website for stakeholders to download and refer to.	No difference.
II. Company's Equity Structure and Shareholders' Equity				
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?	✓		(I) The Company has a spokesman, an acting spokesman and dedicated personnel for investor services, and disclosed the contact information on the Company's website to handle shareholder suggestions or disputes.	No difference.
(II) Does the Company have a list of the major shareholders who actually control the Company and the final controllers of the major shareholders?	✓		(II) The Company has established a stock affairs unit and appointed a stock affairs agency, and all major shareholders report their shareholding changes to the Company in accordance with regulations. The list of the top ten shareholders is also published in the annual report and the Company's website every year, enabling the Company to grasp the actual controllers of the Company's major shareholders and the final controller list of the major shareholders.	No difference.
(III) Has the Company established and implemented risk control and firewall mechanisms with affiliated enterprises?	✓		(III) The Company's internal control covers risk management at the enterprise level and business activities at the operational level, and has formulated the "Subsidiary Supervision and Management Measures" to implement the risk control management mechanism for subsidiaries. In addition, the Company has established the "Key Points for Reinvestment Operations", which applies to strategic planning, evaluation and review of reinvestment, post-investment management, and exit mechanisms and handling.	No difference.
(IV) Has the Company formulated internal regulations to prohibit insiders from trading securities using information not yet published on the market?	✓		(IV) In February 2022, the Company's Board of Directors approved an amendment to Article 10 of the Chief Telecom Corporate Governance Best-Practice Principles, stipulating stock trading control measures for insiders from the date they become aware of the Company's financial reports or related operating results. These measures include,	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			but are not limited to, prohibiting directors from trading their shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report. The Company issued reminder notices to insiders on January 8, 2025; March 28, 2025; June 13, 2025; July 1, 2025; September 9, 2025; September 30, 2025; and December 19, 2025, requiring compliance with the relevant regulations. In 2025, there were no instances of the Company's insiders trading shares during the closed periods. In addition, the Company has established the "Code of Ethical Corporate Management" and the "Procedures for Ethical Management and Guidelines for Conduct," incorporating integrity and ethical values into the Company's business strategies, and, in compliance with applicable laws and regulations, has formulated relevant anti-fraud measures to ensure ethical corporate management, expressly stipulating the prohibition of insider trading, recusal due to conflicts of interest, and other matters. In 2025, the Company conducted educational training courses for all employees. Course title: "Educational Training on Personal Data Protection, Information Security, and Related Corporate Governance Issues (Including the Prohibition of Insider Trading)" and "Educational Training on the New Four Anti-Fraud Acts, KYC for Telecommunications Enterprises, and Corporate Governance Issues (Including the Prohibition of Insider Trading)"; Training dates: July 24, 25, 2025, and December 16, 19, 2025; Participants: all employees of the Company; Total attendance / total hours: 167 persons / 668 hours	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors formulated a diversification policy and specific management objectives and implemented them accordingly?	✓		(I) 1. Diversification policy: The Company has established the "Corporate Governance Best-Practice Principles of Chief Telecom Incorporation," and Article 20 regulates that diversification should be considered for the composition of the Board of Directors, and appropriate diversification policies should be formulated based on its	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			own operation, business form and development needs, which should include but not be limited to the two major aspects of basic conditions and values (gender, age, nationality, culture, ethnic group, etc.), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology), while generally possessing the necessary knowledge, skills and literacy to perform duties. 2. Specific Management goals: The board of directors coordinates the Company's strategy and supervises the management level. All members of the board of directors possess the necessary knowledge, skills, literacy, business decision-making and management abilities to execute business. At the same time, the Company continuously arranges diversified training courses for board members every year to enhance their decision-making quality and supervisory ability, thereby strengthening the functions of the board of directors. 3. Implementation of diversification by board members: (1) Directors shall possess diversified professional knowledge and skills across various fields: The current Board of Directors of the Company consists of seven directors, including three independent directors. Each director possesses the necessary abilities for the diversified development of the Company's business. By the end of 2025, three independent directors have their respective professional knowledge and skills in accounting, auditing and legal capability, and the goal that directors shall possess diverse professional knowledge and skills in various fields has been achieved. (2) Gender equality and diversity objective of having at least one female director in the composition of the Board of Directors: The Company places importance on gender equality in the composition of the Board of Directors. As of the end of 2025, among the seven directors,	

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) In addition to setting up the Remuneration Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?	✓		there are two female directors, thereby fulfilling and exceeding the Company's objective of having at least one female director to achieve gender equality and diversity in the composition of the Board of Directors. (II) Risk Management Committee: The Company places importance on risk management and established the "Risk Management Committee" under the Board of Directors in April 2022. Currently, three independent directors, Chan-Chuan Lin, Dao-Hong Lu, and Yu-Fen Lin, serve as committee members, with Independent Director Dao-Hong Lu serving as the convener. The convener possesses capabilities in operational judgment and the identification and management of risk events, ensuring that risks remain within a controllable range and do not exceed the Company's risk appetite, and is responsible for supervising risk management. Responsibilities of the Risk Management Committee: The main responsibilities of the Committee include reviewing risk management policy and structure, risk appetite and tolerance, supervising the operation of the risk management mechanism, reviewing management report on major risk issues, and timely reporting on risk management to the board of directors. Implement status of the Committee: The Committee shall convene a Risk Management Committee Meeting at least once a year, and may convene a meeting as necessary at any time. The Company's annual risk assessment report should not only be submitted to the Risk Management Committee, but also be submitted to the board meeting together with the annual budget. The regular risk assessment report should be submitted to the Risk Management Committee for reference within fifteen days after the end of each quarter. The operation status in 2025 is that a Risk Management Committee meeting was held on December 18, 2025. Propose a contingency plans for risk types, potential risk events and impact assessments such as "politics and laws", "technology and operation", "market and competition",	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company formulated the performance evaluation measures and the evaluation method for the Board of Directors, conducted the performance evaluation annually and regularly, and submitted the results of the performance evaluation to the board meeting and used them for the reference of individual directors' remuneration and nomination for renewal?	✓		"climate change and environmental protection", and submit a risk management report to the board of directors on the same day. In addition, the Company's Planning Division compiles a risk assessment report every month and submits it to the Risk Management Committee for reference within fifteen days after the end of each quarter. The Risk Management Committee also provides suggestions on the content of the report. Nomination Committee: To enhance the functions of the Board of Directors and strengthen the management mechanism, the Company established the Nomination Committee under the Board of Directors in 2025. Sustainable Development Committee: To implement the Company's sustainable development objectives and strengthen sustainable governance, the Company established the Sustainable Development Committee under the Board of Directors in 2025. (III) The Company established the Regulations for Performance Evaluation of the Board of Directors in 2019 and conducts performance evaluations on a regular annual basis (including the Board of Directors, individual directors, the Audit Committee, the Remuneration Committee, the Risk Management Committee, the Sustainable Development Committee, and the Nomination Committee), as well as conducting an external performance evaluation of the Board of Directors every three years, as a reference for review and improvement, and as a basis for the selection or nomination of directors. The results of the 2024 self-evaluation were submitted to the Board of Directors on February 19, 2025, and the results of the 2025 self-evaluation were submitted to the Board of Directors on February 25, 2026. The most recent (2025) external evaluation results of the Board of Directors were submitted to the Board of Directors on October 28, 2025, and are used as a reference for directors' remuneration and nomination for reappointment.	No difference.
(IV) Does the Company regularly evaluate the independence of its certifying CPAs?	✓		(IV) The board of directors of the Company regularly evaluates the independence and competence of the certifying CPAs by referencing to audit quality indicators (AQIs)	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			every year: - The evaluation machine is as follows: - Evaluation procedure (A): Before the annual certification appointment, the certifying CPA firm must submit an independence declaration issued by the CPAs and the latest audit product quality indicator report (AQI Report) of the CPA firm, which includes five major dimensions, including professionalism, quality control management, independence, supervision and innovation ability and multiple indicators. The Company reviews the appropriateness of the indicator content one by one, and they need to be reviewed by the Audit Committee and approved by the Board of Directors. - Evaluation procedure (B): The certifying CPAs report to the Audit Committee on a quarterly basis on the compliance of the reviewed/audited content and independence. - Evaluation criteria: (A) The Company annually evaluates the independence and competence of CPAs using the "CPA Independence and Competence Evaluation Form." The independence evaluation includes 12 enumerated items, including whether the CPAs hold shares in the Company and its affiliated enterprises; whether the CPAs have lending or borrowing relationships with the Company and its affiliated enterprises; and whether the CPAs have any relationship of spouse, lineal blood relative, lineal relative by affinity, or collateral blood relative within the second degree with the Company's management personnel. The competence evaluation includes six enumerated items, including whether there are no sanctions imposed or circumstances impairing independence; and whether the CPAs proactively update the Company on tax regulations, securities regulations, and newly revised IFRSs. (B) Review of each indicator in the Audit Quality Indicator Report (AQI Report) to determine whether there are any abnormal conditions in the values of the indicators of the CPAs and their teams compared with the industry average. - The evaluation results are as follows: The Company has conducted an independence and competence evaluation of CPAs in accordance with the evaluation	

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(V) (V) Does the Company have a succession plan for board members and important management members?	✓		mechanism above, and filled in the “CPA Independence and Competence Evaluation Form,” and has obtained an Audit Quality Indicator Report (AQI Report) from the CPA firm in 2025 and 2026. After the Audit Committee explains the evaluation of the AQI Report, it is submitted to the Audit Committee for review and the Board of Directors for approval. In the past two years, the AQI Report were reviewed by the Audit Committee and approved by the Board of Directors on February 19, 2025 and February 25, 2026, respectively. The certifying CPAs are not related parties of the Company, and the Company has obtained the independence declaration from the CPAs. The Audit Quality Indicator Report (AQI Report) issued by the CPA firm was reviewed by the Company on the five major dimensions including professionalism, quality control management, independence, supervision and innovation ability and their 13 indicators, and there was no abnormality compared with the average of the industry. (V) The Company has established the “Chief Telecom Succession Plan for Key Management Personnel”: 1. The objective of the plan is to ensure that suitable successors are available for key management positions in the event of position changes (such as resignation, retirement, or promotion). 2. To establish a stable talent pipeline and reduce operational risks. 3. To strengthen the organization’s ability to respond to the future and sustain development momentum. The successor capability assessment and development plan includes: 1. Core competency assessment 2. Leadership 3. Decision-making capability 4. Communication and coordination capability 5. Professional skills 6. Cross-departmental integration capability Training methods (selected based on the current status of successors): 1. Rotation assignments to other departments to serve as supervisors or deputies to accumulate management experience. 2. Project personnel serving as leaders of	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			cross-departmental projects. 3. Advanced training programs, including leadership development, strategic planning, financial management, etc. 4. Mentorship system – assigning senior executives as mentors to provide guidance and feedback. 5. Assessment and evaluation – understanding the current status of successors through evaluations and scenario simulations designed by supervisors. Actual succession planning and implementation status for members of the Board of Directors and key management personnel are as follows: (1) Succession plans for aboard members and implementation status: Regarding the succession planning of the Board of Directors, the “Articles of Incorporation” of the Company specifies that the election of directors shall adopt the candidate nomination system, and the “Corporate Governance Best-Practice Principles” and “Procedures for Election of Directors” state that the board’s composition should consider diversity. The guidelines for board diversity are based on the company’s operations, business model, and developmental requirements. This includes, but is not limited to, criteria based on two main dimensions: fundamental qualifications and values, and professional knowledge and skills. This approach ensures that the board represents a diverse range of perspectives and competencies, which are critical for effective governance and strategic decision-making. Implementation status: Currently, director candidates are primarily appointed by the parent company, Chunghwa Telecom, ensuring that they possess the necessary management capabilities, professional expertise, and extensive industry and academic experience to support the company’s growth and governance. The independent directors are required to have work experience in commerce, law, finance, accounting or company	

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			business. The Company hires independent directors in accordance with legal requirements. The company appoints independent directors while also considering that their consecutive terms do not exceed three terms. Currently, independent directors have accounting, auditing and legal expertise respectively, can perform the corporate governance function and meeting the diversification goal of the board of directors. In alignment with the goal of board diversity, the selection of independent directors aims to promote gender equality and inclusivity. The Company has established a Board of Directors Performance Evaluation Method and conducts regular internal and external assessments to ensure the board operates effectively. Additionally, in 2025, the Company established a Nomination Committee to enhance the evaluation of director performance, serving as a reference for the future selection of board members. (2) Succession plans for important management members and implementation status: Succession planning for key management: The Company's management team (including the General Manager, Vice General Managers, and Associate Vice Presidents) possesses leadership capabilities in their professional fields and business development. The Company plans to hold regular training courses annually, where operational strategy meetings are conducted, allowing senior and middle management to engage in group discussions and reports to enhance their professional skills and decision-making quality. Additionally, the Company carries out annual employee performance evaluations, rewards employees for continuous learning, and promotes the enhancement of professional skills to prepare future successors. Implementation status of succession for key management personnel: To cultivate	

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			key management personnel and their deputies, the Company regularly conducted internal and external training programs in 2025. At the end of 2025, an operational strategy meeting was held, during which mid-level and senior management engaged in group discussions and presentations to enhance their professional capabilities and decision-making quality. The meeting, held in December 2025, was attended by 80 participants. In addition, the Company conducts annual employee performance evaluations to understand individual development needs and the Company's expectations through daily observation and performance assessments. Additionally, the Company conducts annual employee performance evaluations to assess individual development needs and corporate expectations through continuous observation and structured assessments. Employees are encouraged to pursue continuous learning, professional skill enhancement, knowledge sharing from senior staff, and a proactive work attitude, which are the five key focuses of the Company's succession planning strategy. Currently, most associate vice presidents have been promoted through long-term internal training programs, and annual adjustments are made to identify and promote suitable candidates for leadership roles based on organizational planning. The Company regularly reviews the implementation of the "Important Manager Succession Plan" annually. On April 30, 2025, the Board of Directors promoted him to Deputy General Manager of the Internet Application Division as planned, showcasing the Company's tangible results in succession planning and senior talent development.	
IV. For a TWSE/TPEX listed company, has it allocated competent and an appropriate number of corporate governance personnel, and	✓		The board meeting on August 1, 2025 approved the appointment of Yu-Pei Chen, VP of Finance Department, as the Corporate Governance Director, responsible for corporate governance related affairs.	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
designated a director of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meeting and shareholders' meeting according to law, and preparing minutes of the board meeting and shareholders' meeting, etc.)?				
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder zones on the Company's website, and properly responded to important corporate social responsibility issues of concern to stakeholders?	✓		The Company has established a dedicated stakeholder section on its website (https://www.chief.com.tw/esg/stakeholder/) to maintain smooth communication channels with stakeholders (including government agencies, shareholders/investors, suppliers/contractors/outsource providers, employees, and media). In response to issues of concern to stakeholders (such as corporate governance, risk management, and operating performance), the Company has designated responsible personnel and established response and handling channels (such as the Company's website email mailbox, employee suggestion box, and investor conferences), and has disclosed relevant information on policies, strategies, or actions concerning stakeholders on the website. The Company reports annually to the board meeting on the communication with stakeholders. The most recent report was made to the Board of Directors on October 28, 2025 regarding stakeholder communication in 2025.	No difference.
VI. Has the Company appointed a professional stock affairs agency to handle the affairs of the shareholders' meeting?	✓		The Company has appointed the Stock Affairs Agency Department of Yunta Securities to handle shareholders' meeting affairs.	No difference.
VII. Information Disclosure (I) Has the Company set up a website to disclose financial business and corporate governance information?	✓		(I) The Company's website (https://www.chief.com.tw/) to update the disclosure of financial business and corporate governance information in a timely manner; also announced and reported the Company's overview and various financial	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) Has the Company adopted other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, placing on the company website the corporate investor briefing process, etc.)?	✓		information on the Market Observation Post System in accordance with the regulations of the competent authorities. (II) The Company has designated dedicated personnel to be responsible for collecting and disclosing relevant information (including financial information, corporate governance, corporate investor briefings, etc.) for the spokesman, acting spokesman and relevant business departments to answer queries from stakeholders and regulatory authorities; Additionally, an English website is maintained to promptly announce revenue, financial reports, and corporate governance information, is also simultaneously posted on the company's website and on the public information observation station to ensure transparency and accessibility for all interested parties.	No difference.
(III) Has the Company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports and monthly operating conditions before the prescribed deadlines?	✓		(III) The Company announced and reported the 2025 financial report on February 25, 2026, and announced and reported the 2024 financial report on February 19, 2025, announced and filed its first, second, and third quarter financial reports and monthly operating conditions before the prescribed deadlines.	No difference.
VIII. Does the Company have other important information that can help to understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, directors and supervisors' further study, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	✓		(I) Employee rights and interests: The Company protects the basic rights and interests of employees in accordance with the Labor Standards Act, and established an Employee Welfare Committee to emphasize employee benefits and welfare. The Company regularly holds labor management meetings to ensure communication of opinions between the two parties. In addition, employees are covered by group insurance, regular health checkups, and multiple benefits such as maternity subsidies and childcare subsidies, which provide employees with stable livelihood guarantees. (II) Employee care: The Company has diverse and smooth communication channels such as the opinion box, for employees to express their opinions. The "on-site occupational health and safety" service is held every month to create a safe and secure workplace. (III) Investor relations: The Company has a spokesman and acting spokesman	No difference. No difference. No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			responsible for communicating on behalf of the Company externally; dedicated personnel are also assigned to disclose company information on the MOPS in accordance with legal regulations. (IV) Supplier relationships: The Company procures various equipment from suppliers in accordance with the relevant provisions of the "Procurement Management Measures." The Company conducts regular annual evaluations of suppliers in terms of price, quality, service, delivery schedule, information security, and ESG compliance, and requires suppliers to complete the "Sustainable Development Self-Assessment Questionnaire," thereby establishing a stable and sustainable supply chain. In addition, the Company has formulated the "Supplier Management Policy", which includes ethical corporate management and trading, human rights protection, joint commitment, and green procurement to ensure the Company's joint implementation of environmental protection, labor rights protection and sustainable development with suppliers, so as to perform social responsibility and establish a sound supply chain. (V) Rights of Stakeholders: The Company maintains good communication channels with stakeholders, and sets up a dedicated area for stakeholders on the company website to respect and safeguard their legitimate rights and interests. Additionally, there is a system of spokesman and acting spokesman to handle issues and suggestions raised by shareholders. (VI) Directors' further study: The Company regularly arranges directors to participate in professional knowledge courses every year, and has purchased liability insurance for directors, so they can safely and prudently carry out the responsibilities of directors without fear for the rights and interests of investors. (VII) Implementation of risk management policy and risk measurement standards: The Company has established risk management regulations that have been approved by the board of directors, and has established a Risk Management	No difference. No difference. No difference. No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Committee under the board of directors to conduct regular risk assessments of issues related to company operations on a monthly basis, and implement the resolutions; the status is regularly submitted to the Risk Management Committee for future reference. Quarterly Risk Management Committee meetings are held every year, and operational risk assessments and contingency plans are reported to the board meeting, and the internal audit unit regularly and irregularly audit the implementation of the internal control system. (VIII) Implementation of customer policy: The Company maintains a good relationship with customers, and provides customer services in accordance with various internal management measures. Regular customer satisfaction surveys to continuously improve service quality, and include customer churn rate as the annual BSC achievement rate.	No difference.
IX. Has the Company developed an intellectual property management policy, objective and system that are linked to its operation strategy?	✓		The Company established the “Chief Telecom Intellectual Property Management Plan” on July 14, 2023 (for details, please refer to the Company’s website: https://www.chief.com.tw/investor/chief_corporate_governance/important_company_regulations/), which sets forth intellectual property management policies, objectives, and systems linked to its operational strategies, covering the Company’s patents, trademarks, copyrights, and other items, and regulating the acquisition, maintenance and management, protection and risk management, and education and promotion of intellectual property. The implementation status of this management plan is reported to the Board of Directors once annually. The most recent report was made to the Board of Directors on October 25, 2025 regarding the implementation status of intellectual property management in 2025, as follows: I. The Company has progressively established an intellectual property management system, with the main implementation status as follows: (1) In accordance with the “Intellectual Property Management Plan,” the Company effectively manages, utilizes, and protects intellectual property across	No difference.

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			the entire Company. (2) The employment contracts signed between the Company and its employees include intellectual property ownership clauses, stipulating that intellectual property completed by employees in the course of their duties shall belong to the Company. (3) To strengthen employees' awareness of intellectual property rights, it is stipulated that when employees use computers, the internet, or various audiovisual products related to intellectual property rights, they shall use legally licensed software or obtain authorization for use, and shall not privately download illegal software or engage in any acts that infringe upon others' intellectual property rights. (4) The Company has established the "Code of Conduct of Chief Telecom Co., Ltd." to build a corporate culture of ethical management and strengthen management provisions related to the prevention of conflicts of interest, prohibition of competition with the Company, and confidentiality obligations. Employees shall also comply with relevant intellectual property laws and regulations, the Company's internal operating procedures, and contractual provisions, and shall not engage in any acts that infringe upon intellectual property rights. (5) The Company has established the "Information Security Policy" to protect the Company's information assets from damage, and stipulates that all employees and third-party personnel who use the Company's information assets have the responsibility and obligation to protect such assets to prevent unauthorized access, alteration, damage, or improper disclosure. (6) The Company continuously manages the status of trademark applications, and the responsible management unit maintains records accordingly. (7) In July 2025, the Company conducted a legal training course for all employees on intellectual property rights and confidentiality awareness to ensure that employees understand the importance of	

Evaluation item	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			confidentiality obligations. The training content included laws and regulations related to confidentiality obligations, such as the Personal Data Protection Act, the Criminal Code, and the Trade Secrets Act. II. The Company's intellectual property inventory and results: (1) Trademark rights: As of July 31, 2025, the Company has obtained a total of 51 valid registered trademarks, and there are currently no trademarks under application. (2) Patent rights: Based on the Company's service-oriented business model in the telecommunications industry, as of July 31, 2025, the Company has no patent applications or granted patents. (3) Copyrights: For the current year, these mainly include the Company's issued electronic newsletters, external promotional materials, press releases, and updates to the Company's official website pages.	
X. Please explain the situation that has been improved according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority strengthening items and measures for those that have not been improved. (need not be filled in for those not listed as companies for evaluation)	✓		I. In 2025, the Company strengthened improvements in response to the 2024 Corporate Governance Evaluation as follows: introduction of ISO 50001 or similar energy management system standards and obtaining third-party verification (Indicator 4.28). Priority enhancement items for the future (2026): whether the Company has established and disclosed strategies and measures to promote natural carbon sequestration, and explained the implementation status? (Indicator E-15). II. In 2025, the Company obtained the CG6015 Corporate Governance System Evaluation Excellence Certification from the Taiwan Corporate Governance Association (valid from December 29, 2025 to December 28, 2027).	No difference.

(IV) If the Company has established a remuneration committee, disclose its composition, responsibilities, and operation status.

1. Members of Remuneration Committee

Identity	Requirements	Professional qualifications and experience	Independence status	Number of remuneration committees of other public companies concurrently serving	Remarks
	Name				
Independent Director (convener)	Chan-Chuan Lin	Major experience including PhD in Accounting, University of Maryland, USA, Director of Accounting Research and Development Foundation, Acting Dean of College of Management, National Taiwan University, Dean and Director of Accounting Department, National Taiwan University and Professor of Department of Accounting, National Taiwan University, with positions of lecture or above in an accounting related department of public or private university or college, with more than 5 years of work experience for finance, accounting and company business, but without the circumstances specified in Article 30 of the Company Act.	1. Whether the person, his/her spouse or second-tier relatives (or in the name of others) are directors, supervisors or employees of the company or its affiliated enterprises: No. 2. The person, the spouse, a relative within the second degree of kinship (or in the name of another person) Number and percentage of shares held; none. 3. Whether the person is a director, supervisor or employee of a company with a specific relationship with the Company: No. 4. Amount of remuneration received for providing business, legal, financial, accounting and other services of the Company or its affiliated enterprises in the last two years: None.	3	None.

Identity	Requirements	Professional qualifications and experience	Independence status	Number of remuneration committees of other public companies concurrently serving	Remarks
	Name				
Independent Directors	Tao-Hong Lu	Experience as Chief Auditor of Chunghwa Telecom Co., Ltd., with more than 5 years of work experience for commerce and company business, but without the circumstances specified in Article 30 of the Company Act.	- Whether the person, his/her spouse or second-tier relatives (or in the name of others) are directors, supervisors or employees of the company or its affiliated enterprises: No. - The person, the spouse, a relative within the second degree of kinship (or in the name of another person) Number and percentage of shares held; none. - Whether the person is a director, supervisor or employee of a company with a specific relationship with the Company: No. - Amount of remuneration received for providing business, legal, financial, accounting and other services of the Company or its affiliated enterprises in the last two years: None.	0	None.

Identity	Requirements	Professional qualifications and experience	Independence status	Number of remuneration committees of other public companies concurrently serving	Remarks
	Name				
Independent Directors	Yu-Fen Lin	Experience as Member of the Private Equity Fund Review Committee, National Development Council, and Attorney-at-Law/Chief of Honorary Partner, Law and Hornor Attorneys-at-Law, with more than 5 years of work experience and qualifications for legal and company business, but without the circumstances specified in Article 30 of the Company Act.	- Whether the person, his/her spouse or second-tier relatives (or in the name of others) are directors, supervisors or employees of the company or its affiliated enterprises: No. - The person, the spouse, a relative within the second degree of kinship (or in the name of another person) Number and percentage of shares held; none. - Whether the person is a director, supervisor or employee of a company with a specific relationship with the Company: No. - Amount of remuneration received for providing business, legal, financial, accounting and other services of the Company or its affiliated enterprises in the last two years: None.	1	None.

2. Operation status of Remuneration Committee

(1) There are three members on the Remuneration Committee of the company.

(2) The term of office of the current (4th term) member is from November 16, 2023 to November 15, 2026. The Remuneration Committee held four meetings (A) in 2025, and the members' qualifications and attendance is as follows:

Title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Convener	Chan-Chuan Lin	4	0	100%	Scope of responsibility: 1. Establish the standards and regularly review the performance of directors and managers as well as the salary and remuneration policies, systems, standards and structures. 2. Regularly evaluate and set the salary and remuneration of directors and managers.
Member	Tao-Hong Lu	4	0	100%	
Member	Yu-Fen Lin	4	0	100%	

Other matters to be recorded:

1. If the board meeting does not adopt or amend the suggestions of the Remuneration Committee, state the date of the board meeting, the session, the content of the proposal, the resolution of the board meeting, and the Company's handling of the opinions of the Remuneration Committee (if the remuneration adopted by the board meeting is superior to the suggestions of the Remuneration Committee, state the circumstances and reasons for the differences): No such situation.
2. If the members of the Remuneration Committee disagree or reserve their opinions on the resolutions, and there are records or written statements in place, state the date, session, content of the proposal, opinions of all members, and the handling of the opinions of the members: None.
3. Matters discussed by the Remuneration Committee (including annual key work items) and resolution results (operation status):

Date	Term number	Agenda (Annual work focus: review of the salaries and compensation of directors and executives, regular review of the policies, systems, standards, and structures for director and executive performance evaluations and compensation)	Resolutions (Implementation status)
2025.2.19	7th meeting of the 4th term	1. Distribution of directors' and employees' remuneration for 2024.	Remuneration Committee: The proposal was approved by all the members present and submitted to the board meeting for resolution.
2025.4.30	8th meeting of the 4th term	1. Appointment of the Deputy General Manager (managerial officer) of the Network Applications Division. 2. 2024 performance bonus for managers. (Annual work focus)	
2025.7.29	9th meeting of the 4th term	1. Remuneration of managers for 2024. (Annual work focus) 2. Remuneration of directors for 2024. (Annual work focus)	Board meeting: Approved by all attending directors; except directors who avoided due to personal interests, approval was obtained from other attending directors. The Company:
2025.12.18	10th meeting of the 4th term	1. Policies, systems, standards, and structures of the salary and remuneration of the Company's directors and managers. (Annual work focus)	

			1. The appointment of the Deputy General Manager of the Network Applications Division became effective on May 1, 2025. 2. Approved proposals were implemented according to schedule.

(V) The Company has established a Nomination Committee; its composition, responsibilities, and operation status are as follows:

1. Composition of the Nomination Committee

The Company's Board of Directors approved the establishment of the Nomination Committee on July 29, 2025. The Committee consists of three members, namely Chairman Hong-Chia Shao, Independent Director Chan-Chuan Lin, and Independent Director Tao-Hong Lu, who serve as members of the first Nomination Committee. Independent Director Chan-Chuan Lin serves as the convener and chair of the meetings.

2. Responsibilities of the Nomination Committee are as follows:

- (1) Formulate and review the composition and qualification criteria of the Board of Directors, review the qualifications of director candidates, and nominate director candidates.
- (2) Evaluate the independence of independent directors.
- (3) Formulate directors' continuing education programs.
- (4) Other matters resolved by the Board of Directors to be handled by the Committee.

3. Information on the operation status of the Nomination Committee

(1) The Nomination Committee of the Company consists of three members.

(2) The term of office of the current (first term) committee members is from July 29, 2025 to November 15, 2026. In 2025, the Nomination Committee held one meeting (A), and the qualifications and attendance of members are as follows:

Title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Convener and chair of the meeting (Independent Directors)	Chan-Chuan Lin	1	0	100%	-
Member (Independent Directors)	Tao-Hong Lu	1	0	100%	-
Member (Chairman)	Hong-Chia Shao	1	0	100%	-

Other matters to be recorded:

1. If the Board of Directors does not adopt or amends the recommendations of the Nomination Committee, the Company shall specify the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company's handling of the Nomination Committee's opinions: None.
2. For resolutions of the Nomination Committee, if any member has objections or reservations and such opinions are recorded or stated in writing, the Company shall specify the date and session of the Nomination Committee meeting, the content of the proposal, the opinions of all members, and the handling of such opinions: None.
3. Matters discussed by the Nomination Committee (including annual key work items) and resolution results (operation status):

Date	Term number	Agenda (Annual key work items: formulation of directors' continuing education plans.)	Resolutions (Implementation status)
2025.10.28	1st meeting of the 1st term	1. Matters related to directors' continuing education.	Nomination Committee: Approved by all members in attendance and submitted to the Board of Directors for resolution. Board meeting: Approved as proposed by all directors in attendance. The Company: 1. Arrangement of directors' continuing education hours and course planning.

Note 1: To enhance the governance effectiveness of the Company's Board of Directors and assist directors in continuously improving their professional competencies, a continuing education roadmap for directors (including independent directors) has been established in accordance with the "Guidelines for the Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies" and the core and professional course framework planned by the Corporate Governance Center, serving as the basis for directors' continuing education hours and course planning.

Note 2: There was no re-election of directors in 2025; the review of director candidates' qualifications and nomination of director candidates were conducted. In 2025, the operation of the Nomination Committee focused on planning matters related to directors' continuing education.

(VI) The Company has established a Risk Management Committee; its composition, responsibilities, and operation status are as follows:

1. Composition of the Risk Management Committee

On November 16, 2023, the Company's Board of Directors approved the establishment of the Risk Management Committee, which is currently composed of three independent directors, namely Chan-Chuan Lin, Dao-Hong Lu, and Yu-Fen Lin, who serve as members of the first Risk Management Committee, with Dao-Hong Lu serving as the convener and chair of the meetings.

2. Responsibilities of the Risk Management Committee are as follows:

- (1) Management policies and framework, risk appetite, and risk tolerance.
- (2) Supervision of the operation of risk management mechanisms.
- (3) Review of management reports on major risk issues.
- (4) Reporting risk management status to the Board of Directors in a timely manner.

3. Information on the operation status of the Risk Management Committee

- (1) The Risk Management Committee of the Company consists of three members.
- (2) The term of office of the current (first term) committee members is from November 16, 2023 to November 15, 2026. In 2025, the Risk Management Committee held three meetings (A), and the qualifications and attendance of members are as follows:

Title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Convener and chair of the meeting (Independent Directors)	Tao-Hong Lu	3	0	100%	-
Member (Independent Directors)	Chan-Chuan Lin	3	0	100%	-
Member (Independent Directors)	Yu-Fen Lin	3	0	100%	-
Member (General Manager)	Yao-Yuan Liu	2	0	100%	To enhance the independence of the Risk Management Committee, all independent directors serve as members. The effective date of resignation was October 29, 2025, and the number of meetings to be attended was two.

Other matters to be recorded:

1. If the Board of Directors does not adopt or amends the recommendations of the Risk Management Committee, the Company shall specify the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company's handling of the Risk Management Committee's opinions: None.
2. For resolutions of the Risk Management Committee, if any member has objections or reservations and such opinions are recorded or stated in writing, the Company shall specify the date and session of the Risk Management Committee meeting, the content of the proposal, the opinions of all members, and the handling of such opinions: None.
3. Matters discussed by the Risk Management Committee (including annual key work items) and resolution results (operation status):

Date	Term number	Agenda (Annual key work items: review of management reports on major risk issues.)	Resolutions (Implementation status)
2025.10.28	2nd Term, 4th Meeting	1. Amendment to the "Risk Management Committee Charter."	Risk Management Committee: Approved by all members in attendance.
2025.12.18	2nd Term, 5th Meeting	1. Election of the convener of the Risk Management Committee. 2. 2026 Risk Management Report (annual key work items)	Board meeting: The 2026 risk management report was reported to the Board of Directors on December 18, 2025. The Company: Implementation of risk management operations.

- (VII) The Company has established a Sustainable Development Committee; its composition, responsibilities, and operation status are as follows:
1. Composition of the Sustainable Development Committee
On April 30, 2025, the Company's Board of Directors approved the establishment of the Sustainable Development Committee. The current first-term committee consists of three members, namely Chairman Hong-Jia Shao, Independent Director Chan-Chuan Lin, and Independent Director Dao-Hong Lu. Under the Sustainable Development Committee, there are the Operations Management Group, the Sustainable Environment Group, the Information Security Group, and the Labor Rights Group. Each group is led by a Deputy General Manager at the department level, and the Associate Vice President of the Sustainable Development Department serves as the executive secretary, responsible for operational planning and execution tracking.
 2. Item names demonstrating members' professional knowledge and capabilities in corporate sustainability:
 - (1) Chairman Hung-Chia Shao: Previously served as Associate Manager of the E-commerce Division of PChome Online Inc. and Chief Business Officer of ELTA Technology Co., Ltd., with experience in operations management, talent development, and service innovation, and has obtained ISO 50001:2018 Energy Management System training certification.
 - (2) Independent Director Chan-Chuan Lin: Currently serves as Convener of Supervisors of the Taiwan Corporate Governance Association, with extensive knowledge and practical experience in corporate governance.
 - (3) Independent Director Tao-Hung Lu: Previously served as Chief Auditor of Chunghwa Telecom Co., Ltd., with expertise and practical experience in information security and risk control.
 3. Responsibilities of the Sustainable Development Committee are as follows:
 - (1) Formulate, promote, and strengthen the Company's sustainable development policies, annual plans, and strategies.
 - (2) Review, track, and revise the implementation status and effectiveness of sustainable development.
 - (3) Supervise sustainability information disclosure matters and review the sustainability report.
 - (4) Supervise the implementation of the Company's Sustainable Development Best-Practice Principles or other sustainable development-related matters resolved by the Board of Directors.
 4. Information on the operation status of the Sustainable Development Committee
 - (1) The Sustainable Development Committee of the Company consists of three members.
 - (2) The term of office of the current (first term) committee members is from April 30, 2025 to November 15, 2026. In 2025, the Sustainable Development Committee held two meetings (A), and the qualifications and attendance of members are as follows:

Title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Member and Convener (Chairman)	Hong-Chia Shao	2	2	100%	-

Title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Member (Independent Directors)	Chan-Chuan Lin	-	-	-	To strengthen supervisory functions, the appointment of an independent director was approved by the Board of Directors on October 28, 2025.
Member (Independent Directors)	Tao-Hong Lu	-	-	-	To strengthen supervisory functions, the appointment of an independent director was approved by the Board of Directors on October 28, 2025.
Member (General Manager)	Yao-Yuan Liu	2	2	100%	To strengthen supervisory functions, resignation was approved by the Board of Directors on October 28, 2025.
Member (Deputy General Manager of Planning Division)	Wen-Han Chiang	2	2	100%	To strengthen supervisory functions, resignation was approved by the Board of Directors on October 28, 2025.

Other matters to be recorded:

1. If the Board of Directors does not adopt or amends the recommendations of the Sustainable Development Committee, the Company shall specify the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company's handling of the Sustainable Development Committee's opinions: None.
2. For resolutions of the Sustainable Development Committee, if any member has objections or reservations and such opinions are recorded or stated in writing, the Company shall specify the date and session of the Sustainable Development Committee meeting, the content of the proposal, the opinions of all members, and the handling of such opinions: None.
3. Matters discussed by the Sustainable Development Committee (including annual key work items) and resolution results (operation status):

Date	Term number	Agenda (Annual key work items: formulation of sustainable development policies and review of the sustainability report)	Resolutions (Implementation status)
2025.7.8	1st meeting of the 1st term	1. Proposal for the election of the convener of the first Sustainable Development Committee. 2. 2024 Sustainability Report (Annual work focus)	Sustainable Development Committee: Approved by all members in attendance. Board meeting: The 2024 Sustainability Report and the 2025 Sustainable Development Policy were approved by all directors in attendance.
2025.10.9	2nd meeting of the 1st term	2025 Sustainable Development Policy. (Annual work focus)	The Company: Implementation of sustainable development policies.

(VIII) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board meeting to be handled by senior management and supervised by the board of directors?	✓		Promotion of Sustainable Development Governance Structure: The Company established the Sustainable Development Committee in April 2022. The President serves as the chairman of the Committee, and the committee's responsibilities include the operation and management team, the sustainable environment team, the information security team, and the labor rights team. The current composition of the Sustainable Development Committee comprises three members: Chairman Hong-Chia Shao, Independent Director Chan-Chuan Lin, and Independent Director Dao-Hong Lu. The Sustainable Development Committee convenes at least once each year. In 2025, meetings were held in July and October, and the implementation status of sustainable development was reported to the Board of Directors on October 28, 2025. Each year, the Company's Sustainable Development Committee conducts risk assessments on environmental, social, or corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulates relevant risk management policies or strategies. (Major issues for 2025 include:	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			climate change and environmental protection; risk assessment: the risk of the government imposing carbon taxes on enterprises for environmental protection purposes and requiring enterprises to procure green electricity, thereby increasing operating costs; risk management policies or strategies: conducting annual greenhouse gas inventories and obtaining ISO 14064-1 international certification, replacing outdated data center air conditioning equipment, investing in energy-saving or green energy-related environmentally sustainable machinery and equipment. In 2025, the Company improved equipment energy usage by replacing air conditioning equipment, implemented various electricity-saving measures to enhance the data center's PUE power usage efficiency, and adopted smart building and green building designs for new data centers to reduce greenhouse gas emissions.) Explanation of the Board of Directors' supervision of sustainable development (including the formulation, review, and revision of management policies, strategies, and objectives): (1) In April 2025, a board-level Sustainable Development Committee was established to promote and strengthen sustainable development policies, annual plans, and strategies. (2) The Board of Directors	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			regularly receives reports from the management team on a quarterly basis (including ESG-related reports) and the progress of sustainable development. The Board discusses strategies to improve corporate governance evaluation rankings and sustainability-related objectives, and reviews the progress of implementing ESG strategies. (3) In 2025, with the support of the directors, the Company ranked among the top 5% of TPEX listed companies in the 10th Corporate Governance Evaluation. (4) In March 2025, the Company completed the greenhouse gas emissions inventory for 2024 and obtained a verification statement issued by GREAT Certification Co., Ltd. (5) The Company obtained the CG6015 (2025) Corporate Governance System Evaluation – Excellence Certification from the Taiwan Corporate Governance Association. (6) The IDC data center obtained ISO 50001 Energy Management System certification and actively promotes the objectives of energy conservation and carbon reduction in data centers. All of the above were completed under the support and supervision of the Board of Directors for sustainable development.	
II. Does the Company conduct risk assessment governance issues related to the company's operations in accordance with	✓		The Company has established a Risk Management Committee, composed of three independent directors, with Independent	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
the principle of materiality, and has it formulated relevant on environmental, social and corporate risk management policies or strategies?			Director Tao-Hong Lu serving as the convener. The Company has formulated risk management regulations, including the operational framework of risk management. The risk sources defined in the regulations encompass risk assessments and strategies related to environmental, social, and corporate governance issues associated with the Company's operations, including economic environment, society and culture, technology, natural disasters and climate change, as well as non-compliance with environmental, climate, and other relevant regulations. The scope covers the Company and its subsidiaries (examples of issues include: continuous certification and recertification of ISO 27001/27011/27017/27018 and DCOS, setting annual employee training hours, and enhancing data center efficiency and replacing outdated equipment in response to climate change, among other environmental, social, and corporate governance issues). The regulations have been approved by the Board of Directors. In addition to conducting regular monthly risk assessments of operational issues and implementing and recording risk management measures, the Company reports operational risk assessments to the Board of Directors annually (the most recent was on December	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
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			18, 2025), with major issues and risk management strategies as follows: Types of risks: climate change and environmental protection Potential risk events: Strong earthquakes may cause damage to computer rooms. Climate change may lead to strong rains that may cause flooding in computer rooms. The risk of increased operating costs due to government-imposed carbon fees and requirements to procure green electricity. Impact Assessment: Strong earthquakes may cause damage to data centers, heavy rainfall could lead to flooding, posing a risk of operational disruptions. Government-imposed carbon fees and procurement of green electricity may increase operating costs. Contingency Plan: Enhance seismic design of data center structures, elevate data center foundations, and install water barriers around the perimeter. Deploy quickly installable flood gates at driveway entrances to reduce the risk of flooding. The Company conducts annual greenhouse gas inventories and has obtained ISO 14064-1 international certification, and cooperates with the Group in implementing RE100 carbon reduction policies and timelines, and procures green electricity as required.	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(I) The Company, as a telecommunications network enterprise, has established the “Chief Telecom Co., Ltd. Environmental Management Core Principles, Policies, and Systems” in accordance with industry characteristics. For details, please refer to the Company’s website: (https://www.chief.com.tw/esg/environment/). The Company’s core principles of environmental management are: 1.Principle of compliance and transparency; 2. Principle of environmental responsibility and governance; 3. Principle of scientific efficiency; 4. Principle of resource sustainability and circularity; 5. Principle of green supply chain collaboration The Company’s environmental management policy: In accordance with the above five principles, the Company systematically and comprehensively promotes environmental management work. 1. In compliance with domestic and international environmental laws and regulations and international standards, establish a transparent, executable, and verifiable	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			management system, strengthen operational carbon disclosure mechanisms, and promote science-based carbon management. 2. Commit to fully incorporating ecological benefits and green design concepts into core businesses, including data center construction and operations, cloud and AI applications, and network infrastructure. 3. Continuously optimize PUE performance through intelligent energy management systems and energy-saving solutions. 4. Actively promote green procurement and environmental responsibility within the supply chain, incorporating sustainability principles into supplier selection and cooperation mechanisms. 5. Require suppliers to comply with environmental regulations and sustainability clauses, promote green procurement policies, prioritize products with environmental labels, low carbon footprints, or recyclability, incorporate environmental performance into supplier selection and renewal criteria, and jointly build a sustainable supply	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			system that is both responsible and resilient. The Company's environmental management system covers: - Governance structure and compliance mechanisms - Establishment of a Sustainable Development Committee to regularly review the effectiveness of policy implementation and compliance with laws and regulations. - Designation of specific departments as responsible units to ensure that decisions are effectively communicated to the execution level. - Regular monitoring of changes in domestic and international environmental laws and regulations, and formulation of corresponding response measures. - Energy and equipment management standards - The data center operating units deploy intelligent energy management systems to monitor major energy-consuming systems.	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			(2) For new projects or equipment upgrades, evaluation is required to adopt high-efficiency energy-saving technologies and to record the expected energy-saving benefits. 3. Greenhouse gas inventory and verification (1) Annual greenhouse gas inventories are conducted in accordance with the international standard ISO 14064-1. (2) The Sustainable Development Committee sets annual carbon emission reduction targets as a basis for low-carbon transformation. 4. Supply chain and waste management (1) Supplier management incorporates environmental performance into supplier evaluation and renewal criteria. (2) Waste disposal prioritizes recyclable or reusable methods. 5. Information disclosure and stakeholder communication mechanism	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			(1) Each year, the Company publicly discloses greenhouse gas emissions, major environmental issues, and management strategies through its sustainability report and corporate website. (2) Public disclosures are verified by independent third-party institutions to ensure the highest level of credibility of information disclosed to stakeholders. (3) Each year, the Company collects stakeholder feedback on environmental issues through meetings or questionnaires and incorporates such feedback into materiality analysis. Implementation status of environmental management for 2025 and as of the date of publication of the 2026 annual report is as follows: 1. Internal carbon pricing mechanism: In 2025, the Company formally established an internal carbon price of NT\$300 per metric ton of carbon dioxide equivalent as a basis for operational decision-making. 2. Renewable energy deployment: In accordance with the “Taipei City	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Net Zero Emissions Management Self-Governance Ordinance,” the Company completed the procurement of 10% renewable energy for Liyuan Building and Hongding Building in 2025, and will continue to plan the procurement of renewable energy (green electricity) for Lianyun Building in 2026. 3. In 2025, the Board of Directors approved the establishment of a “Board-level Sustainable Development Committee,” under which a Sustainable Environment Task Force was formed at the department level, incorporating climate change as a primary risk category. 3. Strengthening management through replacement of energy-saving equipment and monitoring systems. Energy-saving measures include: Introduction of high sensible heat EC FAN constant temperature and humidity air conditioning units. Replacement with high-efficiency UPS systems. Establishment of an energy monitoring system and optimization of cold and hot aisle configurations to enhance data center airflow efficiency. Replacement of air conditioning	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
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(II) Is the Company committed to improving energy efficiency and using renewable materials	✓		cooling water pumps with variable frequency control systems. 4. Implementation of the ISO 50001 Energy Management System and obtaining external verification, valid through October 2028. 5. In 2025, the Company issued a revised “Supplier Management Policy,” requiring suppliers to sign the “Supplier Sustainable Development Commitment.” In 2025, there were no incidents of supplier disruption due to violations of environmental regulations. 6. Green procurement: Priority is given to the use of green and energy-efficient equipment, such as split-type air conditioners within Liyuan Building. 7. The stakeholder section on the Company’s official website is updated annually with responses to sustainability development, greenhouse gas inventory, environmental issues, and other related topics. (II) In accordance with the ISO 50001 Energy Management System, the Company has established an “Energy Management Policy.” For details,	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
with low impact on the environment?			please refer to the Company's website (https://www.chief.com.tw/esg/environment/). The policy aims to enhance energy efficiency, reduce greenhouse gas emissions, promote green transformation, and continuously advance toward low-carbon operations and sustainable development objectives. The "Energy Management Policy" covers: 1. Continuous improvement of energy efficiency and reduction of energy usage costs. 2. Strictly abide by energy laws and regulations and comprehensively review energy usage. 3. Review the energy targets and secure information resources. 4. Implement an energy management system to reduce greenhouse gas emissions. 5. Supporting diverse renewable energies and promoting green design concepts. The Company has implemented ISO 50001 in accordance with its energy management plan and obtained third-party Aryaka International certification on October 23, 2025 (valid from October 23, 2025, to October 22, 2028).	
(III) Does the Company assess the potential risks and opportunities of climate	✓		(III) The Company has established a Sustainability Development Committee and a Risk Management Committee. It	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
change to the enterprise now and in the future, and take countermeasures for climate related issues?			has conducted assessments of the potential risks and opportunities posed by climate change to its current and future operations, and has formulated corresponding strategies, measures, and targets. Climate change and environmental protection have also been identified as material topics in the 2025 operational risk assessment. The corresponding response measures are outlined as follows: In response to the policy schedule for renewable energy obligated users, the Company has increased its purchase volume of renewable energy, resulting in higher operating costs (risk). The adoption of green electricity to enhance the Company's image and product credibility is expected to facilitate the acquisition of customer business opportunities, expand market demand, and increase operating revenue (opportunity).	
(IV) Does the Company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?	✓		(IV) Greenhouse gas emissions: In 2025 and 2026, the Company completed the 2024 greenhouse gas inventory in accordance with ISO 14064-1:2018 and obtained external verification from Great Certification. As of the annual report publication date (March 29, 2026), the 2025 greenhouse gas inventory had also been externally	No difference.

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	Yes	No	Summary	
			verified by Great Certification, but the complete assurance opinion for the 2025 greenhouse gas inventory had not yet been obtained. The complete assurance information will be disclosed in the 2025 Sustainability Report. The inventory boundary includes greenhouse gas emissions of the Company and its subsidiaries. 2024: Direct emissions (Category 1): 1,323.58 metric tons of carbon dioxide equivalent (CO₂e); indirect emissions (Category 2): 29,251.45 metric tons of carbon dioxide equivalent (CO₂e). Other indirect emissions (Category 3 to Category 6) (Scope 3): 5,572.67 metric tons of carbon dioxide equivalent (CO₂e). 2025: Direct emissions (Category 1): 1,264.11 metric tons of carbon dioxide equivalent (CO₂e); indirect emissions (Category 2): 37,719.13 metric tons of carbon dioxide equivalent (CO₂e). Other indirect emissions (Category 3 to Category 6) (Scope 3): 8,861.16 metric tons of carbon dioxide equivalent (CO₂e). Energy saving goal: Saving 1% of electricity consumption annually. Achievement: In accordance with energy management laws and	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			regulations, the annual electricity saving rate in the past three years is 1%. When replacing or newly procuring equipment, priority is given to energy-efficient design products, such as high sensible heat EC FAN constant temperature and humidity air conditioning units, rack-mounted precision air conditioning units, and the establishment of energy monitoring systems to manage data center airflow efficiency (cold and hot aisle configurations), among other energy-saving measures. Water Use: Water management policy: Water conservation and protection of water resources are key priorities for us. As we are not a manufacturing company, we do not use water in our processes. During the Company's operations, water is used by third parties from the water supply company. Underground water or other water sources are not used. After self-examination, the main water consumption is the cooling towers and chillers of the computer room air conditioning cooling system and general domestic water. No process wastewater is discharged. Water usage for the most recent two	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			years (scope covers the Company, excluding subsidiaries): 86,640 cubic meters in 2024. 125,057 cubic meters in 2025. (The increase in water usage is attributable to the addition of the Lianyun data center; excluding the Lianyun data center, water usage was 82,264 cubic meters.) Future quantitative management targets for the water management policy: Using 2020 as the base year, the target is to improve water usage efficiency (water consumption per unit of revenue) by an average of 1% annually. Due to the addition of the Lianyun data center in 2025, 2025 will be used as the new base year for the revised scope, with an annual target of improving water usage efficiency (water consumption per unit of revenue) by 1%. Measures to promote the water management policy objectives: - Promote water conservation awareness among employees and encourage them to turn off lights and water when leaving rooms. - An instant reporting mechanism is in place to promptly repair any	

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			damage or leaks in water supply equipment, preventing water wastage. 3. Adjust the flow rate of the water supply device or use water-saving faucets and adopt sanitary equipment with water-saving certification. 4. Add chemicals to the cooling towers to maintain water quality, reducing the frequency of water tower cleaning and minimizing large water usage. 5. Assess the rainwater harvesting system and recycle rainwater for greening and plant irrigation. 6. Assess the feasibility of recycling air conditioning condensate and using the recycled water in the air conditioning cooling towers. Achievement status of water management policy targets: In 2024, water usage efficiency was 22.842 cubic meters per million NT dollars, representing an improvement of 38.47% compared to the baseline year. In 2025, water usage efficiency was 31.711 cubic meters per million NT dollars. Due to the addition of the Lianyun data center, 2025 became the new record year.	

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	Yes	No	Summary	
			Waste: Waste reduction management policy: The Company is committed to implementing resource recycling and waste reduction management to reduce environmental pollution and hazards arising from its operations. In view of the fact that the Company's principal operations are IDC data center services, data network services, cloud application services, and voice communication services, the types of waste generated are relatively simple, consisting mainly of general domestic waste and office paper. With respect to management and reduction measures, the Company adopts a systematic classification mechanism. For general domestic waste, the Company entrusts professional qualified waste removal companies with handling, to ensure that such waste is ultimately sent to municipal waste incinerators for compliant incineration; for resource waste with recycling value, professional recycling and reuse are conducted by cooperating vendors, thereby strengthening the resource circulation chain. According to the inventory results, the Company's office waste consists	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
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			primarily of paper. The Company continues to promote digital office management and electronic document workflow, implement paperless operations at the source, and strengthen internal education and awareness as well as the accuracy of resource classification. Through the dual approach of technological optimization and management, the Company actively fulfills its commitment to waste reduction and environmental sustainability. Total waste volume (including the Company but not its subsidiaries): 2024: 289,500 pieces of paper used. 2025: 277,500 pieces of paper used. Future quantitative management targets for the waste reduction policy: Achieve a 1% annual reduction in paper usage. Achievement status: The Company has implemented an electronic approval system, online questionnaires, and developed customer service management and application digitalization systems, significantly reducing paper usage for approvals. Waste reduction policy achievements: Overall, paper usage in 2024 was reduced by 4% compared to 2023. Overall, paper usage in 2025 was	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
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			reduced by 4.3% compared to 2024.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		(I) The Company supports and adheres to the human rights frameworks and principles of internationally recognized human rights conventions and International Labour Organization conventions. In 2019, it established the “Shih Fang Telecommunications Human Rights Policy” to support and voluntarily comply with internationally recognized human rights conventions, including the “Universal Declaration of Human Rights,” “United Nations Global Compact,” “United Nations Guiding Principles on Business and Human Rights,” and the human rights frameworks and principles of the International Labour Organization conventions. The Company will never participate in any act that disregards or violates human rights. Published on the official website (https://www.chief.com.tw/esg/csr/) . The Company’s human rights policy establishes corresponding strategies for the following human rights to facilitate the promotion of related internal action plans: 1. Implement employment diversity, fairness in remuneration and promotion opportunities, and ensure that employees are not	No difference.

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	Yes	No	Summary	
			subject to discrimination, harassment, or unequal treatment based on race, gender, religion, age, political affiliation, or any other status protected by applicable laws and regulations. 2. Comply with relevant laws and regulations, and continuously improve workplace safety and health conditions through various preventive measures and protective equipment, striving to reduce the risk of occupational hazards, and prohibit any form of forced labor and child labor. 3. We respect employees' rights to form and join legally recognized unions to protect their labor rights, and strive to promote harmonious labor-management relations. 4. We are a telecommunications service provider and have established a robust customer personal data protection management system and audit mechanism to safeguard customer privacy and rights. 5. We focus on whether telecommunication products and services can enhance people's well-being and provide greater, more equitable access to education	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
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			through digital technology, ultimately improving their lives. 6. We expect our suppliers and partners to uphold the same high standards for their labor environments and working conditions, occupational safety and health, and other human rights issues. They should also implement appropriate due diligence measures, including surveys and assessments, to mitigate potential human rights risks within their value chains. The Human Resources Department is the responsible unit for the Company's human rights policy. The policy applies to all levels of the Company's organization, and the Company expects and requires its affiliated invested companies and suppliers to comply with the spirit and fundamental principles of this policy. In addition to regular annual promotion and implementation, in 2025, the Human Resources Department conducted internal training courses related to the human rights policy for all employees. Course titles: "Educational Training on Personal	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
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(II) Has the Company formulated and implemented reasonable employee welfare measures	✓		Data Protection, Information Security, and Related Corporate Governance Issues (Including Promotion of Human Rights Protection Policy)” “Educational Training on the New Four Anti-Fraud Acts, KYC for Telecommunications Enterprises, and Corporate Governance Issues (Including Promotion of Human Rights Protection Policy)” Training dates: July 24, 25, 2025 and December 16, 19, 2025; Participants: all employees of the Company; Total attendance / total hours: 167 persons / 668 hours. To effectively implement the human rights protection policy, the Company has established an anonymous suggestion box and disclosed directors’ contact information on the internal website to maintain open communication channels for employee feedback, thereby safeguarding and enhancing employees’ rights and interests. No feedback on human rights issues was received in 2025.	No difference.

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(including salary, vacation and other benefits), and appropriately reflected the business performance or results in employee compensation?			compensation, leave, and other benefits, and appropriately reflects operating performance in employee compensation. The Board of Directors of the Company has established a Remuneration Committee, whose responsibilities include formulating compensation policies, systems, standards, and structures, and, in conjunction with the Company's operating performance, annual net profit, and employee evaluations, approving various employee bonuses and regular salary adjustments. The measures adopted to enhance employee welfare are listed as follows: (1) An employee stock ownership trust has been established, under which employees may contribute up to 30% of their monthly salary, and the Company contributes an incentive bonus equal to 30% of the employee's contribution. As of the end of 2025, 130 employees had participated in the employee stock ownership trust, accounting for approximately 80% of all employees. (2) In order to fulfill corporate social responsibility and encourage childbirth among employees, the Company has established the "Employee Childbirth Subsidy Management Regulations,"	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
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			providing a childbirth subsidy of NT\$30,000 per birth and a monthly childcare allowance of NT\$2,000 for employees' children from birth until they reach the age of 6. In 2025, 1 person applied for the childbirth subsidy, and in December 2025, 10 persons applied for the childcare allowance, the total subsidies amounted to NT\$340,000 (3) Welfare measures include an annual health checkup subsidy of NT\$7,000 for employees regardless of age or years of service (total expenses for health inspections of 161 employees in 2025 were NT\$1,223,000), travel expense subsidies, employee meal allowances, year-end banquet, and year-end bonuses. (4) Welfare measures provided by the Employee Welfare Committee: regular domestic and foreign employee travel, fixed employee travel subsidies, three-festival gift money, birthday gifts, and subsidies for weddings and funerals. (5) Friendly leave system: special leave and bereavement leave more favorable than those required under the Labor Standards Act. Description of how the Company's operating performance is appropriately reflected in employee compensation:	

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	Yes	No	Summary	
			The Company's Articles of Incorporation provide that where there are pre-tax profits for the year, 3.5% to 6.9% thereof shall be appropriated as employee remuneration, with no less than 50% of the employee remuneration allocated to non-managerial employees. In 2025, employee remuneration for 2024 was paid based on the highest appropriation ratio of 6.9% of pre-tax profits, amounting to NT\$99,130 thousand (of which the actual allocation to non-managerial employees exceeded 80%); in 2026, employee remuneration for 2025 is expected to be paid based on the highest appropriation ratio of 6.9% of pre-tax profits, amounting to NT\$114,097 thousand (including an expected allocation of more than 50% to non-managerial employees), fully reflecting operating results in employee compensation. The Company conducts an overall salary adjustment for all employees at least once every two years, and a salary adjustment is scheduled for 2026. In addition, among all TWSE and TPEX listed companies announced in 2025 for 2024, the Company ranked 22nd in median salary of full-time employees not serving in managerial positions, and	

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			ranked 1st in the same industry (telecommunications network industry). Retirement system: Pension contributions: Employee retirement matters are handled in accordance with the provisions of the Labor Standards Act and the Labor Pension Act. Labor Standards Act: A labor pension reserve equivalent to 2% of the total monthly payroll is appropriated monthly into a dedicated account at the Bank of Taiwan. A labor pension reserve supervisory committee jointly established by labor and management is responsible for supervision and management. The current balance of the pension reserve account is NT\$271.03 million (latest statistics as of the end of 2025). Labor Pension Act: The Company contributes 6% of employees' monthly wages as labor pension contributions and deposits them into individual labor pension accounts established for employees with the Bureau of Labor Insurance, Ministry of Labor, in accordance with the monthly contribution wage grading table approved by the Executive Yuan. Payment of pensions: Employees who	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
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			meet retirement eligibility and are subject to the Labor Standards Act shall receive pension payments calculated and disbursed in accordance with Article 55 of the Labor Standards Act. Those subject to the Labor Pension Act may apply to receive payments from their individual labor pension accounts established with the Bureau of Labor Insurance. Procedures and conditions for employees to apply for retirement: (1) Employees may apply for voluntary retirement if they meet the requirements under the Labor Standards Act. (2) After an employee submits a retirement application, the employee shall be interviewed by the unit supervisor, and the Human Resources Department shall calculate the pension in accordance with the law. (3) After retirees complete the relevant procedures, the Human Resources Department shall process labor and health insurance withdrawal and provide a “Retirement Certificate” to the retiring employee. In 2025, two employees reached the mandatory retirement age, and two employees qualified for retirement based on their years of service and age, for a total of four retirees, all of whom	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy working environment for employees, and conduct regular safety and health education for employees?	✓		completed all separation procedures before their retirement dates. (III) The Company is committed to ensuring and safeguarding employees' workplace safety by actively implementing occupational safety and health measures in accordance with the Occupational Safety and Health Management Regulations. It continuously strives to improve employees' safe and healthy working environments, prevent occupational injuries and diseases, and reduce hazardous factors in the workplace, creating a high-quality, safe, and healthy corporate workplace. There were no employee occupational injury incidents in the Company in 2025. The Company has a comprehensive occupational safety and health management system. In 2025, the following are examples of the protective measures implemented to ensure employees' personal safety and improve their working environment: 1. Formulation of the "Occupational Accident Prevention Plan," implemented in accordance with specific items to reduce the occurrence of occupational accidents.	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			2. Occupational safety personnel are responsible for conducting regular inspections (including electrical safety inspections) and assisting in handling abnormalities. Implementation of automatic inspections: An automatic inspection plan is formulated for electrical equipment, fire protection facilities, and the work environment to effectively control the occurrence of risks. In addition, biennial building safety inspections, annual fire protection inspections and reporting, maintenance of the main distribution switchboards in computer rooms on each floor, and infrared thermographic inspections are conducted to prevent potential safety hazards. 3. Hazard identification is conducted for operations, and personal protective equipment is provided for operations with higher risk (such as engineering work). 4. Regular implementation of fire self-defense organization drills, AED usage training, and first aid training to enhance employees' emergency response capabilities. 5. First aid personnel are assigned in	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
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			each office area, and retraining is conducted in accordance with regulations. 6. Regular promotion and education on electrical safety and occupational safety. 7. Workplace health and safety measures (1): Monthly on-site health services provided by occupational physicians and occupational nurses. 8. Workplace health and safety measures (2): In 2025, multiple “Chief iHealth Walking for Carbon Reduction” activities and healthy weight reduction programs (to prevent excessive weight loss, a maximum reduction of BMI 8% is set) were organized to encourage employees to engage in healthy walking and prevent chronic diseases such as hypertension, hyperlipidemia, and hyperglycemia, with more than half of employees participating in the iHealth walking for carbon reduction activities. Work environmental protection measures (such as fire risk identification under adverse scenarios and key feasible mitigation measures) and their implementation are as follows:	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			1. The data center formulates an annual emergency response drill plan, including conducting regular fire response drills with the fire department each year and quarterly inspections of the automatic fire extinguishing system. In 2025, fire response drills were conducted in July, and automatic fire extinguishing system inspections were conducted in March and September. 2. The Company's office premises are equipped with emergency evacuation guidance and bulletin boards to promote disaster prevention and occupational safety information, including fire evacuation procedures. The promotional themes are updated quarterly to remind employees of potential hazards they may encounter in work and daily life, enabling timely prevention and evacuation. 3. The Company arranges occupational safety and health education and training each year in accordance with the "Occupational Safety and Health Implementation Plan" to strengthen employees' knowledge, awareness, and skills in	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
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			occupational safety and health, fire prevention, and first aid. There were no fire incidents in the Company in 2025. Work environment protection measures (including measures to address workplace psychosocial hazards such as workplace misconduct, bullying, or sexual harassment) and examples of implementation are as follows: 1. In October 2025, the Company invited the Executive Director of the Taiwan Occupational Safety and Health Link to conduct training on regulations and practical analysis related to workplace misconduct, enabling all employees to understand precautions and related protection measures when facing workplace sexual harassment, and to understand the Company's comprehensive protection of victims' rights and support services, thereby jointly establishing a "trustworthy" sexual harassment prevention system and mechanism. 2. To prevent workplace sexual harassment, the Company has established a dedicated section on sexual harassment prevention in the	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV) Has the Company established an effective career development training program for employees?	✓		employee handbook in accordance with the Gender Equality in Employment Act, in order to safeguard gender equality in the workplace and personal dignity. A handling mechanism is in place, with designated personnel responsible for processing employee complaints regarding inappropriate conduct. 3. The Company has established an anonymous suggestion box and disclosed directors' contact information on the internal website to continuously maintain open channels for employee expression of opinions, thereby safeguarding and enhancing employees' rights and interests. In 2025, under a friendly workplace environment, there were no reported cases of bullying or sexual harassment. (IV) The Company has established the "Employee Career Competency Training and Development Plan," as described below: 1. Employee training and development program covering the following competency areas:	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			(1) Professional competency training. (2) General competency training. (3) Executive consensus building and strategic alignment training. 2. Scope of the employee training and development plan for employee career capabilities: (1) Professional competency training – for all employees. (2) General competency training – for all employees. (3) Executive consensus building and strategic alignment training – for company executives and agents. 3. Contents of the employee training and development plan for career competencies: (1) Professional competency training – The Company plans and implements professional competency training in accordance with the “Employee Career Competency Training and Development Plan.” In 2025, each unit submitted training applications based on employees’ job duties and	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			business needs or in accordance with assignments designated by the Company, and conducted relevant training upon approval in accordance with the “Employee Education and Training Management Regulations.” (2) General competency training – To strengthen the common professional competencies of all employees and ensure that the Company’s operations comply with relevant laws and governance requirements, the Company’s general competency training in 2025 included: A. Product training. B. Information security training. C. Labor-related training. D. Training on key Company issues. (3) Management consensus building and strategy focus training – The Company held a management consensus building and strategy focus training in December 2026, with all managers and their	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			proxies participating in a one-day course. The training content included annual work performance reports of each unit and explanations of future operational plans. It also incorporated group discussions on key issues of concern to the Company. Through cross-departmental communication and discussion, the program fostered consensus among management on the Company's overall operational direction and strategic objectives, and strengthened strategic alignment and execution capabilities. Quantitative resources invested in the training plan for 2025: 1. Professional competency training – total hours: 280 hours; total participants: 39; total cost: NT\$167,058. 2. General competency training – total hours: 1,797.5 hours; total participants: 1,150; total cost: NT\$20,500. 3. Management consensus building and strategic alignment training – total hours: 712 hours; total participants: 89; total cost:	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(V) Does the Company comply with relevant laws and regulations and international standards, and has it formulated relevant policies and appeal procedures to protect the rights and interests of consumers or customers in terms of customer health and safety, customer privacy, marketing and labeling of products and services?	✓		NT\$321,450. (V) The Company's business operations include IDC data center services, cloud application services, data network services, and exchange center services. The Company primarily serves corporate clients and has established a customer manual, which includes data center access procedures, operational guidelines, precautions, and safety measures. Service contracts are formulated in accordance with applicable laws and regulations, and the Company complies with telecommunications service quality standards announced by the National Communications Commission to safeguard customer rights and interests. The "Privacy Policy" is disclosed on the Company's official website: (https://www.chief.com.tw/privacy-policy/); the "Personal Data Protection Policy" is disclosed on the Company's official website: (https://www.chief.com.tw/investor/chief_corporate_governance/important_company_regulations/) 1. The Company has established issue-handling procedures and a notification mechanism to standardize the customer complaint handling process, and provides	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(VI) Has the Company formulated a supplier management policy that requires suppliers to comply with relevant specifications on issues, such as environmental protection, occupational safety and health or labor human rights, and the implementation status?	✓		multiple customer service and complaint channels, including the business consultation team (Email: product@chief.com.tw), customer service center (Email: service@chief.com.tw), client support services (Email: service@chief.com.tw), and network operations center (Email: datacenter@chief.com.tw). 2. The Company conducts annual customer satisfaction surveys to understand customer needs and improve customer pain points, thereby enhancing service quality; in addition, the Company utilizes big data analytics to improve and optimize products, services, and functionalities. (VI) To ensure that suppliers meet consistent standards in terms of quality, cost, delivery schedule, service quality, environmental protection, occupational safety and health, and production, and to jointly implement environmental protection, labor rights protection, and sustainable development with suppliers, thereby fulfilling corporate social responsibility and establishing a sound supply chain, the Company has formulated the “Supplier	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Management Policy.” These regulations include the following: 1. New supplier evaluation. 2. Existing supplier evaluation. 3. Reward and punishment system. 4. Ethical corporate management and transactions. 5. Legal compliance. 6. Human rights protection. 7. Legal raw material declaration. 8. Supplier's joint commitment. 9. Green procurement. The Company has also established the “ESG Supplier Management Measures” to promote green procurement, advance sustainable supply chain development, and emphasize information security risk control, and conducts supplier selection and management in accordance with the following principles: 1. Priority shall be given to suppliers possessing any of the following sustainability or information security-related certifications or practices: (1) Environmental labeling, ISO 14001, carbon inventory report; (2) established information security management measures or certification under information security management system standards such as CNS 27001 or ISO 27001, or other	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			systems or standards with equivalent or superior effectiveness. - When applying for cooperation, suppliers shall disclose their environmental and information security management measures, complete the ESG self-assessment questionnaire, and provide the necessary supporting documentation. - ESG and information security risk assessment indicators shall be incorporated, as appropriate, into quotation comparison or selection evaluation processes. - During the cooperation period, the Company shall regularly review suppliers' ESG implementation status and information security compliance, and take follow-up measures based on the results. - Where a supplier seriously violates sustainable supply chain management principles, the Company may restrict cooperation, place the supplier on a watch list, or terminate cooperation. Specific management measures and implementation status: - Establishment of a supplier grading system: In 2025, supplier	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			evaluations (covering six major assessment items: quality, service, delivery, price, information security, and ESG) were completed for a total of 78 existing suppliers. Suppliers possessing ISO certifications or environmental management systems may receive additional points in the information security and ESG assessment items. 2. New supplier evaluation: In 2025, a total of 42 new suppliers were evaluated, with a pass rate of 100%. In 2025, a total of 36 existing suppliers were evaluated, accounting for 38.7% of all suppliers, with a pass rate of 100%. 3. Supplier self-assessment questionnaire: An annual internal supplier self-assessment questionnaire was formulated in accordance with the GRI Standards, and in 2025 was primarily distributed to first-tier key suppliers. Same as the previous year, the primary focus was on first-tier suppliers. 4. To implement the Company's sustainable procurement policy, in 2025 the Company conducted an annual "Supplier Sustainability Self-Assessment Questionnaire"	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(VII) Has the Company formulated and disclosed a human rights due diligence process and reported on its implementation?	✓		survey for suppliers. Suppliers are required to provide supporting documentation such as sustainability policies, ISO certifications, and environmental management systems, which may be considered for additional points in ESG and information security assessment items. 5. Supplier signing of procurement statement response: Suppliers are required to sign the “Procurement Statement Response.” In 2025, a total of nine suppliers signed the commitment letter, covering human rights, information security, environmental protection, and ESG issues. 6. Supplier appeal mechanism: If the supplier discovers any violation of work discipline and integrity requirements by the Company's personnel, they may report it through the appeal box. In 2025, no reported cases were received. (VII) The Company complies with Chief Telecom’s Human Rights Policy and Supplier Management Policy, and conducts a “Human Rights Due Diligence Process” once annually, covering employees and suppliers,	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			among others. The Company has established the “Employee Human Rights Due Diligence Process” and the implementation thereof is explained as follows: 1. “Employee Human Rights Due Diligence Process”: (1) Integration into the system: The Company integrates business conduct into its policies and management systems. (2) Identification and assessment: Identify human rights issues in its own operations. (3) Mitigation and remediation measures: Prevent or mitigate adverse impacts so as to reduce the occurrence of risks. (4) Tracking: Track actual circumstances and disclose implementation in the sustainability report. 2. The Company’s most recent employee human rights due diligence was conducted in 2025. A total of 167 copies of the “Employee Opinion Survey and Human Rights Due Diligence Survey” were distributed, and 129 valid responses were received. The material human rights issues identified for employees were	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			“Health and Safety” and “Workplace Discrimination and Bullying.” The risk associated with the “Health and Safety” issue is the failure to provide employees with sufficient operational training and safety measures, or adverse physical and mental impacts caused by excessively long working hours in a high-pressure environment. The risk associated with the “Workplace Discrimination and Bullying” issue is that if an organization lacks transparent communication mechanisms and awareness of diversity, equality, and inclusion, bias may arise in human resource procedures (such as recruitment and performance evaluation). This will not only increase the potential for discrimination and verbal bullying arising from power imbalances but also undermine employee trust in the Company, thereby resulting in the loss of outstanding talent. 3. Mitigation or remediation measures implemented in 2025: For the risk related to the material employee human rights issue of “Health and Safety”: The Company adopted the following	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			mitigation measures: (1) All 161 employees completed health examinations in 2025. (2) In 2025, the Company regularly inspected the office environment, equipment, and fire safety to ensure that the operating environment complied with safety standards. (3) Safety and health education and training and emergency response drills (such as fire and earthquake) were conducted. (4) In 2025, psychological health support and consultation services were provided to employees on a monthly basis. The Company adopted the following remediation measures: (1) In 2025, on-site medical personnel services were provided 12 times per month, offering one-on-one nursing and psychological health consultations to employees with abnormal health examination results. (2) A reporting mechanism for occupational injuries and accidents was established to ensure timely assistance and handling. (3) If employees encounter health incidents, insurance protection and medical subsidies will be activated. For the risk related to the material employee human rights issue of	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			“Workplace Discrimination and Bullying”: The Company adopted the following mitigation measures: (1) In 2025, internal education and training courses related to the human rights policy were conducted (a total of 167 participants and 334 training hours), and an online course on “Prevention and Handling of Workplace Bullying” was also provided. (2) Anonymous suggestion boxes were installed in offices, and directors’ contact information was published on the internal website in order to continuously maintain smooth communication channels for employees to express their opinions. The Company adopted the following remediation measures: (1) Assistance programs were provided to affected employees, and strict confidentiality of complainants’ identities was maintained during the investigation period to prevent secondary harm. Based on multiple complaint channels and questionnaire surveys, no employee human rights complaint issues were raised in 2025. The Company has established the “Supplier Human Rights Due Diligence Process,” and the	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			implementation thereof is explained as follows: 1. “Supplier Human Rights Due Diligence Process”: (1) Integration into the system: Integrate supplier business conduct into the Company’s policies and management systems. (2) Identification and assessment: Identify human rights issues in suppliers’ operations and supply chains. (3) Mitigation and remediation measures: Suppliers prevent or mitigate adverse impacts so as to reduce the occurrence of risks. (4) Tracking: Track suppliers’ actual conditions and disclose implementation in the sustainability report. The Company conducts the supplier human rights due diligence process annually, in accordance with the procedure and in compliance with the supplier policy. 2. In 2025, within the scope of supplier human rights due diligence, the Company distributed 31 copies of the	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			“Supplier Internal Annual Self-assessment Questionnaire,” and recovered 8 valid self-assessment questionnaires. The material human rights issue identified for suppliers was “Workplace Discrimination and Bullying.” The risk associated with this issue is that suppliers, when facing production capacity pressures, may impose improper discipline or verbal bullying on frontline workers; or, during recruitment and retention, may discriminate prejudicially against specific genders, age groups, or migrant workers. This could result in tense labor relations within the supply chain, potentially triggering stoppage risks and damaging the brand reputation of the purchasing enterprise. 3. Mitigation or remediation measures implemented in 2025: For the risk related to the material supplier human rights issue of “Workplace Discrimination and Bullying”: The Company adopted the following mitigation measures: (1) Suppliers are required to sign the “Sustainable Development Commitment” and the “Reply	

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			Letter” to ensure that suppliers comply with standards in human rights, environment, occupational safety and health, and other aspects. In 2025, a total of nine suppliers signed the “Sustainable Development Commitment.” (2) Supplier self-assessment questionnaires are distributed once annually. In 2025, all eight suppliers who responded to the supplier survey reported no human rights issues. The Company adopted the following remediation measures: (1) A supplier complaint mechanism was established, under which reports may be submitted through the Company’s complaint mailbox. No report was received in 2025. (2) If any supplier has not established the required management mechanisms, the Company requires the supplier to make improvements within a prescribed period in accordance with the commitment letter and supplier code of conduct.	
V. Has the Company prepared the sustainability report or guidelines that disclose non-financial information of the	✓		The Company, in 2025, prepared and completed the 2024 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting	No difference.

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
company by reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained the assurance or guarantee opinion of a third-party certification organization?			Standards 2021, and in compliance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies.” The appendix provides a GRI content index and a sustainability information disclosure table for the telecommunications network industry for stakeholders’ reference. To ensure the quality of information disclosed in the report, GREAT Certification was engaged to conduct a Type 1 moderate assurance engagement in accordance with AA 1000: ASV3, to confirm compliance with the GRI Standards 2021. The 2024 Sustainability Report was reviewed and approved by the Board of Directors on July 29, 2025. The Company continues, on an annual basis, to prepare sustainability reports with reference to internationally recognized reporting standards and guidelines, and obtains assurance or verification opinions from third-party assurance providers. In 2026, the Company announced the 2025 Sustainability Report on its official website and the Market Observation Post System in accordance with the timeline prescribed by the competent authority.	
VI. If the Company has its own Sustainable Development Best Practice Principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between their operations: The Company has established its own Sustainable Development Best Practice Principles and is committed to the promotion of sustainable development; there is no material				

Evaluation item	Operation status			Differences form the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
difference with the regulations.				
VII. Other important information that facilitates the understanding of the implementation of sustainable development:				
(I) In 2025, the Company obtained the CG6015 Corporate Governance System Evaluation – Outstanding Certification from the Taiwan Corporate Governance Association (valid from December 29, 2025 to December 28, 2027). (II) In 2025, the Company was ranked among the top 5% in the 11th Corporate Governance Evaluation conducted by the Taipei Exchange, and received multiple awards including CommonWealth Magazine’s “Top 50 Benchmark Entrepreneurs,” “CommonWealth Sustainable Citizen Award,” and “CommonWealth Sustainable Talent Award.” (III) In response to the “Healthy Taiwan, Happy Aging Society” policy, in 2025 the Company continued to collaborate with the Digital Humanitarian Association, utilizing remote video technology to provide online health education and wellness courses for sub-healthy elderly individuals served by the Taiwan Lohas Service Development Association (Lohas Guandu) in Guandu Village, Baxian Village, Yide Village, Zhonghe Village, Daoxiang Village, and Fengnian Village in Beitou District, Taipei City, and to provide real-time online medical consultations and caregiver training courses. Actively introduce digital applications to solve the three major problems of transportation cost, shortage of medical personnel, and asymmetric population structure and care mechanism. (IV) Continued donating and caring for specific disadvantaged groups every month in 2025. (V) In 2025, the Company continued to collaborate with Global Views–CommonWealth Publishing Co., Ltd. to donate public-interest magazine subscriptions to four elementary schools in the Neihu District of Taipei City.				

(IX) Climate-Related Information of TWSE/TPEX Listed Company

1. Climate-related information implementation status

Item	Implementation status		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In April 2025, the Board of Directors approved the establishment of a board-level Sustainability Development Committee, chaired by Chairman Hong-Chia Shao. Through their experience in risk management, environment, climate, governance, and sustainability, members of the Sustainability Development Committee provide insights on sustainability challenges and report meeting content to the Board of Directors annually.		
	The Company’s sustainability committee has established the “Organizational Rules of the Sustainability Committee of Chief Telecom Incorporation” and created a Sustainable Development Department. This department, along with leaders from relevant business units, collaborates on issues including water and energy conservation, safety and health, environmental protection, transformational development projects, and business analysis. It is responsible for driving sustainability initiatives such as risk management, corporate social responsibility, and climate change adaptation. The committee meets monthly to plan action plans based on targets approved by governing bodies, coordinate across departments, implement these plans, and track progress. It also reviews the performance of key indicators and proposes adjustments based on the results.		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company has identified climate-related risks and opportunities relevant to its operating scope. Based on a ten-year period as the Company’s long-term operational development horizon, the Company defines short term as 1–2 years, medium term as 3–5 years, and long term as 6–10 years.		
	Short term 1–2 years	Medium term 3–5 years	Long term 6–10 years
	■ Physical risk: impacts of hot temperatures and extreme climate ■ Transition risk: carbon fee imposition, increase in electricity costs ■ Market opportunity: use of renewable energy	■ Physical risk: impacts of hot temperatures and extreme climate ■ Transition risk: carbon fee imposition, increase in electricity costs ■ Market opportunity: use of renewable energy	■ Physical risk: impacts of hot temperatures and extreme climate ■ Transition risk: carbon fee imposition, increase in electricity costs ■ Market opportunity: use of renewable energy
Impact on the Company’s business, strategy, and finance:			
1. Short term 1–2 years (2026–2027)			
(1) In response to increased air-conditioning equipment load and rising electricity costs caused by extreme climate, the Company will improve data center PUE utilization efficiency through replacement with energy-saving equipment.			
(2) In response to renewable energy procurement, the Company calculates renewable energy usage obligations based on the renewable energy mandatory usage amount for renewable energy obligated users, and users with independent electricity meters may pass through renewable energy			

Item	Implementation status
	costs. 2. Medium term 3–5 years (2028–2030) (1) In response to the needs for energy saving, carbon reduction, and facility upgrades, the Company will incur additional medium-term expenditures for the replacement of air conditioners, UPS systems, and UPS batteries, resulting in cash outflows. However, with the commissioning of energy-saving projects, the annual electricity-saving efficiency target is set at 1%. (2) In response to the policy schedule applicable to renewable energy obligated users, the Company has increased its purchase volume of renewable energy, resulting in increased operating costs. Users with independent electricity meters may pass through renewable energy costs. 3. Long term 6–10 years (2031–2035) (1) In response to the continuing demand for procurement of green electricity, cash outflows will result. (2) The adoption of green electricity to enhance the Company’s image and product credibility is expected to facilitate the acquisition of customer business opportunities, expand market demand, and increase operating revenue.
3. Describe the financial impact of extreme weather events and transformative actions.	Financial impact of extreme weather events: 1. In response to the increased load on air-conditioning equipment and rising electricity costs caused by extreme climate. 2. In response to the policy schedule applicable to renewable energy obligated users, the Company has increased its purchase volume of renewable energy, resulting in increased operating costs. Users with separate meters can transfer renewable energy fees. The Company’s transition actions in response to extreme climate events involve the investment of necessary operating costs. By enhancing the Company’s image and product credibility to facilitate the acquisition of customer business opportunities, market demand will expand and operating revenue will increase, with no material impact on finances.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In the process of assessing climate-related risks, the Company establishes qualitative and quantitative assessment criteria based on the nature, likelihood of occurrence, and degree of potential impact of the risks. In terms of nature, the Company assesses physical risks and transition risks separately. For example, physical risks include the direct impacts of extreme weather events (such as typhoons, floods, and high temperatures) on data center facilities and the supply chain, as well as the threat of drought to water resources. Transition risks involve changes in policies and regulations (such as increases in carbon fee rates), decreased market demand, technological advances, and heightened investor requirements for carbon reduction. The Company uses a risk matrix analysis method to identify and manage risks, and formulates corresponding risk management strategies according to the severity of different risks. In terms of likelihood, the Company considers various climate scenario models and integrates the development trends of carbon reduction policies in various countries to quantify the probability of occurrence of future risks, which

Item	Implementation status									
	are classified as almost unlikely (below 40%), possible (41%–70%), and highly likely (71%–100%). In terms of degree of impact, risks are classified as high, medium, and low. Those that are highly likely to occur and are classified as having high impact are classified as high risk; those classified as medium and possible are classified as medium risk; all others are classified as low risk. Low risks are acceptable risks. Medium risks do not necessarily require action at present, but changes will continue to be monitored; high risks require corresponding management plans to reduce impacts or lower the frequency of occurrence. Probability of occurrence Very likely Possible Almost unlikely <table><tr><td></td><td> ◆ Rising electricity costs ◆ Use green energy </td><td> ◆ Carbon fee collection </td></tr><tr><td></td><td></td><td> ◆ Hot and extreme temperatures and climate impacts </td></tr><tr><td></td><td></td><td></td></tr></table> Low Middle High Influence The Company’s monitoring methods for climate-related risks include the following specific procedures: 1. Risk monitoring process: Based on the risk issues identified by each functional unit and the degree of management, risk control reports are regularly submitted to the relevant unit supervisors and organizations. 2. Risk control reporting: The Risk Management Committee is responsible for reporting the status of risk control to the Board of Directors to ensure the effective implementation of risk management measures. 3. Monitoring mechanism: Dedicated risk management organizations and mechanisms are established for different risk issues to ensure the implementation of risk management strategies and the effectiveness of risk monitoring. This information demonstrates that the Company adopts effective monitoring mechanisms to manage climate-related risks, regularly assesses and reports on risk conditions, and ensures the effectiveness of risk management measures and timely adjustments. In addition, the Sustainability Development Committee and its Sustainability Promotion Task Force also participate in climate risk monitoring operations, and strengthen the Company’s supervision and management of climate risks through cross-departmental coordination, progress tracking, and performance review mechanisms.		◆ Rising electricity costs ◆ Use green energy	◆ Carbon fee collection			◆ Hot and extreme temperatures and climate impacts			
	◆ Rising electricity costs ◆ Use green energy	◆ Carbon fee collection								
		◆ Hot and extreme temperatures and climate impacts								

Item	Implementation status			
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Type	Key Assumptions	Selected Scenario	Assessment of Impact and Resilience
	Impact of hot temperatures and extreme climate	The Company expects that in the short term the percentage of green electricity consumption will increase to 2%, increase to 20% in the medium term, and increase to 100% in the long term.	2050 Net Zero Emissions Scenario (NZE)	1. Assessment of impact: According to the results of scenario analysis, under the 2050 Net Zero Emissions Scenario (NZE), the Company is highly likely to face the risks of carbon fee imposition and rising electricity costs in the medium to long term. 2. Resilience: The Company will strengthen its greenhouse gas management system, conduct annual greenhouse gas inventories, identify and analyze high-carbon emission sources, establish an energy management system, continue to implement various energy-saving and carbon-reduction measures, and allocate capital expenditures.
	Carbon fee imposition			
	Rising electricity costs			
	Use of green energy			
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company's transition plan for managing climate-related risks identified the following risk explanation: In the future, carbon fees may be imposed on products with high direct emissions or indirect emissions, and the possible financial impact of this risk dimension is an increase in operating costs. In the future, the Company plans to conduct a comprehensive greenhouse gas inventory. It will also focus on the purchase of green electricity and biomass energy, monitoring new regulations and reviewing the Company's compliance with these regulations. The Company will then develop measures to comply with legal requirements and set carbon reduction targets. As part of the Chunghwa Telecom Group, the Company will collaborate with the Group to achieve its RE100 policy target by 2040 and develop relevant action plans. Additionally, to address the market risk of rising electricity costs, the Company integrates the concept of reducing climate change impacts into the design of green buildings and smart buildings for data centers. The Company also uses energy-saving and carbon-reduction equipment in data centers to improve electricity use efficiency, balancing environmental protection with customer needs.			
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company's internal carbon pricing was established on October 9, 2025, and reported to the Second Sustainable Development Committee on the same day. Setting an internal carbon price: As stipulated in Article 3 of the Company's carbon fee collection guidelines, the Company is not subject to carbon fee charges. Therefore, the general carbon fee rate of NT\$300 per ton of CO2 equivalent, as announced by the Environmental Protection Administration on October 21, 2024, will be used as the internal carbon price.			

Item	Implementation status
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Climate-related targets and achievement status: 1. Electricity saving: The target is an annual electricity-saving efficiency of 1%. In terms of energy conservation, over the past three years, in compliance with the requirements of the Energy Management Act, the average annual electricity-saving rate has been 1%. When replacing or purchasing new equipment, prioritize energy-efficient design products, such as: Energy-saving measures include the adoption of high-sensible-heat EC fan constant temperature and humidity packaged units, the installation of cabinet-type precision air conditioning units, and the implementation of an energy monitoring system to optimize airflow efficiency in data centers (including hot and cold aisle containment configurations). 2. In accordance with ISO 14064-1, promote greenhouse gas emissions inventory and complete self-inventory greenhouse gas inventory reports. Completed greenhouse gas inventory reports ahead of schedule and passed external verification. The Company has introduced the ISO 50001 Energy Management System. With subsidies from the Bureau of Energy, Ministry of Economic Affairs, it has completed the establishment of the energy management system, conducted energy-related education and training, and carried out energy-saving technical diagnostics. The Company obtained third-party certification from ARES International Certification Co., Ltd. on October 23, 2025.
9. Greenhouse gas inventory, assurance, reduction targets, strategies and concrete action plans.	As the Company is a subsidiary included in the consolidated financial statements of a TWSE listed company with paid-in capital of more than NT\$10 billion, it is subject to the second phase of greenhouse gas inventory under the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” (i.e. completion of inventory in 2025 and completion of verification in 2027). The Company completed greenhouse gas inventories for 2021 to 2024 from 2022 to 2025 in accordance with ISO 14064-1:2018 ahead of schedule, and passed external verification by Great Certification (verification scope covering the Company and its subsidiaries). As of 2026/3/29 (the annual report publication date), external verification by GRACE International Certification Co., Ltd. (verification scope covering the Company and its subsidiaries) had been completed, but the complete assurance opinion for the 2025 greenhouse gas inventory had not yet been obtained. The complete assurance information will be disclosed in the 2025 Sustainability Report. 2024: Direct emission volume (Class 1): 1,323.58 metric tons of carbon dioxide equivalent (CO₂e); indirect emission volume (Class 2): 29,251.45 metric tons of carbon dioxide equivalent (CO₂e); other indirect emissions (Class 3 to Class 6) (Scope 3): 5,572.67 metric tons of carbon dioxide equivalent (CO₂e). 2025: Direct emission volume (Class 1): 1,264.11 metric tons of carbon dioxide equivalent

Item	Implementation status
	(CO2e); indirect emission volume (Class 2): 27,719.13 metric tons of carbon dioxide equivalent (CO2e); other indirect emissions (Class 3 to Class 6) (Scope 3): 8,861.16 metric tons of carbon dioxide equivalent (CO2e). Greenhouse gas emission reduction plan: Based on the statistical data from the GHG inventory, the Company's primary emission source is electricity. Therefore, the key focus of the Company's greenhouse gas emission reduction plan is to reduce energy consumption, with execution directions as follows: using renewable energy, improving efficiency, and reducing energy waste. gy-saving target: Short-term annual electricity saving of 1%. Medium- to Long-term Initiatives: 1. Prioritize the procurement of energy-efficient designs for energy-consuming equipment. 2. Develop power-saving measures for data centers. 3. Implement energy efficiency improvement initiatives in data centers. Implementation measures: 1. Continue to implement energy-saving measures to improve electricity-saving rates. 2. Gradually replace data center air-conditioning equipment with EC FAN box-type units. 3. Install InfraSuite HCH1870 rack-mounted precision air-conditioning equipment. Achievement status: In terms of energy conservation, over the past three years, in compliance with the requirements of the Energy Management Act, the average annual electricity-saving rate has been 1%.

1-1 Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

1-1-1 Greenhouse Gas Inventory

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Emission volume (metric tons CO₂e) and intensity (metric tons CO₂e/NT\$ million) for 2024 and 2025:

2024:

Direct emissions (Category 1): 1,323.58 metric tons of carbon dioxide equivalent (CO₂e)

Intensity (metric tons CO₂e/NT\$ million): 0.35

Indirect emissions (Category 2): 29,251.45 metric tons of carbon dioxide equivalent (CO₂e)

Intensity (metric tons CO₂e/NT\$ million): 7.71

Other indirect emissions (Category 3 to Category 6) (Scope 3): 5,572.67 metric tons of carbon dioxide equivalent (CO₂e).

Intensity (metric tons CO₂e/NT\$ million): 1.47

2025:

Direct emissions (Category 1): 1,264.11 metric tons of carbon dioxide equivalent (CO₂e)

Intensity (metric tons CO₂e/NT\$ million): 0.32

Indirect emissions (Category 2): 29,251.45 metric tons of carbon dioxide equivalent (CO₂e)

Intensity (metric tons CO₂e/NT\$ million): 9.56

Other indirect emissions (Category 3 to Category 6) (Scope 3): 8,861.16 metric tons of carbon dioxide equivalent (CO₂e).

Intensity (metric tons CO₂e/NT\$ million): 2.25

Scope of data: The Company and its subsidiaries.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Description of assurance status for 2024 and 2025:

Scope of assurance:

The Company and its subsidiaries at “2F, No. 68, Ruiguang Road, Neihu District, Taipei City; Nos. 248 and 250-1, Yangguang Street, Neihu District, Taipei City (2F, 3F, 8F, and 9F); 4F, No. 41, Lane 76, Ruiguang Road, Neihu District, Taipei City, 5F, No. 43, 3F, No. 47; No. 255, Section 1, Jiuzong Road, Neihu District, Taipei City (1F to 7F); Odd Nos. 35 to 41, Lane 188, Ruiguang Road, Neihu District, Taipei City (1F to 8F); Room B09, 6F, No. 55, Jilong Road, China (Shanghai) Pilot Free Trade Zone.”

Assurance institution: Great Certification (Taiwan)

Assurance standards (Inventory standards): ISO 14064--1:2018

Assurance opinion (level of assurance): Scope 1 and scope 2 are verified with a reasonable assurance level, while scope 3 to scope 6 are verified with a limited assurance level.

As of 2026/3/29 (the annual report publication date), external verification by GRACE International Certification Co., Ltd. (verification scope covering the Company and its subsidiaries) had been completed, but the complete assurance opinion for the 2025 greenhouse gas inventory had not yet been obtained. The complete assurance information will be disclosed in the 2025 Sustainability Report.

1-2 Greenhouse gas Reduction Targets, Strategies, and Specific Action Plans

Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, concrete action plans, and the achievement of reduction targets.

The Company launched its greenhouse gas inventory in 2021 and passed external verification under ISO 14064-1. Statistical data show that the major source of emissions is electricity. Therefore, the management policy for greenhouse gas reduction, including reduction targets, implementation measures, and achievement status, is carried out in accordance with energy management. 2021 is the baseline year for greenhouse gas reduction.

Year	Revenue (in NT\$ million)	Total Emission volume (metric tons CO2e)	Intensity (metric tons CO2e/NT\$ million of revenue)	Reduction in Emission Intensity
2023	3,242	30,596.62	9.44	7.40%
2024	3,793	36,147.70	9.53	-0.95%
2025	3,943	47,844.40	12.13	New Base Year

Note: Scopes 1 to 3 all use 2021 as the base year. The difference between the 2025 carbon emissions and the base year exceeded 3%. Due to a significant increase in annual electricity consumption from the addition of the new data center in the Lianyun Building, the base year was revised to 2025.

(X) The Company's performance of ethical corporate management, and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Formulation of Ethical Corporate Management Best Practice Principles and plan				
(I) Has the Company formulated an ethical corporate management policy approved by the board meeting, and clearly stated the policies and practices of ethical corporate management in rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?	✓		(I) To ensure that the Company conducts its operations in accordance with the highest standards of ethical integrity, the Company has established the "Ethical Corporate Management Best-Practice Principles" (approved by the Board of Directors on May 22, 2015), the "Procedures and Conduct Guidelines for Ethical Corporate Management" (approved by the Board of Directors on May 22, 2015), the "Code of Ethical Conduct for Directors and Managers" (approved by the Board of Directors on May 22, 2015), and the "Code of Conduct of Chief Telecom Co., Ltd." (approved by the Board of Directors on September 2, 2008), to regulate the ethics and responsibilities that directors, managers, employees, mandatary agents, or persons having substantial control shall possess when engaging in commercial activities, and they shall not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in any other dishonest conduct that violates integrity, laws, or fiduciary duties.	No difference.
(II) Has the company established a risk	✓		(II) The Company has established the "Procedures and Conduct Guidelines for	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
assessment mechanism for unethical behavior, regularly analyzed and assessed business activities within its business scope that have a high risk of unethical behavior, and formulated a plan to prevent unethical behavior that at least covers the preventive measures for acts under paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”? (III) Has the company specified operating procedures, conduct guidelines, disciplinary and appeal systems for violations in the unethical behavior prevention plan, implemented them, and regularly reviewed and amended the disclosure plan?	✓		Ethical Corporate Management” as a program for the prevention of dishonest conduct, covering the acts set forth in the subparagraphs of Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.” Adherence to the principles of integrity is also included as a key evaluation item in the behavioral aspects of employee performance appraisal, and is supervised by division-level and department-level supervisors to strengthen relevant preventive measures. (III) The Company has established the "Procedures and Conduct Guidelines for Ethical Corporate Management" to prevent unethical behavior of the Company. The content stipulates the operating procedures, behavior guidelines, and disciplinary and appeal systems for violations; it is implemented and regularly reviewed and amended.	No difference.
II. Implementation of Ethical Corporate Management (I) Does the Company evaluate the ethical corporate management record of its counterparties, and specify	✓		(I) The Company has formulated the "Supplier Management Policy", requiring suppliers not to operate in violation of ethical corporate management, laws and	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
the terms of ethical behavior in the contracts signed with its counterparties? (II) Has the Company set up a dedicated unit subordinate to the board of directors to promote the ethical corporate management of enterprises, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior, as well as the implementation of supervision?	✓		regulations, including but not limited to honest operation, fair transaction, disclosure of information and avoidance of unfair earnings and false advertising, and comply with relevant regulations such as intellectual property rights. When handling procurement cases, if there is any violation of ethical corporate management or other improper behavior, the contract shall be terminated or rescinded in accordance with the provisions of the contract. In addition, suppliers are regularly evaluated annually, and they will no longer be used if not meeting the standards. (II) To implement the management of ethical corporate conduct, the Board of Directors has designated the Personnel Department as the unit responsible for promoting ethical corporate management, and for supervising and implementing ethical corporate management policies and prevention programs. The Personnel Department's implementation of ethical corporate management includes: 1. conducting internal education and training for all employees on an annual basis; 2. ensuring that all employees annually complete 100% online reading and signing of the "Code of Conduct of Chief Telecom Co., Ltd."; 3. establishing diversified reporting channels and whistleblower protection measures; and 4. reporting annually to the Board of Directors on the	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			implementation status of ethical corporate management. Implementation status for 2025: - Internal training on business ethics is provided to all employees to ensure that the principles of ethical conduct are integrated into their daily work. Course title: “Personal Information Protection and Information Security and Related Corporate Governance Issues (including promotion of ethical corporate management) Education and Training,” and “New Four Anti-Fraud Laws and Telecommunications KYC and Corporate Governance Issues (including promotion of ethical corporate management) Education and Training”; Course dates: July 24, 25, 2025 and December 16, 19, 2025; Participants: all employees of the Company; Total participants/total hours: 167 persons / 668 hours. - The Personnel Department completed, for 2025, 100% online reading and signing of the “Code of Conduct of Chief Telecom Co., Ltd.” by all 167 employees. - Diversified reporting channels and whistleblower protection: (1) The official website has established a “Stakeholder Section” as a communication channel with employees, customers, suppliers, investors, and other stakeholders. (2) The official website discloses the Audit Committee’s dedicated email address, AuditCommittee@chief.com.tw (accessible	

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company developed a conflict of interest prevention policy, provided appropriate presentation channels, and implemented them?	✓		only to Audit Committee members or their designated personnel, and subsequent handling of communications is the responsibility of the Audit Committee members or their designated personnel). (3) Anonymous physical suggestion boxes are installed in the office for employees to express opinions or report improper conduct, and are handled by the Personnel Department; (4) the internal website discloses directors' email addresses and dedicated lines, allowing employees to report unethical conduct directly to directors at any time. The Company undertakes to protect whistleblowers from improper treatment as a result of reporting, and anonymous reporting is permitted. In 2025, no illegal incidents were identified through diversified reporting channels and various statistics. 4. The Personnel Department reports annually to the Board of Directors on the implementation status of ethical corporate management; the most recent report was made to the Board of Directors on October 28, 2025. (III) The Company has established the "Ethical Corporate Management Best-Practice Principles of Chief Telecom Co., Ltd." to stipulate policies for the prevention of conflicts of interest, including prohibitions on bribery and acceptance of bribes, providing illegal political donations, improper charitable donations or	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV)Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit formulated relevant audit plans based on the	✓		sponsorships, and unreasonable gifts, hospitality, or other improper benefits. The Audit Committee's dedicated email address, AuditCommittee@chief.com.tw, is disclosed on the official website (accessible only to Audit Committee members or their designated personnel, and subsequent handling of communications is the responsibility of such personnel). The Company maintains communication channels at all times; anonymous physical suggestion boxes are installed in the office for employees to express opinions or report improper conduct; the internal website discloses directors' email addresses and dedicated lines, allowing employees to report unethical conduct directly to directors at any time. The Company undertakes to protect whistleblowers from improper treatment as a result of reporting, and anonymous reporting is permitted. In 2025, no illegal incidents were identified through diversified reporting channels and various statistics. (IV)The Company has established an effective internal control system, relevant regulations, and an accounting system for implementation. The internal audit unit formulates an annual internal audit plan, including the prevention of insider trading, and conducts various audit operations in accordance with the audit plan.	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
assessment results of unethical behavior risks, and audited the compliance with the unethical behavior prevention plan, or entrusted CPAs to perform the audit? (V) Does the company regularly hold internal and external training on ethical corporate management?	✓		(V) Employees of the Company are required to complete annual online reading and signing of the “Code of Conduct of Chief Telecom Co., Ltd.” In 2025, all 167 employees completed signing with a 100% completion rate. The declaration of the “Code of Conduct of Chief Telecom Co., Ltd.” applies to the Company’s directors, employees, and managers. Its purpose is to prevent improper conduct and promote: honest and ethical conduct, including ethical handling of conflicts of interest between individuals and their duties; confidential handling of information; complete, fair, accurate, timely, and understandable disclosure of periodic reports that the Company is required to submit; fair treatment of the Company’s customers and suppliers; protection of the Company’s assets for effective utilization; and compliance with government laws and regulations. Relevant education and training and promotion activities are conducted annually. Course title: “Personal Information Protection and Information Security and Related Corporate	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Governance Issues (including promotion of ethical corporate management) Education and Training,” and “New Four Anti-Fraud Laws and Telecommunications KYC and Corporate Governance Issues (including promotion of ethical corporate management) Education and Training”; Course dates: July 24, 25, 2025 and December 16, 19, 2025; Participants: all employees of the Company; Total participants/total hours: 167 persons / 668 hours.	
III. Operation of the Company's Whistleblower System (I) Has the Company established a specific whistleblower and reward system, established a convenient channel for whistleblowing, and assigned appropriate personnel to handle complaints?	✓		(I) The Company’s “Ethical Corporate Management Best-Practice Principles,” “Procedures and Conduct Guidelines for Ethical Corporate Management,” and “Code of Ethical Conduct for Directors and Managers” stipulate the handling of unethical conduct by Company personnel, and establish specific reporting and reward mechanisms. Multiple reporting channels have been established, and bonuses may be granted based on the severity of the reported matter. Where stakeholders have their rights infringed or discover unlawful conduct or violations of corporate governance by employees, they may use the Audit Committee’s dedicated email address, AuditCommittee@chief.com.tw (this dedicated mailbox is accessible only to Audit Committee members or their designated personnel, and subsequent	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for the investigation of matters reported, follow-up measures to be taken after the investigation, and relevant confidentiality mechanisms?	✓		handling of communications is the responsibility of such personnel). ; anonymous physical suggestion boxes are installed in the office for employees to express opinions or report improper conduct, and are received and handled by the designated unit, the Personnel Department; the internal website discloses directors' email addresses and dedicated lines, allowing employees to report unethical conduct directly to directors at any time. (II) The Company's "Ethical Corporate Management Best-Practice Principles" and "Procedures and Conduct Guidelines for Ethical Corporate Management" establish standard operating procedures for the investigation of reported matters and relevant confidentiality mechanisms. Personnel of the Personnel Department (the designated unit) responsible for handling reported matters shall provide written statements to maintain the confidentiality of the whistleblower's identity and the content of the report, and undertake to protect whistleblowers from improper treatment as a result of reporting. The following procedures are followed to handle whistling cases: If the case involves an ordinary employee, it should be reported to the department head; if the case involves a director or senior executive, it should be reported to independent directors. The Personnel Department (the designated unit)	No difference.

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Does the Company take measures to protect the whistleblower from improper handling due to the whistleblowing?	✓		and the supervisors or personnel to whom the matter is submitted in the preceding paragraph shall immediately investigate the relevant facts, and where necessary, assistance shall be provided by the legal compliance unit or other relevant departments. (III) The Company has regulations to protect whistleblowers from retaliation, threats or harassment, and has fully implemented them.. The Company undertakes to protect whistleblowers from improper treatment as a result of reporting, to maintain the confidentiality of the whistleblower's identity and the content of the report, and permits anonymous reporting. In 2025, the Company did not receive any reported cases.	No difference.
IV. Strengthening of Information Disclosure (I) Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and the effectiveness of promotion on its website and the MOPS?	✓		(I) The Company discloses the implementation of its ethical corporate management on the MOPS and in its annual report.	No difference.
V. If the Company has its own Ethical Corporate Management Best Practice Principles in compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between their operations: None.				
VI. Other important information that will facilitate the understanding of the Company's ethical corporate management (such as the Company's review and revision of its Ethical Corporate Management Best Practice Principles):				

Evaluation item	Operation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
1. The company adheres to the Company Act, Securities and Exchange Act, Business Entity Accounting Act, securities related regulations, and other commercial conduct related laws and regulations, to serve as the foundation of its ethical corporate management. 2. The Company's "Rules of Procedure for Board Meetings" includes a director's interest avoidance system. For a proposal in the board meeting that involves the personal interest of a director or his/her representative which may harm the Company's interests, the person may express his/her opinion and answer questions, and is not allowed to participate in the discussion and voting, and should avoid the discussion and voting, and cannot represent any other director to exercising the voting rights. 3. The Company has formulated the "Management Procedures for Preventing Insider Trading" which stipulates that insiders and those who obtain all information based on their positions shall not disclose material information they are aware of to others. 4. The Company implements the concept of ethical corporate management, follows relevant regulations and the internal control system, strictly prohibits unethical or illegal actions, and signs a "Code of Conduct" with employees every year.				

(XI) Other important information that can increase the understanding of the operation of corporate governance:

1. The Company continues investing resources to strengthen corporate governance operations. The Company has established an Audit Committee, Remuneration Committee, Risk Management Committee, Sustainable Development Committee, and Nomination Committee has appointed a Corporate Governance Officer, and discloses material information in a timely manner to safeguard the rights of investors and shareholders.
2. The Company's internal processing of material information
As the basis for the internal processing of material information, the Company has established the "Management Procedures for Preventing Insider Trading", the "Management Procedures for Financial and Non-financial Information" and the "Management Procedures for Information Disclosure" in the internal control system, in order to avoid the possibility of violation due to negligence and insider trading.

(XII) Internal Control System Execution Status:

1. Internal Control Declaration:

Chief Telecom Incorporation
Internal Control System Declaration

Date: February 25, 2026

For the Internal Control System of 2025, the Company states the following, on the basis of self-inspection:

- I. The Company knows that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting, and compliance with relevant norms and relevant laws and regulations.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the three objectives above. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self supervision mechanism, and once deficiencies are identified, the Company will take corrective action immediately.
- III. The Company judges whether the design and implementation of the internal control system is effective in accordance with the judgment items of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are to divide the internal control system into five components according to the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations. Each component element includes several items. For the items above, please refer to the provisions of the "Regulations".
- IV. The Company has adopted the internal control system judgment items above to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the outcomes of the abovementioned assessment, it is believed that up to December 31, 2025, in the regard of the internal control system (including the supervision and management to the subsidiaries), including the understanding of the effects and efficiency of operations; the reliability, timeliness, and transparency of the reports; and the achievement of the compliance with the related laws and regulations, the design and executions are effective, and able to reasonably assure the achievement of the said objectives.
- VI. This Declaration will become the main content of the Company's annual report and prospectus, and will be made public. If there are false, hidden and other illegal circumstances in the disclosure above, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be involved.
- VII. This Declaration was approved by the board meeting of the Company on February 25, 2026, and all the seven directors present agreed to the contents of this Declaration.

Chief Telecom Incorporation
Chairperson: *Hong-Chia Shao*
President: *Yao-Yuan Liu*

2. Where a CPA is entrusted to audit the internal control system on a special case basis, the CPA's audit report shall be disclosed: Not applicable.

(XIII) Important resolutions of the shareholders' meeting and the board meeting in the past year and as of the date of printing of the annual report:

1. Important resolutions of the shareholders' meeting:

Date of Shareholders' Meeting	Important resolutions of shareholders' meetings in 2025 and implementation status
2025.05.22	1. 2024 business report and financial statements. Implementation status: The resolution has been implemented. 2. 2024 earnings distribution. Implementation status: For the 2024 earnings distribution, total cash dividends of NT\$974,479,625 (NT\$12.5 per share) were distributed to shareholders; June 17, 2025 was the ex-dividend base date, and July 10, 2025 was the cash dividend distribution date, and the relevant procedures have been completed in accordance with the schedule. 3. Amendment to the "Articles of Association". Execution status: The "Articles of Association" has been amended and announced on the company website.
Date of Shareholders' Meeting	Important resolutions of the 1st extraordinary shareholders' meetings in 2025 and implementation status
2025.10.15	1. Amendment to the "Articles of Association". Execution status: The "Articles of Association" has been amended and announced on the company website.

2. Important resolutions of board meetings:

Board meeting date	Important resolutions
2025.02.19	1. Distribution of directors' and employees' remuneration for 2024 2. 2024 business report and financial statements 3. 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Declaration" 4. Setting the ex-date for conversion of employee stock options into new shares and capital increase. 5. Appointment of certifying CPAs for 2025 and independence assessment 6. 2024 earnings distribution 7. The amendment of the Articles of Incorporation of the Company 8. Plan to apply for a short-term loan from Yuanta Bank 9. Matters related to the 2025 AGM and shareholder's proposal-making rights
2025.4.30	1. Consolidated financial report for Q1 2025 2. Proposal for the audit fees of the certifying CPAs for 2025 3. Appointment of the Deputy General Manager (managerial officer) of the Internet Application Division 4. Proposal regarding matters relating to the Sustainability Development Committee 5. Proposal for the 2024 performance bonus for managerial officers
2025.7.29	1. Consolidated financial report for Q2 2025 2. The amendment of the Articles of Incorporation of the Company 3. Amendments to the "Guidelines for Handling Overdue

Board meeting date	Important resolutions
	Receivables, Collection Accounts, and Bad Debts” 4. Personnel change for Finance and Accounting Manager 5. Personnel change for Corporate Governance Director 6. 2024 Sustainability Report 7. Proposal to apply to banks for renewal of short-term financing 8. Proposal regarding matters relating to the first extraordinary shareholders’ meeting in 2025 9. Proposal regarding matters relating to the establishment of the Nomination Committee 10. Remuneration of managers for 2024 11. Remuneration of directors for 2024
2025.10.28	1. Consolidated financial report for Q3 2025 2. Business report for the first half of 2025 3. Earnings distribution for the first half of 2025 4. 2026 audit plan. 5. Proposal regarding matters relating to directors’ continuing education 6. Proposal for amendments to the “Organizational Rules of the Risk Management Committee” 7. Proposal for the sustainable development policy 8. Proposal for the appointment of members of the Sustainability Development Committee
2025.12.18	1. 2026 business plan 2. Policies, systems, standards, and structures of the salary and remuneration of the Company’s directors and managers 3. Proposal to apply to banks for short-term financing facilities 4. Proposal to apply to banks for short-term financing facilities
2026.02.25	1. Distribution of directors’ and employees’ remuneration for 2025 2. 2025 business report and financial statements 3. 2025 earnings distribution 4. 2025 “Internal Control System Effectiveness Assessment” and “Internal Control System Declaration” 5. Appointment of certifying CPAs for 2026 and independence assessment 6. Proposal for repurchase of shares for transfer to employees 7. Matters related to the 2026 AGM and shareholder’s proposal-making rights
2026.03.24	1. Amendment to employee compensation standards. 2. Proposal for the establishment of the Central Taiwan Science Park IDC data center 3. Proposal to increase the 2026 capital expenditure budget

(XIV) In the past year and as of the date of printing of the annual report, if directors had different opinions on important board resolutions with records or written statements in place, the key contents: None.

IV. Certifying CPA's Fees:

Amount unit: NT\$ thousand

Name of the CPA firm	Name of the CPAs	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Hsien-Cheng Chen	2025	1,970	530	2,500	Non-audit expenses include the review of checklist for full-time employees who do not hold supervisory positions, as well as tax certification for the Company and its subsidiaries.
	Hsiao-Tzu Chou					

- (I) If the CPA firm is replaced and the audit fees paid in the year of replacement are less than those paid in the year prior to the replacement, the amounts of audit fees before and after the replacement and the reasons thereof shall be disclosed: Not applicable.
- (II) If the audit fees have decreased by more than 10% compared to the previous year, the amount, proportion, and reason for the decrease shall be disclosed: None.

V. Information on replacement of CPAs: None

VI. If the Chairman, President or manager in charge of financial or accounting affairs of the Company has served in the certifying CPA firm or its affiliated enterprises within the most recent year, disclose the name, title and duration of serving at the certifying CPA firm or its affiliated enterprises: None.

VII. In the past year and as of the date of printing of the annual report, the transfer of shares and changes in pledge of shares by directors, managers, and shareholders with shareholding of more than 10 percent

(I) Changes in equity held by directors, supervisors, managers and shareholders with shareholding of more than 10 percent

Unit: share

Title	Name	2025		As of March 29, 2026	
		Number of shares held Increase (decrease) number	Number of shares pledged Increase (decrease) number	Number of shares held Increase (decrease) number	Number of shares pledged Increase (decrease) number
Director and major shareholder holding more than 10% of the shares	Chunghwa Telecom Co., Ltd.	-	-	-	-
Chairman and Chief Strategy Officer	Chunghwa Telecom Co., Ltd. Representative: Hung-Chia Shao	-	-	-	-
Directors	Chunghwa Telecom Co., Ltd. Representative: Ben-Yuan Chang	-	-	-	-
Directors	Chunghwa Telecom Co., Ltd. Representative: Yi-Hsiu Lin	-	-	-	-
Directors	Investar Corporation	-	-	-	-
Directors	Investar Corporation Representative: Chung-Ho Tai	-	-	-	-
Independent Directors	Chan-Chuan Lin	-	-	-	-
Independent Directors	Tao-Hong Lu	-	-	-	-
Independent Directors	Yu-Fen Lin	-	-	-	-
President	Yao-Yuan Liu	47,300	120,000	-	-
Senior Vice President	Lin-Tung Chang	-	-	-	-
VP	Wen-Han Chiang	21,000	-	4,000	-
VP	Ching-Hsiang Yan	7,000	-	-	-
VP	Yan Chou	-	-	-	-
VP	Pi-Yun Sung	-	-	-	-
VP	Yu-Pei Chen	1,750	-	1,250	-
VP	Ming-Si Hsiao (Note 1)	1,000	-	Not applicable	Not applicable
AVP	Kuo-Lung Chiu	-	-	-	-
AVP	Hung-Yi Lin	-	-	-	-
AVP	Chia-Ying Chen	-	-	-	-

Title	Name	2025		As of March 29, 2026	
		Number of shares held Increase (decrease) number	Number of shares pledged Increase (decrease) number	Number of shares held Increase (decrease) number	Number of shares pledged Increase (decrease) number
AVP	Cheng-Ta Li	(1,000)	-	-	-
AVP	Chang-Hung Shen	5,000	-	-	-
AVP	Ta-Chung Liang	2,000	-	-	-
AVP	Guo-Chung Pao (Note 2)	Not applicable	Not applicable	-	-

Note 1: Deputy General Manager of the Finance Division Ming-Tzu Hsiao was succeeded by Yu-Pei Chen on August 1, 2025 due to routine internal job adjustment within the Group.

Note 2: Kuo-Chung Pao was promoted to Associate General Manager on March 1, 2026.

(II) Information on the related parties involved in the transfer or pledge of equity by directors, managers and major shareholders: There is no such situation.

VIII. Information about the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship.

March 29, 2026 Unit: Shares

Name	Shareholding		Shareholdings of spouse and minor children		Shareholdings in other people's names		The names and relationships of the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship.		Remarks
	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Name	Relationship	
Chunghwa Telecom Co., Ltd. Representative: Chih-Cheng Chien	43,368,383	55.63%	-	-	-	-	Chunghwa Telecom Co., Ltd.	Parent company and subsidiary	-
	-	-	-	-	-	-	-	-	-
Chunghwa Investment Co., Ltd. Representative: Yan-Chih Ding	2,285,800	2.93%	-	-	-	-	Chunghwa Investment Co., Ltd.	Parent company and subsidiary	-
	-	-	-	-	-	-	-	-	-
The investment account of Cathay Life Insurance discretionary entrusted to Cathay Securities Investment Trust (Taiwan Stock A)	2,037,600	2.61%	-	-	-	-	-	-	-
Huawei Investment Co., Ltd. Representative: Tzu-Hsien Tung	1,608,463	2.06%	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Ni-Lian Ruan	1,496,073	1.92%	135,703	0.17%	-	-	Hui-Chun Tai Ju-Chun Tai	Relative within the second degree of kinship	-
Hui-Chun Tai	1,406,657	1.80%	-	-	-	-	Ni-Lian Ruan Ju-Chun Tai	Relative within the second degree of kinship	-
Ju-Chun Tai	1,058,872	1.36%	-	-	-	-	Ni-Lian Ruan Hui-Chun Tai	Relative within the second degree of kinship	-
Chao-Bao Tsai	708,000	0.91%	-	-	-	-	-	-	-
Standard Chartered's Business Department in custody of	621,600	0.80%	-	-	-	-	-	-	-

Name	Shareholding		Shareholdings of spouse and minor children		Shareholdings in other people's names		The names and relationships of the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship.		Remarks
	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Name	Relationship	
Utilico Emerging Markets Trust plc investment account									
Gemini Venture Holdings Inc. Representative Young Meng Ying	523,900	0.67 %	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

IX. The number of shares held by the Company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the consolidated shareholding ratio.

December 31, 2025 Unit: thousand shares

Reinvested business	The Company's investment		Investment by directors, supervisors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio	Shareholding	Shareholding ratio
Unigate Telecom Inc.	200	100%	-	-	200	100%
Chief International Corp.	200	100%	-	-	200	100%
Shanghai Shitai Network Technology Co., Ltd.	(Note)	49%	-	-	(Note)	49%

Note: It is a limited liability company and does not hold any shares.

Three. Fund Raising

I. Capital and Shares:

(I) Source of share capital

1. Type of shares issued

March 29, 2026 Unit: Shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary shares	77,958,370	10,041,630	88,000,000	OTC shares

Note: On February 25, 2026, the Board resolved to perform the first repurchase of the Company's shares, and 850,000 shares were repurchased up to March 25, 2026. After deducting the Company's shares repurchased, the number of outstanding shares was 77,108,370 shares.

2. Share capital formation process

Unit: thousand shares; NT\$ thousand

Month and year	Issue price (NT\$)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of share capital	Assets other than cash used as share capital	Others
January 1991	10.00	2,000	20,000	2,000	20,000	The Company was established with a capital of NT\$20,000 thousand.	None.	note 1
November 1998	10.00	3,000	30,000	3,000	30,000	NT\$10,000 thousand capital increase in cash.	None.	note 2
July 1999	10.00	4,250	42,500	4,250	42,500	NT\$12,500 thousand capital increase in cash.	None.	note 3
October 1999	11.00	5,950	59,500	5,950	59,500	NT\$17,000 thousand capital increase in cash.	None.	note 4
November 2000	30.00 10.00	7,500	75,000	7,500	75,000	NT\$2,970 thousand capital increase in cash. NT\$12,530 thousand capital increase from earnings.	None.	note 5
May 2001	10.00	23,956	239,555	23,956	239,555	NT\$7,640 thousand capital increase from capital surplus. NT\$156,915 thousand capital increase from earnings.	None.	note 6
August 2001	30.00	24,456	244,555	24,456	244,555	NT\$5,000 thousand capital increase in cash.	None.	note 7
February 2002	25.00	50,000	500,000	35,956	359,555	NT\$115,000 thousand capital increase in cash.	None.	note 8

Month and year	Issue price (NT\$)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of share capital	Assets other than cash used as share capital	Others
December 2002	10.00	88,000	880,000	66,684	666,835	NT\$300,000 thousand capital increase in cash. NT\$7,280 thousand capital increase from earnings.	None.	note 9
September 2004	10.00	120,000	1,200,000	66,684	666,835	-	None.	note 10
February 2005	10.00	120,000	1,200,000	54,814	548,138	NT\$118,697 thousand capital reduction for loss compensation.	None.	note 11
August 2006	10.00	88,000	880,000	54,814	548,138	-	None.	note 12
November 2007	10.00	88,000	880,000	54,701	547,008	NT\$251,130 thousand capital reduction for loss compensation. NT\$250,000 thousand capital increase in cash.	None.	note 13
July 2014	14.84	88,000	880,000	55,088	550,878	NT\$3,870 thousand capital increase from employee bonus.	None.	note 14
August 2015	10.00	88,000	880,000	60,046	600,457	NT\$49,579 thousand capital increase from earnings.	None.	note 15
April 2018	34.40	88,000	880,000	61,014	610,137	NT\$9,680 thousand employee stock options.	None.	note 15
June 2018	170.00	88,000	880,000	68,856	688,556	NT\$78,420 thousand capital increase in cash for pre-OTC listing.	None.	note 17
November 2018	34.40	88,000	880,000	68,915	689,149	NT\$593 thousand employee stock options.	None.	note 18
March 2019	34.40	88,000	880,000	69,331	693,314	NT\$4,165 thousand employee stock options.	None.	note 19
December 2019	34.40	88,000	880,000	69,462	694,621	NT\$1,307 thousand employee stock options.	None.	note 20
April 2020	34.40 135.6	88,000	880,000	70,225	702,249	NT\$7,628 thousand employee stock options.	None.	note 21
January 2021	138.7	88,000	880,000	70,246	702,459	NT\$210 thousand employee stock options.	None.	note 22
April 2021	132.7	88,000	880,000	70,460	704,596	NT\$2,137 thousand employee stock options.	None.	note 23
January 2022	134.5	88,000	880,000	70,470	704,701	NT\$105 thousand employee stock options.	None.	note 24

Month and year	Issue price (NT\$)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of share capital	Assets other than cash used as share capital	Others
April 2022	128.7	88,000	880,000	70,682	706,824	NT\$2,122.5 thousand employee stock options.	None.	note 25
January 2023	124.7 130.3 193.5	88,000	880,000	70,745	707,449	NT\$625 thousand employee stock options.	None.	note 26
August 2023	10.00	88,000	880,000	77,819	778,194	NT\$70,745 thousand capital increase from earnings.	None.	note 27
January 2024	171.7	88,000	880,000	77,866	778,664	NT\$470 thousand employee stock options.	None.	note 28
2025.01	166.5	88,000	880,000	77,951	779,514	NT\$850 thousand employee stock options.	None.	note 29
2025.03	166.5	88,000	880,000	77,958	779,584	NT\$70 thousand employee stock options.	None.	note 30

Note 1: Letter from MOEA dated January 19, 1991 referenced Taipei-Jian-Shang No. 00295084.

Note 2: Letter from MOEA dated November 23, 1998 referenced Jian-I No. 87342562.

Note 3: Letter from MOEA dated July 30, 1999 referenced Taipei-Jian-Shang II No. 88313309.

Note 4: Letter from MOEA dated October 8, 1999 referenced Taipei-Jian-Shang II No. 88338632.

Note 5: Letter from MOEA dated November 10, 2000 referenced Taipei-Jian-Shang II No. 89346763.

Note 6: Letter from MOEA dated May 22, 2001 referenced Jing (90) No. 09001179830.

Note 7: Letter from MOEA dated August 29, 2001 referenced Jing (90) No. 09001345350.

Note 8: Letter from MOEA dated February 18, 2002 referenced Jing-Shou-Shang No. 09101057350.

Note 9: Letter from MOEA dated December 10, 2002 referenced Jing-Shou-Shang No. 09101495310.

Note 10: Letter from MOEA dated September 15, 2004 referenced Jing-Shou-Shang No. 09301176690.

Note 11: Letter from MOEA dated February 16, 2005 referenced Jing-Shou-Shang No. 09401025420.

Note 12: Letter from MOEA dated August 30, 2006 referenced Jing-Shou-Shang No. 09501194490.

Note 13: Letter from MOEA dated November 26, 2007 referenced Jing-Shou-Shang No. 09601289970.

Note 14: Letter from MOEA dated July 10, 2014 referenced Jing-Shou-Shang No. 10301138270.

Note 15: Letter from MOEA dated August 13, 2015 referenced Jing-Shou-Shang No. 10401170500.

Note 16: Letter from MOEA dated April 10, 2018 referenced Jing-Shou-Shang No. 10701034760.

Note 17: Letter from MOEA dated June 27, 2018 referenced Jing-Shou-Shang No. 10701067220.

Note 18: Letter from MOEA dated November 29, 2018 referenced Jing-Shou-Shang No. 10701149970.

Note 19: Letter from MOEA dated March 25, 2019 referenced Jing-Shou-Shang No. 10801033070.

Note 20: Letter from MOEA dated December 2, 2019 referenced Jing-Shou-Shang No. 10801173740.

Note 21: Letter from MOEA dated April 7, 2020 referenced Jing-Shou-Shang No. 10901050850.

Note 22: Letter from MOEA dated January 15, 2021 referenced Jing-Shou-Shang No. 10901247670.

Note 23: Letter from MOEA dated April 9, 2021 referenced Jing-Shou-Shang No. 11001054110.

Note 24: Letter from MOEA dated January 7, 2022 referenced Jing-Shou-Shang No. 11101002690.

Note 25: Letter from MOEA dated April 11, 2022 referenced Jing-Shou-Shang No. 11101051810.

Note 26: Letter from MOEA dated January 4, 2023 referenced Jing-Shou-Shang No. .

Note 27: Letter from MOEA dated September 12, 2023 referenced Jing-Shou-Shang No. 11230171990

Note 28: Letter from MOEA dated January 17, 2024 referenced Jing-Shou-Shang No. 11330006340.

Note 29: Letter from MOEA dated January 22, 2025 referenced Jing-Shou-Shang No. 11430004950.

Note 30: Letter from MOEA dated March 28, 2025 referenced Jing-Shou-Shang No. 11430038600.

3. Information related to the comprehensive reporting system: Not applicable.

(II) Major shareholders (shareholders with a shareholding ratio of 5% or more or with a shareholding ratio among the top 10)

March 29, 2026 Unit: Shares

Major shareholder's name	Share	Shareholding ratio
Chunghwa Telecom Co., Ltd.	43,368,383	55.63%
Chunghwa Investment Co., Ltd.	2,285,800	2.93%
The investment account of Cathay Life Insurance discretionary entrusted to Cathay Securities Investment Trust (Taiwan Stock A)	2,037,600	2.61%
Huawei Investment Co., Ltd.	1,608,463	2.06%
Ni-Lian Ruan	1,496,073	1.92%
Hui-Chun Tai	1,406,657	1.80%
Ju-Chun Tai	1,058,872	1.36%
Chao-Bao Tsai	708,000	0.91%
Standard Chartered's Business Department in custody of Utilico Emerging Markets Trust plc investment account	621,600	0.80%
Gemini Venture Holdings Inc.	523,900	0.67%

(III) Dividend policy and implementation status

1. Dividend policy of the Company is as follows:

If the Company has a pre-tax profit for the year, it shall allocate 3.5% to 6.9% as employees' remuneration, and the directors' remuneration shall not exceed 2.3%. The resolution shall be made by the board meeting with two-thirds or more of the directors present and the approval a majority of the directors present. At least 50% of the total employee compensation shall be allocated to grassroots employees. The employee remuneration is distributed in shares or cash. The qualifications and requirements for employees entitled to receive bonuses shall apply to the employees of subsidiaries who meet specific criteria.

The proposal of the distribution of employee remunerations and the director remunerations in the preceding paragraph shall be reported in the shareholders' meeting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for the employee bonuses and director compensation proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

The distribution of earnings or the offsetting of losses may be carried out after the end of each half fiscal year. When earnings are distributed in cash, aside from the distribution of earnings for the first half of the fiscal year, which shall be handled pursuant to Article 228-1, Paragraph 4 of the Company Act by resolution of the Board of Directors, the Company, in accordance with Article 240, Paragraph 5 of the Company Act, authorizes the Board of Directors, with the attendance of two-thirds or more of all directors and the approval of a majority of the attending directors, to distribute all or part of the dividends and bonuses in

cash. Such distribution shall be reported to the shareholders' meeting. When dividends are distributed by issuing new shares, such distribution shall be subject to a resolution of the shareholders' meeting.

If the Company has earnings, such earnings shall first be reserved for the payment of taxes and the offsetting of accumulated losses. Next, 10% shall be appropriated as a legal reserve, followed by the allocation or reversal of the special reserve; this requirement shall not apply if the legal reserve has reached the total paid-in capital of the Company. The remaining balance, together with undistributed earnings from previous years, shall be appropriated, with at least 50% distributed to shareholders as dividends.

In addition to handling earnings distribution in accordance with the aforementioned regulations, the distribution of shareholder bonus for the current year can be carried out in stock or cash, with the cash amount not less than 50% (inclusive) of the total dividends.

The Company must not distribute dividends and bonuses without earning. Where the Company has no loss but earnings, a distribution may be made within the amount specified by laws or the competent authority from all or part of the reserves based on the considerations of the Company's finance, business, and operations.

Pursuant to Article 241 of the Company Act, the Company may distribute all or part of the legal reserve and capital reserve by issuing new shares to shareholders in proportion to their shareholdings, or by cash. In the case of cash distribution, the Board of Directors, with the attendance of two-thirds or more of all directors and the approval of a majority of the attending directors, is authorized to resolve such distribution, which shall be reported to the shareholders' meeting.

2. Dividend distribution proposed at this shareholders' meeting

The Company's proposal for distribution of earnings for the first half of 2025 was approved by the Board of Directors on October 28, 2025, with cash dividends of NT\$514,525,242 (NT\$6.6 per share) distributed to shareholders. The Company's proposal for distribution of earnings for the second half of 2025 was approved by the Board of Directors on February 25, 2026, with cash dividends of NT\$592,483,612 (NT\$7.6 per share) distributed to shareholders. The 2025 earnings distribution schedule is proposed to be submitted for recognition at the annual general meeting of shareholders on May 27, 2026, and the 2025 cash dividend distribution is proposed to be reported at the annual general meeting of shareholders on May 27, 2026.

(IV) The effect of the proposed free share allotment at the current shareholders' meeting on the company's operating performance and earnings per share:

The Company's earnings distribution proposals for the first half of 2025 resolved by the Board of Directors on October 28, 2025, and for the second half of 2025 resolved by the Board of Directors on February 25, 2026, did not include the distribution of stock dividends; therefore, there is no impact on the Company's operating performance and earnings per share.

(V) Remuneration of employees and directors

1. Percentage or range of remuneration of employees and directors as stated in the Articles of Association:

Please refer to the explanation in “(III) 1. Company Dividend Policy” above.

2. The basis for estimating the remuneration of employees and directors in the current period, the basis for calculating the number of shares of employees' remuneration distributed by shares, and the accounting treatment if the actual distribution amount is different from the estimated amount:

The remuneration of employees and directors of the Company is estimated and recognized each year based on the provisions of the "Articles of Association" and the "Key Points for the Implementation of Employee Remuneration" of the Company, with reference to past experience and possible future amounts. After the end of the year, if there is a significant change in the distribution amount determined by the board meeting before the release date of the annual financial report, the change will be adjusted in the original provision for annual expenses. If there is still a change in the amount after the release date of the annual financial report, it shall be processed according to changes in accounting estimates and adjusted to the account in the following year.

3. Remuneration distribution by the resolution of the board meeting:

- (1) The amount of remuneration of employees and directors and supervisors distributed in cash or share. If it is different from the estimated amount in the year of recognition, disclose the difference, reason and handling situation:

The Company approved the remuneration for employees and directors in the board meeting on February 25, 2026. The directors' remuneration of NT\$3,360 thousand and employees' remuneration of NT\$114,097 thousand were both paid in cash, and there was no difference from the estimated amount recognized as expenses for 2025.

- (2) The ratio of employee remuneration distributed by shares to the total after-tax profit and employee remuneration in the current individual or respective financial report:

Not applicable as the Company distributed 2025 employee remuneration in cash.

4. Actual distribution of remuneration to employees and directors in the previous year (including the number, amount and price of shares distributed); if it has any difference from the recognized remuneration of employees and directors, state the difference, the reasons for the differences and the handling thereof:

The Company's 2024 employees' remuneration was NT\$99,130 thousand and directors' remuneration NT\$3,360 thousand, and there was no difference from the estimated amount recognized as expenses for the year.

(VI) The Company's buyback of its own shares:

Status as of the most recent fiscal year up to the date of publication of the annual report:

March 29, 2026

Repurchase batch	First (term)
Date of Board resolution	2026/2/25
Purpose of repurchase	Transfer of shares to employees

Type of shares repurchased	Ordinary shares
Upper limit on total repurchase amount	NT\$ 3,043,611,918
Scheduled repurchase period	2026/2/26 ~ 2026/4/25
Planned number of shares to be repurchased	1,000,000 shares
Repurchase price range	NT\$280–NT\$470; if the Company's share price falls below the lower limit of the price range, the Company will continue to repurchase shares
Type and number of shares repurchased	850,000 common shares (Note)
Amount of shares repurchased (Note)	NT\$308,793,571 (Note)
Percentage of shares repurchased to the total number of shares planned for repurchase (%)	1.09% (Note)

Note: Calculated as of March 25, 2026 and had not yet been completed as of the annual report publication date.

II. Handling of corporate bonds: None.

III. Handling of preference shares: None.

IV. Handling of overseas depositary receipts: None.

V. Handling of employee stock option certificates:

- (I) As of the printing date of the annual report, the processing status of employee stock option certificates that have not yet expired and their impact on shareholder equity: None.
- (II) The names, acquisition and subscription status of managers who acquired employee stock option certificates, and the top ten employees in terms of the number of subscribable shares from their acquisition of employee stock option certificates as of the printing date of the annual report: None.

VI. Handling of new shares with restricted employee rights: None.

VII. Handling of new share issuance due to the merger or assignment of shares of other companies: None.

VIII. Implementation of fund utilization plan: None.

Four. Operation Overview

I. Business contents

(I) Business scope

1. Major business contents: The Company operates general telecommunications and special business services, mainly including IDC room services, data network services, voice communication services, and cloud application services.
2. Business proportion of major products

Unit: NT\$ thousand

Product \ Year	2024		2025	
	Net operating revenue	Proportion (%)	Net operating revenue	Proportion (%)
IDC room services	1,478,364	38.98%	1,776,356	45.04%
Digital network services	1,474,754	38.88%	1,407,353	37.29%
Cloud application services	598,165	15.77%	648,028	16.43%
Voice communication services	241,730	6.37%	48,929	1.24%
Total	3,793,013	100.00%	3,943,666	100.00%

3. Current products and services

Product	Major applications or functions
IDC room services	Including services such as mainframe hosting, machine room hosting, power services, and outsourcing management.
Digital network services	Including enterprise virtual private network, Internet access, machine room jumper, domestic and foreign data routes and bandwidth rental services.
Voice communication services	Including 070 VoIP network phone, 070 cloud operator, 070 App business application, etc.
Cloud application services	Including virtual hosting, IoT industry applications, enterprise business applications, information security applications, cloud storage, cloud survey, cloud videoconferencing, public cloud direct connection services, enterprise hybrid cloud, cloud exchange platform, AI computing, AI application and intelligent health cloud services.

4. New products (services) planned for development
 - A. Develop smart health cloud management platform, build a healthy industry ecology, and expand smart health cloud services.
 - B. Work with the international IX internet exchange center operators to extend the overseas reception point of T PIX, increase the number of T PIX members and improve the volume of data exchanged.
 - C. Work with international AI service providers to provide AI computing and AI application services.
 - D. Work with information security practitioners to expand weakness scanning, penetration testing, social engineering drill, terminal detection, and AI model testing, etc.

(II) Industry Overview

1. Industry status and development

The communication industry, also known as the telecommunications industry, includes businesses that provide services such as sending, transmitting or receiving symbols, signals, text, images, sounds or other types of information using cable, radio, optics, electromagnetic systems or other technological products.

Before the 1990s, communication content was mainly analog sound. With the rise of the Internet, transmission content gradually diversified, and the demand for text, image and file transmission in digital form gradually increased, and their positions became increasingly important. The communication industry continued to flourish, and various types of wired and wireless products and services emerged like mushrooms after rain, giving a wide range to the entire communication network industry. After the 1990s, there was a vigorous development of wireless services. The third generation (3G) service was the third generation (3G) mobile communication service with broadband multimedia services as the main appeal, which was the key to achieving global roaming with one device in hand. In 2010, mobile communication further entered the 4G broadband frequent era. Due to the fast speed and low transmission delay of 4G, it can be expected to promote the development of new application services such as high-speed internet access, high-quality digital content, cloud computing and e-commerce. It has changed the developmental forms of various industries, and made public life and mobile communication inseparable.

At present, various domestic mobile operators have launched 5G commercial networks, significantly improving the bandwidth of mobile internet access. Innovative technologies such as Internet of Things and regional blockchain are also continuing. The related innovative applications have significantly increased the demand for network bandwidth usage.

According to market research institutions, IDC data center services and cloud services are still the main trends in market development. According to the report by market research firm Allied Market Research, the global IDC data center service revenue has a compound annual growth rate of 10.5% between 2021 and 2030. According to the report by market

research firm Precedence Research, the global public cloud services has a compound annual growth rate of 17.4% in service revenue between 2022 and 2030. The multiple cloud service of the enterprise hybrid cloud and public cloud has become an industry development trend, and the launch of various cloud services will simultaneously bring market challenges and business opportunities for performance.

Currently, there are more than 400 submarine cables on the seabed globally, with a total length of over 1.2 million kilometers, which equals to circling the earth 30 times. Accounting for more than 95% of international Internet transmission traffic, international submarine cables have been under the control of communication and technological companies for decades, and investments in international submarine cables have continued. Emerging low-orbit satellite communication networks have been applied in commercial services by operators such as SpaceX Starlink. Nevertheless, the network bandwidth restrictions and expensive charges of low-orbit satellite services remain limited to special application services (such as: aviation, maritime, military, emergency and mobile vehicle services and special user-end applications).

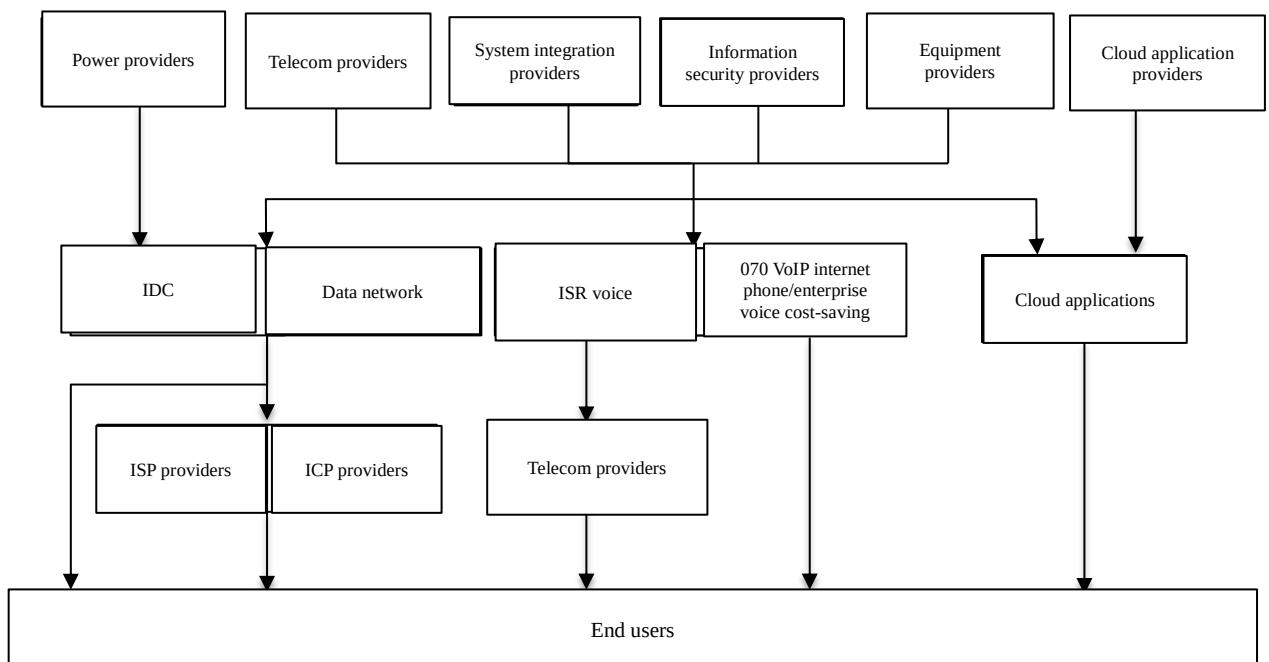
2023 will be known as the first year of AI. Since Microsoft released the generative AI applications for ChatGPT, AI applications have become the hottest trend. Several companies (such as Google, Meta and AWS) have also developed AI development plans and blueprints for related services. Cloud and AI have become the mainstream of future trend in the development of technological services. Cloud and AI servers with high power consumption and weight have also created market challenges and business opportunities to IDC companies.

2. Relationship among upstream, midstream, and downstream of the industry

The upstream of the telecommunications service industry is mainly composed of network equipment suppliers, content providers, network laying operators and system software manufacturers, as well as those who have installed physical line fixed networks or physical wireless base local stations to operate telephone or internet services. The midstream is mainly the telecommunications service industry, which uses the upstream equipment to provide downstream network telecommunications services, while downstream consumers are general consumers. Among the four major products and services of the Company, their upstream, midstream and downstream correlations are as follows:

Products and services	Relationship between upstream and downstream
IDC room services	Lease building space from upstream real estate holders, apply for electricity from Taiwan Power, and build machine rooms through system integration operators and equipment suppliers. In addition, strengthen defense security mechanisms through cooperation with information security providers to provide IDC room leasing and related value-added services for downstream customers.

Products and services	Relationship between upstream and downstream
Digital network services	Rent and purchase routes and internet bandwidth from domestic and international telecommunications companies, carry out network construction through system integration operators and equipment providers. In addition, strengthen the security mechanism of defense through cooperation with information security providers to provide downstream customers with data network rental and related value-added services.
Voice communication services	1. International voice exchange: Telecommunications operators play both an upstream and downstream role, providing high-quality voice routing and fee rate for international call transfer at different destinations, and conduct voice traffic sales. 2. Internet telephone service: Construct Internet telephone service systems through system integration operators and equipment providers, , and rent routes from upstream telecommunications providers to connect to the voice exchange systems of telecommunications providers in order to provide Internet telephone services to downstream customers.
Cloud application services	Purchase relevant software and hardware equipment from upstream system integration providers, equipment providers, information security providers, and cloud virtual operation software suppliers, establish cloud service platforms, and provide cloud application services and AI related application services to downstream customers through the collaborative model of cloud ecology, in combination with cloud operation software developers and cloud service providers.



Data source: Compiled by the Company

3. Development trends of products

A. IDC room services:

- (a) With the increasing popularity of blade servers that are light and thin and consume less electricity, IDC computer rooms outsourcing management services for high-power cabinets and remote customer operations will continue to be the future development trend.
- (b) Cloud and AI have become the mainstream of future technology service development, providing high power consumption, water cooling design and carrying high weight AI servers, and the provision of outsourced IDC management services for cloud and AI servers with high power consumption and weight will be the direction of future development.
- (c) In response to the increasing awareness of environmental protection, green energy machine rooms with high power efficiency and water cooling design will also be the development trend of IDC rooms in the future.

B. Digital network services:

- (a) With the vigorous development of broadband network applications and the significant improvement in non-voice communication services, high usability primary and secondary assistance network systems and high-quality internet relay services with multiple round robin routes will become the future development trend.
- (b) The platform technology of the new generation of Software Defined Networking (SDN) involves changing the network architecture and functionality through software, allowing the network to be more freely controlled and managed. In this way, communication operators and enterprises can use the network infrastructure more efficiently, and even reduce transportation costs through this technology.
- (c) The booming development of the internet has led to an increasing demand for the use of adult websites, and in the future, IPV4 websites may not be sufficient. Therefore, the communication market may see the emergence of IPV4/IPV6 website conversion services.

C. Voice communication services:

There are numerous free voice communication software and free video service systems available on the internet and mobile apps, which impact the promotion of voice communication services as well as revenue and profitability.

D. Cloud application services

With the increasing popularity of information applications, cloud applications have emerged to meet the needs of cross-enterprise and cross-regional information exchange. Providing generative AI application services through cloud computing platforms is also expected to be a key development trend in the future. Focusing on cloud technology as the core of development and adopting a revenue-sharing model

within the cloud ecosystem, various cloud service providers and AI service providers collaborate to offer a wide range of cloud services. These include virtual hosting, enterprise hybrid cloud, cloud-based surveys, IoT industry applications, enterprise business applications, cybersecurity applications, cloud storage, cloud video conferencing, cloud exchange platforms, AI computing power, and AI applications. The CCX cloud exchange platform established by the Company will cooperate with international cloud service giants to provide enterprise hybrid cloud connectivity services, meeting the needs of various cloud application services in the environment. Additionally, through the CCX platform, AI computing power and applications can be provided via a fast and private network.

4. Product competition

A. Comparison of main competing products

- (a) The IDC room service provided by the Company has become the first choice for international players to enter Taiwan's IDC rooms by taking advantage of the complete telecom neutrality feature and the critical mass of the industry. Cloud and AI are the mainstream of future trend in the development of technological services. The Company has invested in the new LY2 AI Data Center, which can provide high power consumption, water cooling design and carrying high weight cloud and AI servers. Compared with other competitors that only provide data center co-location services, the Company has a significantly different market position.
- (b) The data network services provided by the Company are mainly to provide virtual private networks and Internet related relay services for corporate customers. Although there is a strong market competition, the Company has laid out network business for corporate customers straits for many years, has rich operating experience and long-term partners in the mainland and Southeast Asia, with a certain degree of market competitiveness. In addition, the Company has cooperated with international companies in developing and promoting SDN network services, and has successfully expanded the coverage of network services to 40 countries and 60 cities.
- (c) The 070 Internet telephone service provided by the Company has a number issued by NCC and can be dialed in and out in both directions. Through the Chief 070 App, various mobile devices can be paired, and customers can enjoy the fast service of 070 Mobile One Code Communication through wireless Internet access, and can also perform functions such as SMS transmission, file transfer, group communication, chat room, data fax, conference call, etc, It is significantly different from the fixed network local call services provided by general telecom operators, and other network telephone services without telephone numbers (such as Line, Messenger, etc.). In addition, the Chief 070 cloud operator service

can save on the procurement, maintenance and operation costs of switchboard hardware for enterprises, and provide competitive telephone fees; it has been adopted by many corporate clients.

- (d) The Company has built its own cloud service platform, and cooperated with cloud operation software developers and cloud service providers to provide a variety of cloud services through the collaborative model of cloud ecology, including virtual hosting, cloud storage, enterprise hybrid cloud, big data marketing applications, IoT industrial applications, enterprise business applications, information security applications and smart health services. In addition, the Company has cooperated with international companies in developing and promoting Bare Metal Cloud (BMC) services, and has successfully expanded the coverage of network services to 40 countries and 60 cities.
- (e) The Company has established a cloud-based exchange platforms (CCX, Chief Cloud eXchange), and is gradually cooperating with global cloud service providers (AWS, Microsoft, Google, Oracle, IBM, etc.) to provide cloud connected services through the cloud exchange platform that enables enterprises to connect through VPN, SD-WAN or dedicated lines, which can meet the needs of various cloud application services in the environment.

B. Competitors who may join the market in the future

The telecommunications industry is a technology intensive industry with high market concentration. At the same time, it must accept the strict control of the competent authority, so the entry threshold is relatively high.

In the Taiwan telecommunications service market, which is approaching saturation, the Company not only strengthens the maintenance of close relationships with existing customers, but also actively improves product functionality and competitiveness, establishes differentiated services and features, and actively expands new customers to respond to potential competitors in the future.

(III) Technology and R&D Overview

1. Technical level and R&D

A. Technical levels of our businesses

The telecommunications services provided by the Company mainly involve purchasing routes, bandwidth and switching equipment from upstream telecommunications operators and equipment suppliers, constructing telecommunications service systems to provide related IDC room services, data network services, voice communication services and cloud application services.

Unlike general manufacturing or technology research and development companies which only pursue the development of new products or technologies, we integrate our own communication facilities, existing communication technologies, communication agreements and communication equipment to provide customers with a complete and stable telecommunications network service platform, and form a telecommunications critical mass of a certain economic scale. This integrated service process relies on the communication knowledge and experience of the Company's technical personnel with a market-orientation, to provide customers with the best communication solutions and communication quality commitments. Unlike ordinary telecom operators, based on the current market demand, the Company has invested a lot of resources in building relevant network hardware facilities and equipment, and comply with the latest network equipment trend and the evolution of the latest communication technology, to provide customized service and reduce customer communication operating costs, while achieving the Company's goal of long-term stable profitability.

B. R&D status

The Company began to invest in the product development of "Chief i Health" smart health cloud in 2018, and "Chief i Health" was launched for service in 2020. "Chief i Health" can collect dynamic information related to personal health through various channels, such as smart phones, wearable devices, measurement devices, exercise records, AI food photography and food composition identification, diet records and health examination reports. After being processed by big data cloud computing and health engine analysis, member health information can be pushed through message push, graph display and intelligent conversation to feed back health analysis data to members of the Health app, and provide members with exercise and dietary advice to achieve the goal of promoting health. Based on the platform, "Chief i Health" can vertically and horizontally integrate various professional partners and related applications to jointly create an ecosystem of health promotion related industries. The Company has technical research and development personnel to develop network services and cloud services, and continuously provide innovative internet services and enhance the service interface and functions of "Chief i Health". "Chief i Health" enables users to take snapshots of their meals and create personalized health diet plans using AI, has been widely praised and favored by users. In addition, the Company also has information management and research and development personnel to continuously strengthen the digital transformation and information security enhancement of the Company.

2. R&D expenses in the past year and as of the date of printing of the annual report

Unit: NT\$ thousand

Item/year	2025	As of the publication date of the annual report
R&D expenses	24,387	3,529
Net operating revenue	3,943,666	634,576
Ratio of R&D expenses to net operating revenue(%)	0.62%	0.56%

Note: As of the date of the annual report publication (calculated up to February 28, 2026), the amount is based on the Company's internal estimates.

3. Technology or product that has been successfully developed in the past year and as of the date of printing of the annual report: "Chief i Health" Smart Health Cloud.

(IV) Long and short term business development plan

1. Short term development plan

- (1) Give full play to the IDC room advantages of telecom neutrality and customer critical mass effect, expand the machine room space according to business needs, and continue to strive for domestic and foreign customers, especially providing Cloud and AI services for international customers.
- (2) In response to the widespread application of high-density blade servers, a dedicated area for the machine room of high-power cabinets will be constructed to meet the high electricity demand of customers.
- (3) To meet the demand for high power consumption and high weight load of Cloud and AI servers, the Company's LY2 AI Data Center invested by the Company has started to provide commercial services in June 2024, which can satisfy the needs of customers for setting up regional centers for Cloud and AI services.
- (4) Actively strive for customers to access the Company's network to increase the volume of communication exchanges, and plan to add internet nodes overseas to enhance business value.
- (5) Compete for customers to join the CCX cloud switching platform, and connect international cloud service giants' cloud platforms through dedicated lines to meet the various cloud application service needs of enterprises in multiple-cloud environments.
- (6) Expand the market for smart health cloud services, provide personal health data collection, analysis and feedback through industry level integration, and provide cloud services for mobile app health promotion.
- (7) Strengthen cooperation with information security providers (Cymetrics, TrendMicro, F5) to incorporate online information security solutions into customers' one-stop full purchase service selection and purchase projects.

- (8) Develop the "Three Rings and Three Lines" network to allow domestic and foreign customers to connect to our machine room through quality, fast and stable broadband networks to purchase various data networks, cloud services and other infocomm solutions in one stop, meeting the needs of enterprises for machine rooms, networks and clouds!
 - (9) Work with AI service providers to provide services including AI computing and AI application.
2. Long term development plan
- (1) Expand the advantages of telecom neutrality and customer critical mass effect of IDC room, utilizing the market competitiveness of LY2 AI Data Center, to make the Company's IDC room develop into a digital convergence center in East Asia, serving as the sea cable mutual exchange center, the Internet exchange center, the voice exchange center, and the cloud exchange center.
 - (2) Sign a partnership with the network and machine room service providers of various East Asian countries to establish IDC strategic alliances, enhance the frequency and bandwidth of overseas sea cable backbone and extend overseas service nodes, expand the coverage of network services, and become the best partner for enterprises' overseas investment layout.
 - (3) Develop and promote cloud value-added application services to become an important provider of enterprise business apps. Continue strengthening the functions of the CCX cloud exchange platform, combine local and international resources, provide the best cloud service solutions for enterprises, and develop the Company into a cloud business application center.
 - (4) At the end 2025, the number of members of TPIX, operated by the Company, has successfully pushed TPIX into the ranks of top 50 IXs worldwide. The Company will proactively cooperate with international IX providers, set up overseas service centers for TPIX, and continue to increase the number of members of TPIX and the volume of traffic exchange to keep improving TPIX's global ranking!
 - (5) The company will continue to promote the ACTIoN3 plan, leveraging next-generation neutral data centers and the global deployment of the Triple-Ring Network. This initiative aims to provide Artificial Intelligence (AI), Cloud, Telecommunications (Telecom), and Network services to domestic and international enterprises and application service providers. By partnering with industries for technological advancement, the company seeks to help Taiwan become an AI-driven smart technology hub, shaping an innovative future together.

II. Market, Production and Sales Overview

(I) Market Analysis

1. Sales (provision) regions of key products (services)

Unit: NT\$ thousand

Sakes region/year	2024		2025	
	Sales amount	Percentage of revenue %	Sales amount	Percentage of revenue %
Domestic sales	2,553,700	67.33%	2,822,475	71.57%
Export sales	1,239,313	32.67%	1,121,191	28.43%
Total	3,793,013	100.00%	3,943,666	100.00%

2. Market Share

The Company is a professional telecommunications service operator, mainly providing IDC room services, data network services, voice communication services, and cloud application services. Over the years, we have been successful in the industry, and our revenue has shown a stable growth trend year by year. In terms of market share analysis, due to the large number of telecommunications companies and varying levels of business scope, there is currently no effective statistical data, so there is no fair and objective market share data.

3. Future Market Supply and Demand and Growth Potential

In the future, the demand for telecom-neutral IDC services will continue to grow. In particular, outsourced IDC management services that offer high power capacity, water-cooled cooling designs, and support for heavy AI servers will become a key development trend. Currently, several domestic providers are actively investing in data center construction, with many facilities gradually becoming commercially operational. Broadband application services are thriving, and the growth potential of internet-based relay services will greatly improve in the future. In addition, the adoption of multi-cloud architecture by enterprises has become a trend in the development of the cloud service industry, and meeting the needs of various multi-cloud applications in the environment will become a driving force for cloud revenue growth. Starting from 2024, AI computing power services and AI application services will gradually be introduced to the market. With the strong demand for generative AI services, they have the potential to become a new driver of revenue growth in the future!

4. Competitive Niche

A. Provide complete enterprise infocomm communication solutions to meet customers' one-stop purchasing needs

Customers' demands for telecommunications services are becoming increasingly diverse. In addition to providing machine room service network, voice, and cloud value-added services, the Company also serves the functions of Taipei sea cable

exchange center, Taipei voice exchange center and Taipei Internet exchange center. and plays the role of an exchange center operator to provide sea cable connection as well as network and telecommunications exchange, connection and trading for domestic and foreign telecommunications operators to meet the demand for and enjoy the convenience of one-stop purchasing.

B. A professional and neutral East Asia telecom relay center with critical mass

The Company is a telecommunications operator certified by ISO 27001 and ISO 27011 information security management. Our IDC room is equipped with five-nine power design and the equipment support system, as well as SOC information security protection, and is also the main landing point in Taiwan for international sea cable operators, making the Company virtually an East Asian telecommunications hub. At the same time, it has a telecom-neutrality position, gathering a large number of domestic and foreign network service providers, sea cable providers, fixed network providers, and international cloud service providers. It can provide customers with fast and highly elastic multi-party interconnection, making it the first choice for domestic and foreign providers to enter Taiwan. The Company's LY2 AI Data Center meets the high-spec requirements for AI server power consumption, cooling, and load capacity, making it the top choice for international AI enterprises. The LY2 AI Data Center is set to become a key AI computing power hub for international AI enterprises in Taiwan. The Company's cloud services have also passed ISO27017 and ISO27018 international certifications. In addition, Our TPIX Taipei Internet Exchange Center is a national key infrastructure and has been reviewed and approved by the National Communications Commission's National Key Infrastructure Protection Drill.

C. Professional technical and service capabilities

The Company has a wide range of networks and related products, and can provide consulting, management, planning, construction, and guidance to commercial introduction solutions to strengthen the construction and application needs of enterprise network information, and achieve the best performance. In terms of professional personnel, our senior management personnel have complete qualifications, and the Company regularly holds employee training courses in order to ensure that employees' skills can advance with the times to provide customers with the best service quality.

5. Favorable and unfavorable factors for future development and countermeasures

A. Favorable factors

(a) The rise of new network modes create a large demand for mobile data traffic

Internet of Things (IoT), audiovisual, virtual reality (VR), and various innovative forms of information consumption and entertainment have increased the demand for data transmission speed and traffic. IoT and 5G are considered the two major trends that will dominate wireless communication in the future. There are

nearly 1.4 million small and medium-sized enterprises in Taiwan, accounting for over 97% of the total number of enterprises. Currently, industry 4.0 is being actively promoted; in the context of IoT, machines are connected through Internet, leading to a large increase in Internet demand. It is expected that in the future, the demand for mobile data networks in Taiwan will become more urgent in terms of traffic, bandwidth and network stability. The ensuing business opportunities include communication connection, cloud data analysis, etc. Therefore, it can be expected that in the future, the Company's revenue from data network services will increase with the increasing demand for terminal usage.

- (b) Cloud has become the main tool for enterprises' data storing and computing which will drive network traffic demand

Cloud service providers provide global customers with more options to store data, and optimize cloud service efficiency. This trend has led many customers to be willing to close their physical data centers and switch to full cloud services, or to transfer the most important enterprise services to IaaS. The Company provides cloud data centers with a plenty of IDC rooms and telecommunications resources, which can meet the needs of cross-enterprise and cross-regional information exchange. At the same time, we provide cloud computing platform services, enterprise cloud business applications, enterprise cloud storage services, cloud information security services, and enterprise hybrid cloud needs, which are major driving forces for our future business growth.

- (c) The development of AI application services toward commercialization

Since Microsoft released the generative AI applications for ChatGPT, AI applications have become the hottest trend. Several companies (such as Google, Meta and AWS) have also developed AI development plans and blueprints for related services. AI has become the mainstream of future trend in the development of technological services. Cloud/AI servers with high power consumption and weight have also created significant business opportunities to IDC companies.

- (d) The telecommunications market is gradually moving towards internationalization

Although the telecommunications service market is gradually moving towards internationalization, the telecommunications industry is still subject to the regulatory systems of various regional countries, but there are differences in the level of regulation among these countries. In terms of service content, the Company's main customer base is international customers (international telecommunications operators, international sea cable providers, international information content service providers, international website service providers, international cloud service providers, etc.). Moreover, the Company's machine room is the main choice for domestic and foreign businesses when entering Taiwan; the more open, free and international the telecommunications services in Taiwan,

the more opportunities for domestic and foreign production to come to Taiwan. This implies that the Company will have greater business opportunities to serve these foreign providers. Therefore, in terms of service content, the internationalization of telecommunications in Taiwan will be a positive help to the Company.

B. Unfavorable factors and countermeasures

(a) Unfavorable factors

i. Relaxation of regulations lead to an increase in potential competitors

Due to the gradual blurring of the boundary between network operators and telecommunications operators, for example, LINE's voice call and Meta Messenger's online call function, although not in the traditional telecommunications industry, are actually part of the new telecommunications industry. The Telecommunications Management Act was implemented on July 1, 2020, changing the telecommunications industry from the original licensing system to a registration system, and the monopoly nature of the type-I telecommunications operators' franchising system and the type-II licensing system will become obsolete. In the future, new entrants can directly register, and after the entry threshold is lowered, there may be competitors emerging for the market share of the telecommunications operators

Countermeasure

In the third quarter of 2021, the Company has made a filing according to law to the competent authority, the National Communications and Communications Commission, to complete the telecommunications transition operation. At present, the Company has advanced advantages in the telecommunications service market; even after the law is opened up for competition, the participation of other providers will not cause a loss of existing customers. The reason is that network traffic exchange requires both parties to be in the same network exchange center, so once the number of customers grows, there will be a critical mass effect. At present, several well-known domestic and foreign providers have chosen the Company as their network node in Taiwan, so the entry threshold is high. In order to maintain the existing competitive advantage, the Company is actively developing new businesses, including providing rich and complete cloud services, from virtual hosting, cloud data centers, private clouds, Internet phone integration, cloud storage and preservation integration, cloud business applications to cloud dynamic password authentication, in the expectation to meet customers' diverse needs.

ii. Price competition leads to low profits

Although the usage of mobile data in Taiwan is increasing year by year, according to NCC's statistics, the revenue of Taiwan's mobile data market as a whole has a slight downward trend. The reason is that three major telecom operators in Taiwan are accustomed to price competition, and have launched their respective all-you-can-eat plan for mobile network. The average GB price in Taiwan is about USD2, which is significantly lower than the average price of above USD7 per GB in South Korea and Japan. According to statistics, over 60% of the users adopting the all-you-can-eat plan will download videos more frequently, resulting in high usage of mobile data networks in Taiwan, but a decrease in unit profit. The all-you-can-eat plan also directly or indirectly increase the traffic volume of Internet access services. However, the wholesale prices of internet access services have been reduced year by year, and the market competition has been fierce; these has made an impact on the revenue and profit of telecommunications operators' internet access services.

Countermeasure

For data network services, in addition to offering discounted fees in the supply market, the Company is actively entering the cloud market to seek higher gross profit in the blue sea market. Currently, we have collaborated with the Ministry of Economic Affairs and successfully developed a domestically produced cloud data center, providing a cloud marketplace for Taiwan's cloud providers, thereby integrating the energy of Taiwan's cloud industry and attracting a large number of SaaS manufacturers. In addition, Chief Telecom also collaborates with a number of system service providers to assist partners in promoting cloud services, allowing small and medium-sized enterprises in Taiwan to enjoy both secure and high-quality cloud services. In addition, the company has established a CCX cloud exchange platform, which combines local and international resources to provide the best cloud service solutions for enterprises, develop the Company into a cloud business application center, actively explore and expand the cloud application service market, increase the proportion of operating revenue of cloud application services year by year, and pursue the goal of growth in both revenue and profit.

iii. Insufficient space in IDC room

At present, Internet users are more and more accustomed to the Internet use of audio and video transmission. In order to meet the demand of Internet traffic used by end users in the future, enterprises must increase their network bandwidth, and also need greater data storage space. At present, the

Company's existing machine room space is close to full capacity. If enterprises need larger machine room space in the future, the supply speed may not keep up with the demand.

Countermeasure

The Company began constructing the LY2 AI Data Center on Jiuzong Road in Neihu in October 2021. With a floor area of approximately 5,000 ping, it can provide 20 MW of power. Commercial services commenced in June 2024, supporting the high power consumption and heavy load requirements of Cloud/AI servers. The LY2 AI Data Center will assist international enterprises in establishing Cloud/AI service hubs for the Asia-Pacific region while meeting the Company's future growth needs in IDC services.

(II) Important Applications and Production Process of Key Products

1. Important Applications of Key Products

Product	Major applications or functions
IDC room services	Including telecommunications operators and enterprise mainframe hosting, machine room hosting, power services, and outsourcing management to provide customers with high-quality machine room services.
Digital network services	Including enterprise virtual private network, Internet access, machine room jumper, domestic and foreign data routes and bandwidth rental services to meet customer needs of network services.
Voice communication services	Including 070 VoIP network phone, 070 cloud operator, 070 App business application, etc.
Cloud application services	Including virtual hosting, IoT industry applications, enterprise business applications, information security applications, cloud storage, cloud survey, cloud videoconferencing, public cloud direct connection services, enterprise hybrid cloud, cloud exchange platform, AI computing, AI application and intelligent health cloud services.

2. Production Process of Key Products

- A. IDC room services: The Company mainly leases building space from upstream real estate owners, and purchases equipment from upstream electromechanical and air conditioning equipment suppliers to establishes IDC rooms, and provides our downstream distribution agents or customers with IDC room leasing and related value-added services.

- B. Data network services: The Company mainly rents and buys routes and internet bandwidth from both domestic and international upstream telecommunications operators, and purchases equipment from upstream transmission and network equipment suppliers to build network service systems, and provides data network rental and related value-added services to our downstream distributors or customers.
- C. Voice communication services: The Company's 070 Internet telephone service is established by procuring equipment from upstream Internet telephony equipment suppliers to build an Internet telephone service system, and by leasing circuits from upstream telecommunications operators to interconnect with the voice switching systems of telecommunications operators, serving as the Company's 070 Internet telephone interconnection, and providing 070 Internet telephone services to downstream distributors, agents, or customers.
- D. Cloud application services: The Company purchases relevant software and hardware equipment from upstream suppliers of computer servers, hard disk equipment and cloud virtual operation software, establishes cloud service platforms, and provides cloud application services to downstream distributors or agents or end customers through a collaborative profit-sharing model of cloud ecosystem in cooperation with cloud operation software developers and cloud service providers. The Company also works with many international cloud service giants to provide direct connection services for enterprise hybrid clouds through the CCX cloud exchange platform, in order to meet the various cloud application service needs of enterprises in the multiple-cloud environment.

(III) Key Material Supply Status

The Company mainly purchases routes and bandwidth from telecommunications operators, and also purchases transmission equipment, network equipment, server and exchange equipment from equipment suppliers to construct relevant communication service systems and provide customers with high-quality integrated communication services. The Company has established long-term and stable cooperative relationships with major suppliers, and the supply situation is stable.

(IV) Names of customers accounting for more than 10% of the total amount of goods purchased (sold) in the past two years or any of the past two years, as well as the amount and proportion of goods purchased (sold), and explain the reasons for their increase or decrease

1. Suppliers with purchases accounting for over 10% of total purchase amount

Unit: NT\$ thousand

Item	2024				2025			
	Name	amount	Ratio of net annual purchase amount (%)	Relationship with the issuer	Name	amount	Ratio of net annual purchase amount (%)	Relationship with the issuer
1	Chunghwa Telecom	514,559	25.81	Parent	Chunghwa Telecom	511,420	27.36	Parent
	Others	1,478,771	74.19	—	Others	1,357,605	72.64	—
	Net purchase amount	1,993,330	100.00	—	Net purchase amount	1,869,025	100.00	—

Reason for increase or decrease: The Company mainly procures circuits and bandwidth from telecom operators and purchases telecom equipment from equipment suppliers to build our telecom service system in response to customer demand. The only supplier accounting for more than 10% of total purchases is Chunghwa Telecom. There have been no significant changes in major suppliers or procurement amounts in the past two years.

2. Customers accounting for more than 10% of total sales amount

Unit: NT\$ thousand; %

Item	2024				2025			
	Name	amount	Ratio of net annual sales amount (%)	Relationship with the issuer	Name	amount	Ratio of net annual sales amount (%)	Relationship with the issuer
1	Chunghwa Telecom	225,869	5.95	Parent	Chunghwa Telecom	239,746	6.08	Parent
	Others	3,567,144	94.05	—	Others	3,703,920	93.92	—
	Net sales amount	3,793,013	100.00	—	Net sales amount	3,943,666	100.00	—

Reason for increase or decrease: The Company mainly provides IDC data center services, data network services, voice communication services, and cloud application services. The main sales customers are domestic and international telecom operators and internet content service providers. The largest customer in terms of sales revenue is Chunghwa Telecom; however, its sales proportion does not exceed 10% of total revenue. There have been no significant changes in major sales customers or sales amounts in the past two years.

III. Number of employees, average service years, average age, and education level distribution ratio in the past two years and as of the date of printing of the annual report.

Unit: person; year; %

Year		2024	2025	As of March 29, 2026
Number of employees	Direct	26	27	27
	Indirect	139	140	143
	Total	165	167	170
Average age		44.75	45.3	42.63
Average service years (year)		12.29	12.66	12.51
Education distribution (%)	PhD	1.21%	1.2%	1.18%
	Master	10.30%	11.98%	12.94%
	University and college	81.21%	80.24%	79.41%
	Senior high school	7.27%	6.58%	6.47%
	Below high school	-	-	-

IV. Information on Environmental Protection Expenditure

Losses suffered due to pollution of the environment (including compensation and environmental protection inspection results that violate environmental regulations, sanction date, sanction reference number, number of article violated, contents of legal provisions violated, and sanction content) in the past year and as of the date of printing of the annual report; also disclose the estimated amount that may occur at present and in the future and countermeasures. If a reasonable estimate cannot be made, explain the fact that no reasonable estimate can be made: None.

V. Labor Relations

(I) Implementation of various employee welfare measures, further study, training, retirement system and their implementation status, as well as the agreements between labor and management and the implementation of various employee rights protection measures of the Company.

1. Employee welfare measures

The implementation of company welfare measures is divided into the welfare measures provided by the Company and the welfare measures provided by the Employee Welfare Committee, which are explained as follows:

(1) Welfare measures provided by the Company: labor and health insurance, allocation of labor pension, group accident insurance, regular health checkups for employees, travel expense subsidies, employee meals, year-end party and year-end bonuses to take care of employees' livelihood.

- (2) The Company organizes the iHealth walking for carbon reduction activity and weight reduction activities on an annual basis to encourage employees to walk for health and prevent chronic diseases such as hypertension, hyperlipidemia, and hyperglycemia.
 - (3) To enhance employee welfare and ensure the security of employees' post-retirement or post-resignation lives, the Company established an employee stock ownership trust starting from July 2024.
 - (4) To fulfill corporate social responsibility and encourage employee childbirth, the Company has established the "Employee Childbirth Subsidy Management Measures," providing childbirth subsidies and monthly childcare allowances.
 - (5) Welfare measures provided by the Employee Welfare Committee: regular domestic and foreign employee travel, fixed employee travel subsidies, three-festival gift money, birthday gifts, and subsidies for weddings and funerals.
2. Further study and training

The Company has established education and training measures to cultivate employees' professional knowledge and skills, enable them to perform their functions, increase work efficiency, ensure work quality, and achieve the goal of sustainable operation and development of the Company. In 2024, 50 training sessions were conducted, with 1,366 participants, totaling 3,186 training hours, and training expenses amounted to NT\$238 thousand. There were 36 training classes in 2025 for 1,278 person-times, for a total of 2,789.5 person-hours and NT\$509 thousand education and training cost; (including courses related to ethical corporate management regulations covering anti-corruption policy and prohibition of insider trading, for 334 person-times and a total of 668 person-hours).

3. Retirement system

The Company complies with the provisions of the Labor Standards Act and the Labor Pension Act regarding employee retirement matters. The "Employee Handbook" on the internal website includes a dedicated section on retirement, allowing employees to fully understand the specifics and implementation of the retirement system.

In accordance with the Labor Standards Act, the Company regularly appropriates the labor pension reserve at 2% of the total salary paid. The special account is opened at the Trust Department of Bank of Taiwan. At the end of each year, the Company entrusts an actuary to calculate to ensure that the pension reserve is properly appropriated. The current balance of the pension reserve account is NT\$271.03 million (as of the end of 2025).

Since July 1, 2005, the new labor pension system has been implemented. In accordance with the Labor Pension Act, for employees who were originally subject to the old pension system and elect to adopt the new system, or those employed after the implementation of

the new system, the Company contributes no less than 6% of the employee's monthly wages to the employee's individual labor pension account, and deposits such contributions into the individual labor pension account established by the Bureau of Labor Insurance under the Ministry of Labor in accordance with the monthly contribution wage grading table approved by the Executive Yuan.

Employees who meet retirement conditions and are subject to the Labor Standards Act shall receive retirement payments calculated in accordance with Article 55 of the Labor Standards Act; those subject to the Labor Pension Act may claim their pensions from the individual labor pension account established with the Bureau of Labor Insurance. In 2025, two employees reached statutory retirement age, with a total of four retirements, and all procedures for separation and retirement were completed prior to their retirement dates.

4. Agreements between labor and management and measures for safeguarding employee rights and interests

The Company's various regulations are in compliance with the Labor Standards Act. The Company attaches great importance to the opinions of employees, and adopts a two-way and open communication approach with employees. The internal communication channels are smooth, in order to maintain a good and harmonious interactive relationship between labor and management.

5. Workplace diversity and gender equality

The Company formulated the "Chief Telecom Human Rights Policy" in 2019 and announced it on the Company's internal website. In addition to regularly holding internal human rights policy related training courses, the policy has been implemented, such as setting up an anonymous opinion box and announcing the directors' contact information on the internal website to continuously maintain the smooth flow of employee opinion expression channels, so as to protect and enhance employee rights and interests. The Company is committed to adhering to the spirit of the Universal Declaration of Human Rights, and shall not engage in differential treatment on the basis of race, class, language, ideology, religion, political affiliation, place of origin, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, nationality, place of birth, or any other factors. The Company safeguards gender equality, ensures fair treatment of all employees, promotes the employment of persons with disabilities to support disadvantaged groups, and has established relevant regulations and policies to concretely protect the rights and interests of all employees. The Company has established a dedicated section on sexual harassment prevention in the employee handbook in accordance with the Act of Gender Equality in Employment to maintain workplace gender equality and protect

personal dignity. A dedicated mechanism is in place, with designated personnel handling employee complaints regarding inappropriate behavior. In October 2025, to enable all employees to understand workplace equality measures and related practical applications, the Company invited the Executive Director of the Taiwan Occupational Safety and Health Link to conduct two training sessions. Under the premise of maintaining a friendly workplace, no sexual harassment or discrimination complaints were recorded in 2025.

The main business of the Company is IDC room operation. Most of the maintenance workers are male, so the proportion of male employees is higher than that of female employees, about 2:1. However, among the 31 directors of the Company, women hold nine important executive positions. It can be seen that when the Company promotes or recruits employees, the most important thing is their specialty to eliminate discrimination and ensure equal work opportunities, and to create a workplace culture of gender equality. Additionally, the company has implemented several measures to promote workplace diversity and gender equality, including the Employee Maternity Subsidy Management Policy. Maternity Subsidy: Female employees or employees whose spouses give birth receive NT\$30,000 per child. Childcare Allowance: Employees receive NT\$2,000 per child per month from birth until the child reaches six years old (for a total of 72 months). Monthly On-Site Occupational Health and Medical Services, including open employee health consultation services. Dedicated Nursing Room in office buildings. Flexible Work Arrangements: Remote work for all employees every Monday. Optional remote work on Fridays with approval.

The Company continues to implement the principles of gender equality and equal opportunity, values the development of diverse talent, is committed to eliminating all forms of discrimination, and strives to create a fair, inclusive, and professionally respectful workplace environment in order to foster a corporate culture of gender equality. Among them, one member of management and two general employees are from diverse groups.

- (II) Losses suffered due to labor disputes (including labor inspection results that violate Labor Standards Act; state the date of sanction, sanction reference number, number of article violated, contents of legal provisions violated, and sanction content) in the past year and as of the date of printing of the annual report; also disclose the estimated amount that may occur at present and in the future and countermeasures. If a reasonable estimate cannot be made, explain the fact that no reasonable estimate can be made: None.

VI. Infocomm Security Management

- (I) The Company's infocomm security risk management structure, infocomm security policy, specific management plan, and resources invested in asset security management:

1. Infocomm Risk Management Structure

The Company has an Information Security Management Committee, and an Information Security Team, Information Security Audit Team, and Emergency Management Team under the Information Security Management Committee according to their job responsibilities.

(1) Information Management Committee

To facilitate the implementation of information business management and decisions related to the information security management system, the Company has established an "Information Management Committee." The Deputy General Manager of the Planning Division serves as the convener, and the Deputy General Manager of the Technical Engineering Division serves as the Chief Information Security Officer and deputy convener. The committee is composed of the heads of various departments and is responsible for deliberating and deciding matters related to the Company's information business management and information security management system. Meetings are held regularly or as necessary every year to review information security management related matters. The Information Management Committee assigns a dedicated person as the convener of information security, coordinating with the Information Security Team and Emergency Management Team to execute information security related operations and access control management, and conduct regular event record checks as well as management procedures inspections.

(2) Information Security Team

Composed of personnel assigned by the Information Management Committee, responsible for planning and execution of various information security operations and information security related project management, including the development of information security management standards, promotion of information security related activities, handling of information security related training, pre-warning and monitoring of information security status, as well as handling of information security status and events, establishing a risk management system, and executing the resolutions of the Information Management Committee.

(3) Emergency Management Team

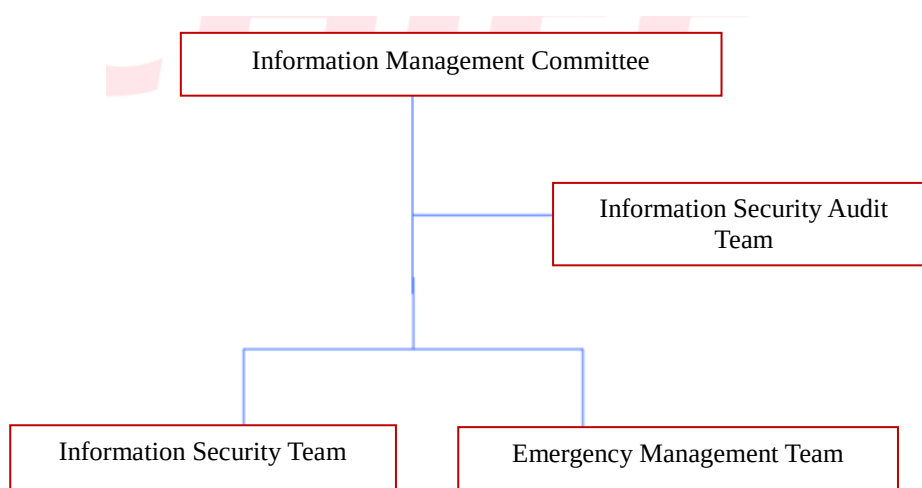
The Emergency Management Team is a task group consisting of the emergency management team leader and key business process leaders. When a major security incident occurs, the Emergency Management Team is convened to cooperate with the disaster relief unit in rescuing personnel, materials and equipment, and to conduct on-

site command work. It is responsible for coordinating and commanding the post-disaster clearance of the disaster site, and responsible for planning the on-site restoration work of the operating site.

(4) Information Security Audit Team

It is assigned by the Information Management Committee, responsible for evaluating the implementation of the information security management system. The Information Security Audit Team is responsible for drafting an internal assessment plan for information security, adhering to the internal assessment of information security, compiling internal audit reports on information security, and tracking the improvement and implementation of non-compliant items.

Security Organization Structure of Chief Telecom



2. Infocomm security policy

To ensure that corporate customers are provided with robust information security protection when using data centers and network services, the Company implements measures in three aspects. First, the Company has established an information security policy to strengthen information security management and ensure the confidentiality, integrity, and availability of information assets, thereby complying with relevant regulatory requirements. To further enhance information security management, safeguard internal information assets from both internal and external threats, and comply with applicable laws and regulations, the Company has formulated a comprehensive information security policy and established an Information Security Management System (ISMS) in accordance with operational needs and regulatory requirements to ensure the confidentiality, integrity, and availability of information. The scope of the ISMS covers the Company's IDC, VPN data centers, cloud services, NOC operation systems, as well as relevant departments and personnel, in order to effectively control information operations and management processes and meet diverse security requirements and expectations. Second, the Company has established an information security management system and obtained multiple international certifications,

including ISO 27001, ISO 27011, ISO 27017, and ISO 27018, to ensure the security of customers' critical data and systems after migration to the cloud. Third, the Company identifies risk owners through risk assessment and risk management mechanisms, and regularly evaluates the achievement of information security objectives, thereby continuously improving the information security management system.

The Company's information security policy (please refer to the official website: <https://www.chief.com.tw/>) aims to provide a secure information environment for the continuous operation of the Company's information business and to comply with relevant laws and regulations, thereby preventing intentional or accidental internal and external threats. The Company also assigns dedicated personnel to review the first- to fourth-level documentation of the ISMS on an annual basis.

The Company's employees, suppliers and visitors should all comply with this policy. The formulation of the information security policy are as follows:

- (1) The confidentiality, integrity, availability, and legality of important information are effectively assured.
- (2) The information security objectives must be consistent with the policies and the applicability must be regularly evaluated.
- (3) The responsibilities and authorities of information security related works shall be clearly defined.
- (4) The operation of the information security management system must satisfy and meet the requirements and expectations of internal and external stakeholders, including the requirements of laws and related agreements.
- (5) The operation of information security management must be carried out in strict accordance with the various operational regulations established by this management system.
- (6) When making changes to systems or procedures, the established information security commitments and agreements must not be affected.
- (7) The Company's information security management system shall undergo continuous improvement and refinement.

3. Specific management plans

- (1) To effectively implement information security management, the Company has established information security teams within each department. Monthly regular meetings are convened, adopting the Plan–Do–Check–Act (PDCA) management cycle to review the applicability of information security policies and protective measures. Implementation effectiveness is regularly reported to the Information Management Committee. This includes conducting annual vulnerability scanning and penetration

testing on the official website and external service systems; quarterly social engineering drills to enhance employees' information security awareness; and the deployment of security protection mechanisms such as Web Application Firewall (WAF), Intrusion Prevention System (IPS), Comodo endpoint protection, Anti-Spam, Anti-Virus, FortiToken, and Security Information and Event Management (SIEM). In addition, a primary and backup data center architecture has been established, and failover drills are conducted to ensure operational resilience.

- (2) Strengthen personnel awareness and publicity. Many unexpected incidents related to information security are caused by personnel negligence and carelessness. Therefore, in addition to increasing the number of personnel responsible for information security, the Company holds information security training to promote employees' awareness of information security and strengthen their awareness of relevant responsibilities. Security testing, infocomm security health diagnosis, social security and information security event drills and vulnerability scanning, penetration test, social engineering drills, and emergency response are carried out every year, so as to verify the importance that personnel attach to information security, and In the event of an emergency, it is possible to minimize harm and ensure stable and continuous customer operation.
- (3) Strengthen the facility aspect, comprehensively introduce MOTP (dual-factor authentication) and complete the system upgrade, integration and authority management system of file archives, avoid the leakage of confidential files, and conduct file backup and offsite storage mechanisms. At the same time, increase the security segregation between the maintenance fortress network and the OA office network, and add dedicated operation computers for maintenance to avoid being invaded by Trojan programs and strengthen information security. The Company has implemented a SIEM (Security Information and Event Management) system, which effectively helps detect, analyze, and respond to security threats before they impact business operations, thereby reducing operational risks.

4. Investment in infocomm security management

The Company obtained ISO 27001 and ISO 27011 international certifications for information security management operations in 2011 and has continued to pass annual surveillance audits. Since 2017, the Company has also obtained ISO 27017 and ISO 27018 international certifications for cloud information security management operations and has continued to pass annual surveillance audits. The Company allocates the necessary resources each year to strengthen various information security measures. The Deputy General Manager of the Planning Division serves as the Chairperson of the Information Management Committee, while the Deputy General Manager of the Technical Engineering Division serves as the Chief Information Security Officer (CISO) and Deputy Chairperson. Approximately 20 personnel participate in the operation of the information

security organization (including 10 members of the Information Management Committee, 3 members of the Information Security Audit Team, 3 members of the Information Security Team, and 7 members of the Emergency Response Team). In 2025, a total of 12 Information Security Team meetings were held monthly. In December 2025, all employees participated in one information security training session, with a total attendance of 167 participants and a total of 334 training hours. In 2025, four social engineering phishing simulation tests were conducted on a quarterly basis. The Company also engaged an external professional organization to conduct one vulnerability assessment and one penetration test. On December 18, 2025, the Board of Directors was presented with a report on the Company's specific information security protection measures and their implementation results for 2025. In 2025, the Company continued to pass the annual surveillance audits conducted by international ISO certification bodies (the previous validity period of ISO 27001 and other certifications covered January 6, 2023 to January 5, 2026; the most recent certificate obtained in December 2025 is valid from January 6, 2026 to January 5, 2029).

- (II) Losses arising from major infocomm security incidents in the past year and as of the date of printing of the annual report, possible impact, and countermeasures. If a reasonable estimate cannot be made, explain the fact that no reasonable estimate can be made: None.

VII. Important Contracts

Contract nature	Counterparty	Start and end dates of the contract	Main content	Restrictive clause
Sales contract	Digital Communications Branch of Chunghwa Telecom Co., Ltd.	January 2021 to December 2029	Machine room leasing	Confidentiality clause

Five. Financial Status, Review, and Analysis of Financial Performance and Risks

I. Financial Status

Main reasons for significant changes in assets, liabilities and equity in the past two years and the impact.

If the impact is significant, explain future countermeasures:

Unit: NT\$ thousand; %

Item \ Year	2024	2025	Amount of increase (decrease)	Change ratio (%)
Current assets	1,697,304	1,256,813	(440,491)	(25.95)
Non-current financial assets at fair value through other comprehensive income	24,368	-	(24,368)	(100.00)
Property, plant and equipment	3,525,046	3,788,996	263,950	7.49
Right-of-use assets	2,178,501	2,236,838	58,337	2.68
Intangible assets	69,591	55,829	(13,762)	(19.78)
Other non-current assets	76,001	79,827	3,826	5.03
Total assets	7,570,811	7,418,303	(152,508)	(2.01)
Current liabilities	1,352,170	1,447,347	95,177	7.04
Non-current liabilities	2,314,032	2,330,691	16,659	0.72
Total liabilities	3,666,202	3,778,038	111,836	3.05
Share capital	779,514	779,584	70	0.01
Capital surplus	1,378,392	1,379,929	1,537	0.11
Retained earnings	1,725,429	1,464,149	(261,280)	(15.14)
Other equity	14,693	7,587	(7,106)	(48.36)
Non-controlling interests	6,581	9,016	2,435	37.00
Total equity	3,904,609	3,640,265	(264,344)	(6.77)
Explanation of significant changes (more than 20%, with the absolute change amount reaching NT\$10 million):				
(1) The decrease in current assets: mainly due to the decrease in bank deposits.				
(2) Decrease in financial assets at fair value through other comprehensive income – non-current: mainly due to the reclassification of strategic investments into current assets.				

II. Financial Performance

Main reasons for the significant changes in operating revenue, net operating profit and profit before tax in the past two years, the expected sales volume and its basis, as well as the possible impact on the Company's future financial and business status and countermeasures:

(I) Business Result Analysis

Unit: NT\$ thousand; %

Item \ Year	2024	2025	Amount of increase (decrease)	Change ratio (%)
Net operating revenue	3,793,013	3,943,666	150,653	3.97
Operating cost	1,993,330	1,869,025	(124,305)	(6.24)
Gross profit from operations	1,799,683	2,074,641	274,958	15.28
Operating expenses	459,458	491,245	31,787	6.92
Net other income (expenses)	31	396	365	1,177.42
Net operating income	1,340,256	1,583,792	243,536	18.17
Non-operating income and expenses	(1,782)	(41,009)	(39,227)	2,201.29
Profit before tax	1,338,474	1,542,783	204,309	15.26
Tax expense (income)	261,122	312,358	51,236	19.62
Profit for the year	1,077,352	1,230,425	153,073	14.21
Other comprehensive income	24,378	(6,683)	(31,061)	(127.41)
Total comprehensive income	1,101,730	1,223,742	122,012	11.07
Explanation of significant changes (more than 20%, with the absolute change amount reaching NT\$10 million):				
(1) Non-operating income and expenses: mainly due to a decrease in interest income and an increase in foreign exchange losses.				
(2) Decrease in other comprehensive income (loss): mainly due to exchange differences arising from the translation of financial statements of foreign operations and the disposal of financial assets measured at fair value through other comprehensive income.				

(II) Expected sales volume in the next year and its basis, potential impact on the Company's future finance and business, and countermeasures

1. Expected sales volume and its basis: The Company sets annual objectives based on the estimated needs of customers, as well as the overall market environment, planning of target customer consumption needs, and past business results. In order to respond to diverse market demands, the Company is also committed to improving product functionality and service quality. Therefore, the expected sales volume will grow from that in the previous year.
2. Possible impact on the future finance and business of the Company and countermeasures: The Company will be committed to meeting customer consumption needs and effectively utilizing financial capital to meet the needs of business growth.

III. Cash flow

(I) Analysis and Explanation of Changes in Cash Flow in the Recent Years

Unit: NT\$ thousand

Item \ Year	2024	2025	Amount of increase (decrease)	Change ratio (%)
Operating activities	1,411,301	1,530,457	119,156	8.44
Investing activities	(1,386,457)	(713,040)	673,417	(48.57)
Financing activities	(760,607)	(1,201,529)	(440,922)	57.97
Impact of exchange rate changes on cash	14,073	(5,015)	(19,088)	(135.64)
Net cash inflow (outflow)	(721,690)	(389,127)	332,563	(46.08)
Analysis of changes in cash flow:				
(1) Investment activities: mainly attributable to changes in the acquisition of property, plant, and equipment.				
(2) Financing activities: mainly attributable to repayments of short-term borrowings, an increase in guarantee deposits received, and an increase in cash dividend distributions.				

(II) Cash liquidity analysis for the next year

Unit: NT\$ thousand

Beginning cash balance	Expected net cash flow from operating activities for the entire year	Expected net cash flow from investing activities for the entire year	Expected net cash flow from financing activities for the entire year	Expected remaining (insufficiency) amount of cash	Remedy for expected cash insufficiency	
					Investment plan	Wealth management plan
871,182	1,087,641	(400,079)	(1,059,625)	499,119	-	-
Analysis:						
(I) Analysis of changes in cash flow in the coming year:						
Operating activities: As the Company's business continues growing, it is expected that the operating revenue and profit will increase simultaneously, resulting in net cash inflows from operating activities.						
Investing activities: primarily due to anticipated investments in data center equipment, resulting in net cash outflows.						
Financing activities: mainly the expected stock buyback and cash dividend distribution which generates a net cash outflow.						
(II) Remedy for expected cash insufficiency and liquidity analysis: Not applicable as there is no expected cash insufficiency.						

IV. Impacts of major capital expenditures in the most recent year on financial operations : The Company began to invest in the construction of the LY2 AI Data Center in 2021, with the use of its own funds or short-term financing. Commercial services are provided since mid-2024 with no significant impact on finance and business. On March 24, 2026, the Board of Directors approved the construction of a new IDC data center, to be funded by internal funds and bank borrowings. Construction is expected to commence in the second half of 2026 and the facility is expected to commence service in 2028, with no material impact on financial or business operations.

V. Recent investment policies, main reasons for profit or loss, improvement plans, and investment plans for the next year:

(I) Investment policy: The Company's investment policy is based on the principle of balancing the core business development needs and long-term strategic investments, rather than considering short-term financial investments.

(II) Main reasons for the profit or loss from reinvestment in the past year and improvement plans:

Unit: NT\$ thousand

Reinvested business	Amount of profit (loss) recognized in 2025	Main reasons for the profit or loss	Improvement plans
Unigate Telecom Inc.	86	The operation is normal and the profit situation is stable.	None.
Chief International Corp.	4,616	The operation is normal and the profit situation is good.	None.
Shanghai Shitai Network Technology Co., Ltd.	2,867	The operation is normal and the profit situation is stable.	None.

(III) Investment plans for the next year: None.

VI. For risk items, analyze the following matters in the past year and as of the date of printing of the annual report:

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit/loss and future countermeasures

1. Interest rate changes

A. Impact on the Company's profit/loss

The interest income of the Company in 2024 and 2025 was NT\$25,343 thousand and NT\$15,026 thousand, respectively, accounting for 1.89%% and 0.97% of the net profit before tax, indicating that there has been no significant impact of interest rate changes on the Company's profit or loss.

B. Specific countermeasure

The Company regularly evaluates bank loan interest rates and maintains a good relationship with banks to obtain favorable loan interest rates and reduce interest expenses. We constantly observe the impact of changes in financial market interest rates on the Company's capital, in order to take flexible measures at any time. Therefore, changes in interest rates do not have a significant impact on the Company's profit or loss.

2. Exchange rate changes

A. Impact of exchange rate changes on the Company's profit/loss

The Company's transactions are primarily denominated in New Taiwan dollars, with certain transactions conducted in U.S. dollars, Hong Kong dollars, Renminbi, and euros. The net foreign exchange gains (losses) for 2024 and 2025 were NT\$11,426 thousand and (NT\$18,108 thousand), respectively, representing 0.85% and (1.17%) of the Company's profit before tax, respectively. In addition, the proportion of consolidated foreign exchange gains (losses) to consolidated profit before tax for 2024 and 2025 did not reach 5%, indicating that exchange rate fluctuations did not have a material impact on the Company's and its subsidiaries' profit or loss.

B. Specific countermeasure

(A) When business units quote to customers, the trend of exchange rate shall be incorporated into the quotation decision, to adjust the quotation dynamically to avoid significant impact of exchange rate fluctuations on the Company's profits.

(B) In the future, natural hedging of foreign exchange positions will still be the Company's main strategy for exchange rate risk control and management, and timely adjustments will be made to the positions of foreign currency assets and liabilities to reduce the risk of exchange rate fluctuations.

(C) The Finance Department keeps close contact with financial institutions, and continuously observes changes in exchange rates to actively adjust foreign currency positions in the spot market.

3. Inflation

A. Analysis of impact on the Company

According to the forecast of the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of the consumer price index for the whole year of 2025 was 1.66%. In addition, the annual growth rate of the consumer price index for January 2026 was 0.69%; these showed that there was no significant inflation. The Company's profit and loss had not been significantly affected by inflation as of the date of printing of the annual report.

B. Specific countermeasure

Based on cost changes, dynamically adjust sales prices to customers when the pre-set tolerance zone is exceeded to avoid significant impact on the Company due to inflation.

- (II) Policies for engaging in high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivative trading; main reasons for the profits and losses therefrom, and future countermeasures

The Company always adheres to the principles of focusing on its core business and being pragmatic in its business operations. Its financial policies are based on the principles of stability and conservatism, and it has not engaged in high-risk or highly leveraged investments, fund lending to others, endorsements and guarantees, or derivative transactions. In addition, the Company has established the "Procedures for acquisition or Disposal of Assets" as the basis for its relevant actions. In addition, the board of directors has decided not to engage in fund lending to others, endorsements or guarantees and derivative transactions.

- (III) Future R&D plans and expected R&D expenses

1. Future R&D plans

The development of the Company's products and technologies is in line with the needs of customers and the market, with close attention to the direction and development of future industrial activities for the development of products, services or technologies with future potential and market growth. The focus of our future research is as follows:

A. IDC room services:

Continuously introduce new and efficient, green and environment friendly equipment or design methods for the machine room to provide a highly usable, efficient, and high capacity operating environment for the machine room. For machine room access control, the Company introduced the facial recognition system and automatic service system for identity verification.

B. Digital network services:

- (A) Conduct structured resource allocation and deployment, and establish new network backbone equipment to enhance equipment capacity and information processing capability.
- (B) Simplify and effectively apply network tools through centralized and standardized management operation.
- (C) Research and test the introduction of new technologies for network traffic routing analysis, strengthen network service level, introduce network information security functions, reduce abnormal risks, and increase service reliability and customer satisfaction.

- (D) In response to the trend of network service development, introduce the SDWAN network service architecture to meet customer network service needs.
 - (E) Strengthen the network traffic analysis system, and provide routing analysis and network traffic related information services for customer network traffic through analysis reports.
- C. Cloud application services
- (A) Continuously expand the coverage of Chief Cloud eXchange (CCX) cloud exchange platform to work with international cloud manufacturers to integrate domestic and international cloud related resources, and provides customers with high stability, high usability and elastic on-demand cloud services through network direct connection services.
 - (B) Continuously invest in the development of smart health cloud services, and continuously strengthen the service interface and functions of "Chief i Health" based on customer and market demands.
 - (C) Introduce a cloud based self-service management system, providing customers with cloud self-management servers through a convenient and efficient web-based platform.
 - (D) Introduce AI power and AI application services.

2. Expected R&D expenses

The improvement of the technical level of telecommunications services provided by the Company is carried out by our Technology Division and Planning Division employees who regularly hold special project report and work experience seminars to accumulate, share and hand down relevant technical experience and enhance the technical level. The research and development of related service functions will be conducted through internal IT staff or outsourced as needed with the R&D expenses. In 2026, the estimated investment in research and development is NT\$21 million.

(IV) Impact of changes of important domestic and foreign policies and laws on the Company's finance and business, and countermeasures

The Company operates in compliance with relevant laws and regulations at home and abroad, and is constantly aware of policy development trends and regulatory changes at home and abroad. We consult with relevant professionals, collect relevant information, and provide decision-making references for the management level to fully grasp and respond to changes in the market environment, and timely adjust the Company's relevant operating strategies. In the past year and as of the date of printing of the annual report, there have been no significant changes in domestic and foreign policies and laws that have had a significant impact on the Company's financial operations.

(V) Impact of technological changes (including infocomm security risks) and industrial changes on the Company's finance and business and countermeasures

The Company is principally engaged in the provision of IDC data center services, data network services, voice communication services, and cloud application services. With ongoing technological advancements, the Company actively researches and develops new application products and services, while closely monitoring industry trends and market information, evaluating their impact on operations, formulating appropriate response measures, and adopting prudent financial management strategies to maintain market competitiveness. The Company has established an Information Security Management Committee, which convenes regular meetings each year to continuously strengthen information security management, conduct business continuity drills, and implement information security education and training. The Company obtained international certifications for information security management systems, including ISO 27001 and ISO 27011, in 2011, and further obtained ISO 27017 and ISO 27018 certifications for cloud information security management in 2017. The Company has consistently passed ISO information security management system certifications and annual surveillance audits over the years. In 2025, the Company also obtained ISO 50001 certification for its energy management system. The Company continues to allocate necessary resources each year to strengthen various information security measures and ensure successful completion of annual surveillance audits by ISO international certification bodies. In the past year and as of the date of printing of the annual report, there have been no significant technological changes (including infocomm security risks) or industrial changes that have had a significant impact on the Company's finance and business.

(VI) Impact of corporate image change on corporate crisis management and the countermeasures

Since its establishment, the Company has focused on its core business operations, complied with relevant laws and regulations, actively strengthened internal management and improved management quality and effectiveness, in order to continuously maintain a good corporate image and increase customer trust in the Company. In the past year and as of the date of printing of the annual report, the Company has not experienced any operational crisis due to changes in corporate image. As the occurrence of a corporate crisis may cause significant damage to the Company, the Company will continue implementing various corporate governance requirements to reduce the occurrence of corporate risks and their impact on the company.

(VII) Expected effects and potential risks from mergers and acquisitions and countermeasures:

The Company had no mergers or acquisitions in the past year and as of the date of printing of the annual report. If there are plans for mergers or acquisitions in the future, we will follow the Company's "Procedures for Acquisition or Disposal of Assets" and carefully evaluate the relevant effect to protect shareholder equity.

(VIII) Expected effects and potential risks from plant expansion and countermeasures:

Not applicable as the Company is not in the production business.

(IX) Risks from centralized procurement or sales of goods and countermeasures

1. Risks from centralized procurement and countermeasures

The Company mainly purchases routes and bandwidth from the telecommunications

operators, and also purchases telecommunications equipment from equipment suppliers. In the past year and as of the date of printing of the annual report, the largest supplier, Chunghwa Telecom, is the Company's parent company and the largest comprehensive telecommunications service operator in Taiwan; the proportion of procurement is about 27%, so the weight is relatively high. The proportion of procurement from other suppliers is mostly below 10%. Overall, the Company does not have concentration of purchase.

2. Risks from centralized sales of goods and countermeasures

The Company's customers are mainly domestic and foreign telecommunications operators and internet content service providers. In the past year and as of the date of printing of the annual report, the largest customer, Chunghwa Telecom, accounted for no more than 10% of the net sales of goods. In the future, the Company will continue expanding internationally renowned customers, and the proportion of individual sales customers will be reduced year by year. Overall, the Company does not have concentration of sales.

(X) Impact and risks from the significant transfer or exchange of equity by directors or major shareholders holding more than 10% of the shares, and countermeasures

There was no transfer or exchange of equity by directors or major shareholders holding more than 10% of the shares.

(XI) Impact and risks from change of management rights and countermeasures: The Company had no change of management rights in the past year and as of the date of printing of the annual report.

(XII) Litigation or non-litigation events, including major litigation, non-litigation, or administrative litigation events in which the Company, its directors, president, substantive responsible persons, major shareholders holding more than 10% of the shares, and affiliated companies have been sentenced, or there are still litigation, non-litigation, or administrative litigation events under investigation the outcome of which may have a significant impact on shareholder equity or securities prices; disclose the disputed facts, subject amount, litigation start date, main parties involved in the lawsuit and the handling situation as of the printing date of the annual report:

Litigation, non-litigation or administrative litigation events of the Company that have been sentenced or are currently under investigation in 2025 and as of the date of printing of the annual report mainly involve one lawsuit or demand for payment filed on 3 customer for overdue accounts payable, with a total of NT\$225 thousand in arrears. After being urged by the Company, there is still a balance of 153 thousand, and the result does not have a significant impact on the Company's shareholder equity or securities prices.

(XIII) Other important risks and countermeasures: None.

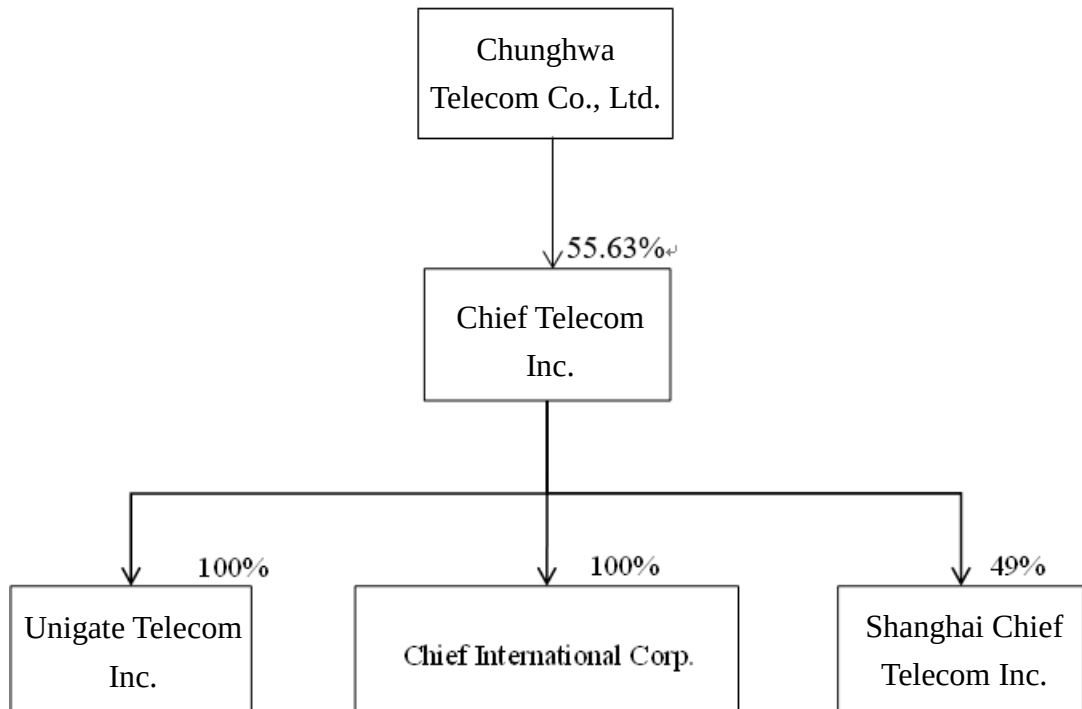
VII. Other important matters: None.

Six. Special Remarks

I. Information about Affiliated Enterprises

(I) Business Report on Affiliated Enterprises:

1. Organization Chart of Affiliated Enterprises (December 31, 2025):



2. Information about Affiliated Enterprises

December 31, 2025

Company name	Date of establishment	Address	Paid-in capital	Major businesses
Chunghwa Telecom Co., Ltd.	June 15, 1996	No.21-3, Section 1, Xinyi Road, Taipei	NT\$ 77,574,465 thousand	Telecommunications, data and network services
Unigate Telecom Inc.	July 3 1999	250 Sunshine Street, Neihu District, Taipei	NT\$ 2,000 thousand	Telecommunications and network services
Chief International Corp.	May 27, 2008	Gound Floor NPF Building, Beach Road, Apia, Samoa	USD 200 thousand	Telecommunications and network services
Shanghai Shitai Network Technology Co., Ltd.	January 30, 2015	Room B09, 6th Floor, No, 55, Jilong Road, China (Shanghai) Pilot Free Trade Zone	RMB 2,000 thousand	Telecommunications and network services

- There is a presumed controlling and subordinate relationship according to Article 369-3 of the Company Act: None.
- The industries of the overall operation of affiliated enterprises: See the basic information of each affiliated enterprise for details.

5. Information on directors, supervisors, and president of various affiliated enterprises:

December 31, 2025 unit: shares

Company name	Title	Name or representative	Shareholding	
			Shareholding	Shareholding ratio
Chunghwa Telecom Co., Ltd.	Chairman	Corporate representative of Ministry of Transportation and Communications: Chih-Cheng Chien	2,737,718,976	35.29%
	Directors	Corporate representative of Ministry of Transportation and Communications: Rong-Chi Lin		
	Directors	Corporate representative of Ministry of Transportation and Communications: Sheng-Yuan Wu		
	Directors	Corporate representative of Ministry of Transportation and Communications: Chih-Hwa Chen		
	Directors	Corporate representative of Ministry of Transportation and Communications: Ching-Hui Li		
	Directors	Corporate representative of Ministry of Transportation and Communications: Li-Feng Chien		
	Directors	Corporate representative of Ministry of Transportation and Communications: Yi-Jen Su		
	Directors	Corporate representative of Ministry of Transportation and Communications: Hsiu-Long Hong		
	Independent Directors	Shi-Ming Lin	0	0%
	Independent Directors	Yi-Chin Du	0	0%
	Independent Directors	Yu-Jen Huang	0	0%
	Independent Directors	Che-Liang Yeh	0	0%
	President	Rong-Chi Lin	1,361	0%
Unigate Telecom Inc.	Chairman	Chief Telecom Incorporation Representative: Hung-Chia Shao	200,000	100%
	Directors	Chief Telecom Incorporation		

Company name	Title	Name or representative	Shareholding	
			Shareholding	Shareholding ratio
		Representative: Yao-Yuan Liu		
	Directors	Chief Telecom Incorporation Representative: Yu-Pei Chen		
	Supervisor	Chief Telecom Incorporation Representative: Lin-Tung Chang		
Chief International Corp.	Directors	Chief Telecom Incorporation Representative: Yao-Yuan Liu	200,000	100%
	Directors	Chief Telecom Incorporation Representative: Yu-Pei Chen		
Shanghai Shitai Network Technology Co., Ltd.	Chairman	Chief Telecom Incorporation Representative: Wen-Han Chiang	Not applicable.	49%
	Directors	Chief Telecom Incorporation Representative: Yao-Yuan Liu		
	Supervisor	Chief Telecom Incorporation Representative: Chia-Ling Hsu		
	Director and President	Shenzhen Century Communication Co., Ltd. Representative: Yuan-Wen Han		51%

6. Financial Status and Operating Results of Each Affiliated Enterprise:

December 31, 2025 Unit: NT\$ thousand, but earnings per share in NT\$

Company name	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Net operating income	Profit/loss (after tax)	Earnings per share (after tax)
Chunghwa Telecom Co., Ltd.	77,574,465	535,871,951	135,081,875	400,790,076	236,114,409	48,547,702	40,517,100	4.99
Unigate Telecom Inc.	2,000	13,868	12,336	1,532	229	71	86	0.43
Chief International Corp.	6,068	47,333	1,498	45,835	11,386	2,281	4,615	23.08
Shanghai Shitai Network Technology Co., Ltd.	10,150	18,576	898	17,678	42,648	6,000	5,851	No shares held in the Company

(II) Consolidated financial statements of affiliated enterprises: Please refer to Appendix A of this annual report.

(III) Relationship Report:

1. Declaration on the Relationship Report:

Declaration on the Relationship Report

The Company's affiliation report for 2025 (from January 1, 2025 to December 31, 2025) was prepared in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports," and the information disclosed therein is not materially inconsistent with the relevant information disclosed in the notes to the financial statements for the aforementioned period.

We hereby declare the above.

Company Name: Chief Telecom Incorporation

Responsible Person: Chao, Hsung-Chia

March 20, 2026

2. CPA's review opinion on the relationship report:

Audit Letter No. 25010957 issued by PwC Taiwan on March 20th 2026.

Recipient: Chief Telecom Incorporation

Subject: Expressing opinions on the statement that there is no major discrepancy in the relevant information of your company's 2025 affiliation report.

Description:

- I. The 2025 affiliation report (from January 1, 2025 to December 31, 2025) prepared by your company on March 20, 2026, has been declared that it is prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and there is no material discrepancy between the disclosed information and the relevant information disclosed in the notes of the financial report of the above-mentioned period. The statement is attached.
- II. The CPA has compared the affiliation report prepared by your company in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" with the notes of your company's 2025 financial report, and there is no material discrepancy between the disclosed information and the relevant information disclosed in the notes of the financial report of the above-mentioned period.

PwC Taiwan

CPA Hsien-Cheng Chen

CPA Hsiao-Tzu Chou

3. Overview of the relationship between subordinate companies and controlling companies:

December 31, 2025 Unit: shares

Controlling company Name	Reason for the control	Shareholding and pledge situation of the controlling company			Controlling company's dispatch of directors, supervisors or managers	
		Shareholding	Shareholding ratio	Pledged shares	Title	Name
Chunghwa Telecom Co., Ltd.	Having control over the activities of Chief Telecom Incorporation	43,368,383	55.63%	-	Chairman Directors Directors CFO	Hong-Chia Shao Yi-Xiu Lin Pen-Yuang Chang Yu-Pei Chen

4. Goods purchased and sold:

Unit: NT\$ thousand; %

Transactions with controlling companies				Transaction terms with controlling companies		General transaction terms (note 2)		Reason for difference	Accounts and notes receivable (payable)		Overdue accounts receivable			Remarks
Purchase (sale)	amount	Proportion of total purchase (sale)	Gross profit from sales	Unit price (NT\$)	Credit period	Unit price (NT\$)	Credit period		Balance (note 1)	Proportion of total accounts and notes receivable (payable)	amount	Handling method	Loss allowance	
Sales	239,746	6	--	--	30 days	--	--	--	15,332	5	11,401	Allowance for doubtful accounts	--	
Purchase	511,420	28	--	--	30 days	--	--	--	(69,415)	(48)	--	--	--	

Note 1: The balance of notes and accounts receivable (payable) does not include the balance of agency collection and payment and other receivables (payables).

Note 2: The transaction details are negotiated between both parties.

5. Asset transactions: None.

6. Financing activities: None.

7. Asset leasing:

Unit: NT\$ thousand

Transaction type (lease or rent)	Object		Lease period	Nature of lease	Rent determination basis	Collection (payment) method	Comparison with general rental level	Total rental for the period	Collection and payment situation for the period	Other agreed matters
	Name	Location								
Lease	Land	Lot #55 in Jiuzong Section, Neihu District, Taipei	50 years	Financing and leasing	Contract	Wire transfer	--	20,068	Mothly payment	--

8. Other important dealings: None.

9. Endorsements and guarantees: None.

II. Private placement securities in the past year and as of the publication date of the annual report: None.

III. Other necessary supplementary information: None.

**Seven. Occurrences that are significant to shareholders' equity or securities prices:
None.**

The Company did not have any matters with significant impact on shareholders' equity or securities price as stipulated in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act during 2025 and as of the publication date of the annual report.

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHIEF TELECOM INC.

Representation Letter of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of CHIEF TELECOM INC. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of CHIEF TELECOM INC. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, CHIEF TELECOM INC. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
CHIEF TELECOM INC.
By

Shao, Hong-Jia, Chairman
February 25, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000320

To the Board of Directors and Shareholders of CHIEF Telecom Inc.

Opinion

We have audited the accompanying consolidated balance sheets of CHIEF Telecom Inc. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Accuracy of Revenue Recognition

Description

Please refer to Note 4(26) for accounting policy on revenue recognition and Note 6(14) for composition of operating revenue.

The Group's operating revenue is comprised of the provision of network integration, internet data center ("IDC"), communications integration, and cloud application services. The Group's bills are normally calculated via an automated process and billed on a regular basis, which may not align with the Group's fiscal year end. Therefore, as a result of different billing cycles of its customers, the amount to be billed for the remaining period is manually calculated for the amount to be charged from the last billed date to the Group's fiscal year end. Since incomplete or incorrect data manually extrapolated may have a direct effect on the accuracy of revenue recorded, we identified accuracy of sales revenue recognition as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and obtained an understanding of the Group's internal control procedures of sales revenue recognition, and confirmed the related internal controls were performed effectively.
2. We verified the completeness and accuracy of each customer's billing data captured by IT sales systems used during the process of manual revenue calculation.

3. We recalculated revenue to be recognized for customers not yet billed with the applicable rate in order to verify the accuracy of revenue recognized.
4. We compared subsequent billings with customers to ensure that no material discrepancy exists.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion on the parent company only financial statements of CHIEF Telecom Inc. as at and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Hsien-Cheng

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 871,182	12	\$ 1,260,309	16
1120	Financial assets at fair value through	6(2)				
	other comprehensive income - current		18,555	-	-	-
1150	Notes receivable, net	6(3)	1,241	-	1,478	-
1170	Accounts receivable, net	6(3)	292,820	4	291,091	4
1180	Accounts receivable due from related	6(3) and 7				
	parties, net		27,000	1	56,344	1
130X	Inventories		2,052	-	2,706	-
1410	Prepayments	7	26,545	-	68,583	1
1479	Other current assets, others	7	17,418	-	16,793	-
11XX	Total current assets		1,256,813	17	1,697,304	22
Non-current assets						
1517	Financial assets measured at fair	6(2)				
	value through other comprehensive					
	income - non current		-	-	24,368	-
1600	Property, plant and equipment	6(4)	3,788,996	51	3,525,046	47
1755	Right-of-use assets	6(5) and 7	2,236,838	30	2,178,501	29
1780	Intangible assets	6(6)	55,829	1	69,591	1
1840	Deferred income tax assets	6(21)	460	-	729	-
1900	Other non-current assets	7	79,367	1	75,272	1
15XX	Total non-current assets		6,161,490	83	5,873,507	78
1XXX	Total assets		\$ 7,418,303	100	\$ 7,570,811	100

(Continued)

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(7)	\$ -	-	\$ 100,000	1
2130	Current contract liabilities	6(14) and 7	25,765	-	129,471	2
2170	Accounts payable		64,442	1	83,097	1
2180	Accounts payable to related parties	7	69,724	1	72,295	1
2200	Other payables	6(8)	953,996	13	663,923	9
2230	Current tax liabilities		192,347	3	192,094	3
2280	Lease liabilities - current	6(5) and 7	117,433	2	90,268	1
2300	Other current liabilities		23,640	-	21,022	-
21XX	Total current liabilities		1,447,347	20	1,352,170	18
Non-current liabilities						
2570	Deferred income tax liabilities	6(21)	1,511	-	2,324	-
2580	Lease liabilities - non-current	6(5) and 7	2,235,654	30	2,190,440	29
2640	Net defined benefit liability, non-current	6(9)	5,500	-	6,524	-
2645	Guarantee deposits received	7	88,026	1	114,744	1
25XX	Total non-current liabilities		2,330,691	31	2,314,032	30
2XXX	Total Liabilities		3,778,038	51	3,666,202	48
Equity						
Equity attributable to owners of parent						
	Share capital	6(11)				
3110	Ordinary share		779,584	11	779,514	11
	Capital surplus	6(12)				
3200	Capital surplus		1,379,929	19	1,378,392	18
	Retained earnings	6(13)				
3310	Legal reserve		759,638	10	587,576	8
3320	Special reserve		-	-	7,325	-
3350	Undistributed earnings		704,511	9	1,130,528	15
	Other equity interest					
3400	Other equity interest		7,587	-	14,693	-
31XX	Total equity attributable to owners of parent		3,631,249	49	3,898,028	52
36XX	Non-controlling interests		9,016	-	6,581	-
3XXX	Total equity		3,640,265	49	3,904,609	52
3X2X	Total liabilities and equity		\$ 7,418,303	100	\$ 7,570,811	100

The accompanying notes are an integral part of these consolidated financial statements.

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(14) and 7	\$ 3,943,666	100	\$ 3,793,013	100
5000	Operating costs	6(19)(20) and 7	(1,869,025)	(47)	(1,993,330)	(53)
5900	Gross Profit		<u>2,074,641</u>	<u>53</u>	<u>1,799,683</u>	<u>47</u>
	Operating expenses	6(19)(20) and 7				
6100	Selling expenses		(337,692)	(9)	(323,554)	(8)
6200	Administrative expenses		(129,616)	(3)	(114,255)	(3)
6300	Research and development expenses		(24,387)	(1)	(21,660)	(1)
6450	Expected credit gain	12(2)	<u>450</u>	<u>-</u>	<u>11</u>	<u>-</u>
6000	Total operating expenses		<u>(491,245)</u>	<u>(13)</u>	<u>(459,458)</u>	<u>(12)</u>
6500	Net other income (expenses)	6(15)	<u>396</u>	<u>-</u>	<u>31</u>	<u>-</u>
6900	Operating income		<u>1,583,792</u>	<u>40</u>	<u>1,340,256</u>	<u>35</u>
	Non-operating income and expenses					
7100	Interest income	6(16)	15,026	-	25,343	1
7010	Other income		8,831	-	8,328	-
7020	Other gains and losses	6(17)	(18,108)	-	12,527	-
7050	Finance costs	6(18)	(46,758)	(1)	(47,980)	(1)
7000	Total non-operating income and expenses		<u>(41,009)</u>	<u>(1)</u>	<u>(1,782)</u>	<u>-</u>
7900	Profit before income tax		<u>1,542,783</u>	<u>39</u>	<u>1,338,474</u>	<u>35</u>
7950	Income tax expense	6(21)	<u>(312,358)</u>	<u>(8)</u>	<u>(261,122)</u>	<u>(7)</u>
8200	Profit for the year		<u>\$ 1,230,425</u>	<u>31</u>	<u>\$ 1,077,352</u>	<u>28</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans		\$ 317	-	\$ 2,588	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(5,438)	-	14,281	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(63)	-	(518)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive (loss) income, before tax, exchange differences on translation		<u>(1,499)</u>	<u>-</u>	<u>8,027</u>	<u>-</u>
8300	Other comprehensive (loss) income, net of tax		<u>(\$ 6,683)</u>	<u>-</u>	<u>\$ 24,378</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 1,223,742</u>	<u>31</u>	<u>\$ 1,101,730</u>	<u>29</u>
	Net income, attributable to:					
8610	Owners of parent		\$ 1,227,441	31	\$ 1,076,506	28
8620	Non-controlling interests		<u>2,984</u>	<u>-</u>	<u>846</u>	<u>-</u>
	Total		<u>\$ 1,230,425</u>	<u>31</u>	<u>\$ 1,077,352</u>	<u>28</u>
	Total comprehensive income attributable to:					
8710	Owners of parent		\$ 1,220,619	31	\$ 1,100,596	29
8720	Non-controlling interests		<u>3,123</u>	<u>-</u>	<u>1,134</u>	<u>-</u>
	Total		<u>\$ 1,223,742</u>	<u>31</u>	<u>\$ 1,101,730</u>	<u>29</u>
	Basic earnings per share	6(22)				
9750	Basic earnings per share		<u>\$ 15.75</u>		<u>\$ 13.82</u>	
	Diluted earnings per share	6(22)				
9850	Diluted earnings per share		<u>\$ 15.68</u>		<u>\$ 13.77</u>	

The accompanying notes are an integral part of these consolidated financial statements.

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained Earnings				Other equity interest					
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings				Total	Non-controlling interests	Total equity
<u>2024</u>											
		\$ 778,664	\$ 1,361,996	\$ 495,424	\$ 1,988	\$ 974,825	\$ 425	(\$ 7,752)	\$ 3,605,570	\$ 9,731	\$ 3,615,301
		-	-	-	-	1,076,506	-	-	1,076,506	846	1,077,352
		-	-	-	-	2,070	7,739	14,281	24,090	288	24,378
		-	-	-	-	1,078,576	7,739	14,281	1,100,596	1,134	1,101,730
Appropriation and distribution of 2023 retained earnings:	6(13)										
Legal reserve appropriated		-	-	92,152	-	(92,152)	-	-	-	-	-
Special reserve appropriated		-	-	-	5,337	(5,337)	-	-	-	-	-
Cash dividends		-	-	-	-	(825,384)	-	-	(825,384)	-	(825,384)
Due to donated assets received	6(12)	-	405	-	-	-	-	-	405	-	405
Share-based payment transactions	6(10)(11)(12)	-	2,688	-	-	-	-	-	2,688	-	2,688
Exercise of employee stock options		850	13,303	-	-	-	-	-	14,153	-	14,153
Subsidiaries' cash dividends distributed to shareholders		-	-	-	-	-	-	-	-	(4,284)	(4,284)
Balance at December 31, 2024		\$ 779,514	\$ 1,378,392	\$ 587,576	\$ 7,325	\$ 1,130,528	\$ 8,164	\$ 6,529	\$ 3,898,028	\$ 6,581	\$ 3,904,609
<u>2025</u>											
		\$ 779,514	\$ 1,378,392	\$ 587,576	\$ 7,325	\$ 1,130,528	\$ 8,164	\$ 6,529	\$ 3,898,028	\$ 6,581	\$ 3,904,609
		-	-	-	-	1,227,441	-	-	1,227,441	2,984	1,230,425
		-	-	-	-	254	(1,638)	(5,438)	(6,822)	139	(6,683)
		-	-	-	-	1,227,695	(1,638)	(5,438)	1,220,619	3,123	1,223,742
Appropriaton and distribution of 2024 and the first half of 2025 retained earnings:	6(13)										
Legal reserve appropriated		-	-	172,062	-	(172,062)	-	-	-	-	-
Special reserve reversed		-	-	-	(7,325)	7,325	-	-	-	-	-
Cash dividends		-	-	-	-	(1,489,005)	-	-	(1,489,005)	-	(1,489,005)
Due to donated assets received	6(12)	-	441	-	-	-	-	-	441	-	441
Exercise of employee stock options	6(10)(11)(12)	70	1,096	-	-	-	-	-	1,166	-	1,166
Subsidiaries' cash dividends distributed to shareholders		-	-	-	-	-	-	-	-	(688)	(688)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)	-	-	-	-	30	-	(30)	-	-	-
Balance at December 31, 2025		\$ 779,584	\$ 1,379,929	\$ 759,638	\$ -	\$ 704,511	\$ 6,526	\$ 1,061	\$ 3,631,249	\$ 9,016	\$ 3,640,265

The accompanying notes are an integral part of these consolidated financial statements.

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,542,783	\$ 1,338,474
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(4)(5)(19)	325,115	197,968
Amortisation expense	6(6)(19)	17,483	12,327
Gain on reversal of expected credit losses	12(2)	(450)	(11)
Net gains on financial assets at fair value through profit or loss		-	(27)
Interest expense	6(18)	46,758	47,980
Interest income	6(16)	(15,026)	(25,343)
Dividends income	6(2)	(7,804)	(4,944)
Compensation costs of employee stock options	6(10)	-	2,688
Gain on disposal of property, plant and equipment	6(4)(15)	(396)	(31)
Gain on disposal of financial assets	6(17)	-	(1,077)
(Gain on reversal of) loss on decline in market value of inventory		(322)	169
Unrealised foreign exchange loss (gain)		4,064	(9,016)
Other income		-	(2,137)
Changes in assets and liabilities			
Changes in operating assets			
Notes receivable		237	1,024
Accounts receivable		(2,691)	(100,453)
Accounts receivable due from related parties		30,047	(14,383)
Inventories		976	156
Prepayments		42,038	46,388
Other current assets		(1,338)	(778)
Changes in operating liabilities			
Current contract liabilities		(103,706)	93,862
Notes payable		-	(28)
Accounts payable		(18,492)	25,347
Accounts payable to related parties		(2,571)	4,397
Other payables		31,356	43,966
Other current liabilities		2,618	(5,379)
Net defined benefit liability		(707)	(700)
Cash inflow generated from operations		1,889,972	1,650,439
Interest paid		(46,803)	(47,935)
Income tax paid		(312,712)	(191,203)
Net cash flows from operating activities		1,530,457	1,411,301
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		-	(3,395)
Proceeds from disposal of financial assets at fair value through profit or loss		-	4,920
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	375	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(2)	-	108,469
Acquisition of property, plant and equipment	6(23)	(732,197)	(1,546,156)
Proceeds from disposal of property, plant and equipment		2,339	1,974
Acquisition of intangible assets	6(6)	(1,063)	(17,923)
Increase in time deposits with maturity over three months		-	(89,346)
Decrease in time deposits with maturity over three months		-	166,891
Increase in other non-current assets		(6,037)	(43,239)
Interest received		15,739	26,404
Dividends received	6(2)	7,804	4,944
Net cash flows used in investing activities		(713,040)	(1,386,457)

(Continued)

CHIEF TELECOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(24)	\$ 60,000	\$ 160,000
Repayment of short-term borrowings	6(24)	(160,000)	(60,000)
Repayment of principal of lease liabilities	6(24)	(101,250)	(89,068)
Increase in guarantee deposits		20,815	79,719
Decrease in guarantee deposits received		(47,533)	(36,148)
Cash dividends paid	6(13)	(974,480)	(825,384)
Cash dividends paid to non-controlling interest		(688)	(4,284)
Due to donated assets received	6(12)	441	405
Proceeds from exercise of employee stock options	6(10)(11)	1,166	14,153
Net cash flows used in financing activities		(1,201,529)	(760,607)
Effect of changes in exchange rates		(5,015)	14,073
Net decrease in cash and cash equivalents		(389,127)	(721,690)
Cash and cash equivalents at beginning of year		1,260,309	1,981,999
Cash and cash equivalents at end of year		\$ 871,182	\$ 1,260,309

The accompanying notes are an integral part of these consolidated financial statements.

CHIEF TELECOM INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

(1) Chief Telecom Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in January 1991. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in offering network integration, internet data center (“IDC”), communications integration, and cloud application services. Chunghwa Telecom Co., Ltd. and its subsidiaries were holding 58.56% and 58.57% of the shares of the Group as of December 31, 2025 and 2024, respectively. Chunghwa Telecom Co., Ltd. is the ultimate parent company of the Company.

(2) On June 5, 2018, the ordinary shares of the parent company were listed and traded on the Taipei Exchange (the “TPEX”).

2. Authorisation for Issuance of the Financial Statements

These consolidated financial statements were authorised for issuance by the Board of Directors on February 25, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' will replace IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2025	December 31, 2024	
Chief Telecom Inc.	Unigate Telecom Inc.	Telecommunications and internet service	100	100	
Chief Telecom Inc.	Chief International Corp.	Telecommunications and internet service	100	100	
Chief Telecom Inc.	Shanghai Chief Telecom Co., Ltd.	Telecommunications and internet service	49	49	Note 1

Note 1: According to the mutual agreements among shareholders of Shanghai Chief Telecom Co., Ltd. (“SCT”), since the Company has two of three seats in SCT’s board of directors, the Company has control over SCT; therefore, SCT is deemed a subsidiary of the Group. SCT mainly operates in the telecommunications and data service business.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets that are held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group and its subsidiaries have not retained control of the financial asset.

(12) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 50 years
Information equipment	3 ~ 5 years
Telecommunications equipment	2 ~ 30 years
Miscellaneous assets	3 ~ 5 years

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

- A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 8 years.

- B. IP address (indefinite useful life)

IP address is stated at cost which is considered to have an indefinite useful life and is not amortized, but is tested annually for impairment, since only an annual fee is necessary to maintain its usage rights, and there is no foreseeable limit to the period over which the asset is expected to generate net cash flows.

(17) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(18) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur.
- ii. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income taxes

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. Stock dividends as resolved by the shareholders at their meeting are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Telecommunications business revenue

The Group has established fixed rate charges for IDC services. However, for network integration, communications integration, and cloud application services, customers can select from a fixed rate or usage-based pricing, which is calculated based on actual consumption or minutes used. The Group recognized contract liabilities for monthly subscription charges and usage charges received in advance, which is recognized as revenue when subsequent usage occurs.

B. Service revenue

Revenue from the rendering of services comes from providing internet data center and other services, with related revenue recognized when all of the related performance obligations are satisfied according to the contracts.

C. Sales revenue

- (a) The Group sells telecommunications equipment. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group's revenue from contracts with customers are not sold as bundled sales, and the contract duration between the transfer of products and services and consideration received is one year at maximum, transaction prices are not adjusted based on significant financing components.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events as at the dates of statements of balance sheets. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group has no critical accounting judgements, estimates and key sources of assumption uncertainty.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Cash</u>		
Cash on hand	\$ 100	\$ 150
Cash in banks	181,883	261,870
<u>Cash equivalents (Time deposits with maturity within three months)</u>		
Bank's time deposits	539,287	898,355
Commercial papers	149,912	99,934
	<u>\$ 871,182</u>	<u>\$ 1,260,309</u>

The annual yield rates of demand deposits, time deposits, and commercial papers as of balance sheet dates were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Demand deposits	0.03%~1.60%	0.03%~1.75%
Time deposits	1.61%~3.50%	1.58%~4.65%
Commercial papers	0.96%	0.95%

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current items:		
Equity instruments		
Listed stocks	\$ 17,494	\$ -
Valuation adjustment	1,061	-
	<u>\$ 18,555</u>	<u>\$ -</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ -	\$ 17,494
Unlisted stocks	-	345
	-	17,839
Valuation adjustment	-	6,529
	<u>\$ -</u>	<u>\$ 24,368</u>

A. For the financial planning purpose, the Group sold its ordinary shares in 3 Link Information Service Co., Ltd. with a fair value of \$375, resulting in disposal gain of \$30 in 2025.

- B. The Group has elected to classify preferred shares of WPG Holdings Limited and WT Microelectronics Co., Ltd., and common shares of 3 Link Information Service Co., Ltd. that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of preferred shares of WT Microelectronics Co., Ltd. amounted to \$18,555 as at December 31, 2025. The fair value of preferred shares of WT Microelectronics Co., Ltd. and common shares of 3 Link Information Service Co., Ltd. amounted to \$24,368 as at December 31, 2024.
- C. To adjust the capital structure, the shareholders' meeting of 3 Link Information Service Co., Ltd., an unlisted company, approved to reduce its capital on August 15, 2024 by 90% as per the par value of \$10(in dollars) per share. The payment received by the Group for the capital reduction amounted to \$3,369, of which \$3,105 was regarded as a reduction in the original cost of the holding. After the capital reduction, the Group's shareholding percentage remained at 9.6%. Due to the reasons given above, the Group derecognized the fair value of investment amounting to \$3,369, and recognised the cumulative disposal gain of \$264 (listed as other income).
- D. The Board of Directors of WPG Holdings Limited, a listed company, resolved to redeem all Class A preference shares by cash at the actual issue price and carried out a capital reduction on November 12, 2024. The payment received by the Group for the capital reduction amounted to \$105,100, of which \$103,227 was regarded as a reduction in the original cost of the holding. For the reasons given above, the Group derecognized the fair value of investment amounting to \$105,100, and recognised the cumulative disposal gain of \$1,873 (listed as other income).
- E. The Group recognised (\$5,438) and \$14,281 in other comprehensive income for fair value change for the years ended December 31, 2025 and 2024, respectively.
- F. The Group recognized dividend income of \$7,804 and \$4,926 for the years ended December 31, 2025 and 2024, with \$722 from the outstanding investments on December 31, 2025 and 2024, respectively
- G. The Group has not pledged financial assets at fair value through other comprehensive income as collateral.
- H. Information relating to fair value is provided in Note 12(3).

(3) Notes and accounts receivable (including related parties)

	December 31, 2025	December 31, 2024
Notes receivable	\$ 1,241	\$ 1,478
Accounts receivable	\$ 320,176	\$ 348,369
Less: Allowance for uncollectible accounts	(356)	(934)
	319,820	347,435
	<u>\$ 321,061</u>	<u>\$ 348,913</u>

- A. As of December 31, 2025 and 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$233,341, and the allowance for uncollectible accounts amounted to \$1,118.
- B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable was \$1,241 and \$1,478, respectively, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$319,820 and \$347,435, respectively.
- C. Details of the Group's ageing analysis of accounts receivable is provided in Note 12(2).
- D. The Group did not hold any collateral as security and did not provide any collateral for its accounts and notes receivable.
- E. Information relating to credit risk is provided in Note 12(2).

(4) Property, plant and equipment

	2025					
	Buildings	Telecommunications equipment	Computer equipment	Miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	\$ 1,661,594	\$ 2,778,003	\$ 28,291	\$ 40,043	\$ 837,574	\$ 5,345,505
Accumulated depreciation and impairment	(5,534)	(1,783,734)	(22,031)	(9,160)	-	(1,820,459)
	<u>\$ 1,656,060</u>	<u>\$ 994,269</u>	<u>\$ 6,260</u>	<u>\$ 30,883</u>	<u>\$ 837,574</u>	<u>\$ 3,525,046</u>
Opening net book amount as at January 1	\$ 1,656,060	\$ 994,269	\$ 6,260	\$ 30,883	\$ 837,574	\$ 3,525,046
Additions	94,918	211,739	-	-	169,776	476,433
Reclassifications	546,458	444,949	-	-	(994,065)	(2,658)
Disposals-cost	-	(22,881)	(176)	(91)	-	(23,148)
Disposals-accumulated depreciation	-	22,881	176	91	-	23,148
Depreciation expense	(39,133)	(161,676)	(2,022)	(6,992)	-	(209,823)
Net exchange differences-cost	-	-	2	-	-	2
Net exchange differences-Accumulated depreciation	-	-	(4)	-	-	(4)
Closing net book amount as at December 31	<u>\$ 2,258,303</u>	<u>\$ 1,489,281</u>	<u>\$ 4,236</u>	<u>\$ 23,891</u>	<u>\$ 13,285</u>	<u>\$ 3,788,996</u>
At December 31						
Cost	\$ 2,302,970	\$ 3,411,810	\$ 28,117	\$ 39,952	\$ 13,285	\$ 5,796,134
Accumulated depreciation and impairment	(44,667)	(1,922,529)	(23,881)	(16,061)	-	(2,007,138)
	<u>\$ 2,258,303</u>	<u>\$ 1,489,281</u>	<u>\$ 4,236</u>	<u>\$ 23,891</u>	<u>\$ 13,285</u>	<u>\$ 3,788,996</u>

2024						
	Buildings	Telecommunications equipment	Computer equipment	Miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	\$ -	\$ 1,999,134	\$ 27,766	\$ 5,216	\$ 1,954,159	\$ 3,986,275
Accumulated depreciation and impairment	- (	1,759,168)	(20,023)	(5,204)	- (	1,784,395)
	<u>\$ -</u>	<u>\$ 239,966</u>	<u>\$ 7,743</u>	<u>\$ 12</u>	<u>\$ 1,954,159</u>	<u>\$ 2,201,880</u>
Opening net book amount as at January 1	\$ -	\$ 239,966	\$ 7,743	\$ 12	\$ 1,954,159	\$ 2,201,880
Additions	153,468	308,333	736	5,176	960,682	1,428,395
Reclassifications	1,508,126	525,010	-	29,786	(2,077,267)	(14,345)
Disposals-cost	- (	54,474)	(231)	(135)	- (	54,840)
Disposals-accumulated depreciation	-	54,474	231	135	-	54,840
Depreciation expense	(5,534)	(79,040)	(2,224)	(4,091)	- (	90,889)
Net exchange differences-cost	-	-	20	-	-	20
Net exchange differences-Accumulated depreciation	-	- (	15)	-	- (	15)
Closing net book amount as at December 31	<u>\$ 1,656,060</u>	<u>\$ 994,269</u>	<u>\$ 6,260</u>	<u>\$ 30,883</u>	<u>\$ 837,574</u>	<u>\$ 3,525,046</u>
At December 31						
Cost	\$ 1,661,594	\$ 2,778,003	\$ 28,291	\$ 40,043	\$ 837,574	\$ 5,345,505
Accumulated depreciation and impairment	(5,534)	(1,783,734)	(22,031)	(9,160)	- (	1,820,459)
	<u>\$ 1,656,060</u>	<u>\$ 994,269</u>	<u>\$ 6,260</u>	<u>\$ 30,883</u>	<u>\$ 837,574</u>	<u>\$ 3,525,046</u>

(5) Lease transactions — lessee

- A. The Group leases various assets including land, buildings, telecommunications equipment and transportation equipment (business vehicles). Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These arrangements contain renewal options to extend the lease upon expiration. Extension options are included in the land and building leases across the Group. Extension options are included to provide greater flexibility to the Group. Since the Group is reasonably certain to use the optional extended lease term, payments associated with the optional period are included within lease liabilities. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise transportation equipment and multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Book value	Book value
Land	\$ 560,609	\$ 527,573
Buildings	1,556,812	1,650,486
Telecommunications equipment	118,945	-
Transportation equipment (Business vehicles)	472	442
	<u>\$ 2,236,838</u>	<u>\$ 2,178,501</u>

	Years ended December 31,	
	2025	2024
	Depreciation expense	Depreciation expense
Land	\$ 11,958	\$ 11,539
Buildings	94,194	94,685
Telecommunications equipment	8,497	-
Transportation equipment (Business vehicles)	643	855
	<u>\$ 115,292</u>	<u>\$ 107,079</u>

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$173,654 and \$1,400, respectively.

E. Information on profit or loss account relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 45,905	\$ 46,485
Expense on leases of low-value assets	618	647

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were \$147,773 and \$136,200, respectively.

(6) Intangible assets

2025			
	Computer software	Others	Total
At January 1			
Cost	\$ 98,630	\$ 31,533	\$ 130,163
Accumulated amortisation	(60,572)	-	(60,572)
	<u>\$ 38,058</u>	<u>\$ 31,533</u>	<u>\$ 69,591</u>
Opening net book amount as at January 1	\$ 38,058	\$ 31,533	\$ 69,591
Additions	1,063	-	1,063
Reclassifications	2,658	-	2,658
Disposals-cost	(4,675)	-	(4,675)
Disposals-accumulated amortisation	4,675	-	4,675
Amortisation charge	(17,483)	-	(17,483)
Closing net book amount as at December 31	<u>\$ 24,296</u>	<u>\$ 31,533</u>	<u>\$ 55,829</u>
At December 31			
Cost	\$ 97,676	\$ 31,533	\$ 129,209
Accumulated amortisation	(73,380)	-	(73,380)
	<u>\$ 24,296</u>	<u>\$ 31,533</u>	<u>\$ 55,829</u>
2024			
	Computer software	Others	Total
At January 1			
Cost	\$ 66,362	\$ 31,533	\$ 97,895
Accumulated amortisation	(48,245)	-	(48,245)
	<u>\$ 18,117</u>	<u>\$ 31,533</u>	<u>\$ 49,650</u>
Opening net book amount as at January 1	\$ 18,117	\$ 31,533	\$ 49,650
Additions	17,923	-	17,923
Reclassifications	14,345	-	14,345
Amortisation charge	(12,327)	-	(12,327)
Closing net book amount as at December 31	<u>\$ 38,058</u>	<u>\$ 31,533</u>	<u>\$ 69,591</u>
At December 31			
Cost	\$ 98,630	\$ 31,533	\$ 130,163
Accumulated amortisation	(60,572)	-	(60,572)
	<u>\$ 38,058</u>	<u>\$ 31,533</u>	<u>\$ 69,591</u>

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Operating costs	\$ 16,617	\$ 11,826
Operating expenses	866	501
	<u>\$ 17,483</u>	<u>\$ 12,327</u>

Other intangible assets are IP addresses acquired separately.

(7) Short-term borrowings (On December 31, 2025: no such transactions.)

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 100,000</u>	1.82%	None

(8) Other payables

	December 31, 2025	December 31, 2024
Dividends payable	\$ 514,525	\$ -
Salary and bonus payable	202,006	181,836
Employees' compensation and directors' remuneration payable	117,457	106,703
Payables for purchases of equipment	55,026	310,790
Others	64,982	64,594
	<u>\$ 953,996</u>	<u>\$ 663,923</u>

(9) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the shortfall by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 32,603	\$ 30,782
Fair value of plan assets	(27,103)	(24,258)
Net defined benefit liability	<u>\$ 5,500</u>	<u>\$ 6,524</u>

(c) Movements in net defined benefit liabilities are as follows:

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 30,782	(\$ 24,258)	\$ 6,524
Current service cost	-	-	-
Interest expense (income)	539	(432)	107
	<u>31,321</u>	<u>(24,690)</u>	<u>6,631</u>
Remeasurements:	-	-	-
Return on plan assets			
(excluding amounts included in interest income or expense)	-	(1,599)	(1,599)
Change in financial assumptions	498	-	498
Experience adjustments	784	-	784
	<u>1,282</u>	<u>(1,599)</u>	<u>(317)</u>
Pension fund contribution	-	(814)	(814)
Paid pension	-	-	-
At December 31	<u>\$ 32,603</u>	<u>(\$ 27,103)</u>	<u>\$ 5,500</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 31,477	(\$ 21,665)	\$ 9,812
Current service cost	-	-	-
Interest expense (income)	393	(276)	117
	<u>31,870</u>	<u>(21,941)</u>	<u>9,929</u>
Remeasurements:	-	-	-
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,954)	(1,954)
Change in financial assumptions	(1,151)	-	(1,151)
Experience adjustments	517	-	517
	<u>(634)</u>	<u>(1,954)</u>	<u>(2,588)</u>
Pension fund contribution	-	(817)	(817)
Paid pension	(454)	454	-
At December 31	<u>\$ 30,782</u>	<u>(\$ 24,258)</u>	<u>\$ 6,524</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, the minimum return of the Fund shall not be lower than the return accrued from the interest rates on two-year deposits published by local banks. If there is a shortfall, government shall pay the shortfall after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Discount rate	<u>1.50%</u>	<u>1.75%</u>
Future salary increases	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality experience are set based on Experience Mortality Table issue 6 which published by Taiwan life insurance industry.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 985)	\$ 1,037	\$ 1,009	(\$ 968)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 1,091)	\$ 1,152	\$ 1,124	(\$ 1,075)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period

(g) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$807.

(h) As of December 31, 2025, the weighted average duration of the retirement plan is 6.4 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	3,457
1-5 year(s)		14,183
Over 5 years		<u>8,284</u>
	\$	<u>25,924</u>

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The consolidated subsidiary - Chief International Corp. does not have any relevant employee retirement policies due to the absence of hired staff.
- (d) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2025 and 2024 were \$9,798 and \$8,354, respectively.

(10) Share-based payment

- A. For the years ended December 31, 2025 and 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee share options	2020.11.13	200	5 years	2~4 years service

- B. Details of the share-based payment arrangements are as follows:

	2025		2024	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	7.00	\$ 166.50	93.00	\$ 171.70
Options granted	-	-	-	-
Options forfeited	-	-	(1.00)	-
Options exercised	(7.00)	166.50	(85.00)	166.50
Options outstanding at December 31	-		7.00	166.50
Options exercisable at December 31	-		7.00	166.50

- C. As of December 31, 2024, the range of exercise prices of stock options outstanding was \$166.5 (in dollars), while the weighted-average remaining contractual period was 0.87 years.
- D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Weighted average exercise price (in dollars)
Employee share options	2020.11.13	\$ 356	\$ 206	34.61%	5 years	-	0.18%	173,893

Note: The expected volatility for the options granted in 2020 was based on the Company's average annualized historical share price volatility from June 5, 2018, the Company's listing date on Taipei Exchange, to the grant date.

- E. In July 2024, the exercise prices of employee stock options were adjusted from \$171.70 (in dollars) to \$166.50 (in dollars) following the terms of employee stock options.

F. The compensation costs recognised for the employee stock options for the years ended December 31, 2025 and 2024 were \$0 and \$2,688, respectively.

(11) Share capital

- A. As of December 31, 2025, the Company's authorised capital was \$880,000, consisting of 88,000 thousand shares of ordinary stock, and the paid-in capital was \$779,584 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. On December 19, 2024, the Company's Board of Directors resolved to issue 85 thousand shares with a par value of \$10, as new shares designated for subscription when the share options of 2024 are exercised, and the effective date was set on December 27, 2024 as resolved by the Board of Directors. On January 22, 2025, the above transaction was approved by the Department of Commerce, MOEA.
- C. On February 19, 2025, the Company's Board of Directors resolved to issue 7 thousand shares with a par value of \$10, as new shares designated for subscription when the share options of 2025 are exercised, and the effective date was set on March 7, 2025 as resolved by the Board of Directors. On March 28, 2025, the above transaction was approved by the Department of Commerce, MOEA.

(12) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025			
	Share premium	Employee stock options	Due to donated assets received	Total
At January 1	\$ 1,375,705	\$ 994	\$ 1,693	\$ 1,378,392
Exercise of employee stock option	2,090	(994)	-	1,096
Cash dividends extinguished by statute of limitations	-	-	441	441
At December 31	<u>\$ 1,377,795</u>	<u>\$ -</u>	<u>\$ 2,134</u>	<u>\$ 1,379,929</u>

	2024			
	Share premium	Employee stock options	Due to donated assets received	Total
At January 1	\$ 1,350,340	\$ 10,368	\$ 1,288	\$ 1,361,996
Exercise of employee stock option	25,365	(12,062)	-	13,303
Compensation costs of employee stock options	-	2,688	-	2,688
Cash dividends extinguished by statute of limitations	-	-	405	405
At December 31	<u>\$ 1,375,705</u>	<u>\$ 994</u>	<u>\$ 1,693</u>	<u>\$ 1,378,392</u>

(13) Retained earnings

- A. The Company's extraordinary shareholders' meeting on October 15, 2025, approved amendments to its Articles of Incorporation, stipulating that at the end of each semi-annual fiscal year, the Board of Directors may, upon resolution, determine whether to distribute profits or offset losses. However, any distribution of profits by issuing new shares must be approved by a resolution of the shareholders' meeting.
- B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' deficits and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of the remaining earnings, if any, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders. For the distribution in cash, the Board of Directors shall be authorized to distribute the profit in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, to distribute all or part of dividends and bonuses in cash, and a report of such distribution shall be submitted in the shareholders' meeting. Such distribution does not apply the preceding shareholders' approval requirement.
- C. Except for offsetting accumulated deficits or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. (a) The appropriations of earnings for 2024 and 2023 which were approved in the shareholders' meetings on May 22, 2025 and May 28, 2024, respectively, were as follows:

	Year ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 107,858		\$ 92,152	
(Reversal) appropriation of special reserve	(7,325)		5,337	
Cash dividends	974,480	\$ 12.50	825,384	\$ 10.60

(b) The appropriations of earnings for the first half of 2025 which was approved in the the Company's Board of Directors' meetings on October 28, 2025 was as follows:

	The first half of 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 64,204	
Cash dividends	514,525	\$ 6.60

Information on the appropriation of the Company's earnings resolved by the Board of Directors and the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. On February 25, 2026, the Company's Board of Directors resolved to distribute earnings for the second half of 2025. Please refer to Note 11.

(14) Operating revenue

A. Disaggregation of revenue from contracts with customers

	Years ended December 31,	
	2025	2024
Revenue from products		
Revenue from IDC service	\$ 1,776,356	\$ 1,478,364
Revenue from data service	1,470,353	1,474,754
Revenue from cloud service	648,028	598,165
Revenue from voice service	48,929	241,730
	<u>\$ 3,943,666</u>	<u>\$ 3,793,013</u>
Revenue from contracts with customers		
Revenue from telecommunications service	\$ 3,815,846	\$ 3,446,470
Revenue from rendering of services	127,389	345,328
Revenue from sales of goods	431	1,215
	<u>\$ 3,943,666</u>	<u>\$ 3,793,013</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities	\$ 25,765	\$ 129,471	\$ 35,609

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Years ended December 31,	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 125,816	\$ 32,618

(15) Other income and expenses— net

	Years ended December 31,	
	2025	2024
Other income		
Net gains on disposal of property, plant and equipment	\$ 396	\$ 31

(16) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 15,026	\$ 25,343

(17) Other gains and losses

	Years ended December 31,	
	2025	2024
Net currency exchange (losses) gains	(\$ 18,108)	\$ 11,426
Gains on financial assets at fair value through profit or loss	-	1,104
Others	-	(3)
	(\$ 18,108)	\$ 12,527

(18) Finance costs

	Years ended December 31,	
	2025	2024
Lease liability	\$ 45,905	\$ 46,485
Bank borrowings	149	1,040
Others	704	455
	\$ 46,758	\$ 47,980

(19) Expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefit expense	\$ 516,942	\$ 470,656
Depreciation expense on property, plant and equipment	209,823	90,889
Depreciation expense on right-of-use assets	115,292	107,079
Amortisation expense	17,483	12,327

(20) Employee benefit expense

	Years ended December 31,	
	2025	2024
Salary expenses	\$ 355,920	\$ 325,083
Employee stock options	\$ -	\$ 2,688
Labour and health insurance fees	23,488	21,955
Pension costs	9,905	8,471
Other personnel expenses (Note)	127,629	112,459
	<u>\$ 516,942</u>	<u>\$ 470,656</u>

Note: Primarily employee compensation, among other expenses.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after offsetting accumulated deficits, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3.5% ~ 6.9% for employees' compensation and shall not be higher than 2.3% for directors' remuneration. The amount of employees' compensation distributed should be no less than 50% for rank-and-file employees.

B. For the years ended December 31, 2025 and 2024, employees' compensation was accrued at \$114,097 and \$99,130, respectively; while directors' remuneration was accrued at \$3,360 for both years. The aforementioned amounts were recognised in salary expenses.

Employees' compensation and directors' remuneration for 2024 amounting to \$99,130 and \$3,360, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income taxes

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 320,271	\$ 265,539
Overestimated amount of income tax from previous years	(7,306)	(6,228)
Total current tax	312,965	259,311
Deferred tax:		
Origination and reversal of temporary differences	(607)	1,760
Prior year income tax adjustment	-	51
Total deferred tax	(607)	1,811
Income tax expense	\$ 312,358	\$ 261,122

(b) The income tax expense relating to components of other comprehensive income is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Remeasurement of defined benefit obligations	\$ 63	\$ 518

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2025	Year ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 308,556	\$ 267,695
Expenses disallowed by tax regulation	-	1
Tax exempt income by tax regulation	(3,087)	(3,185)
Prior year income tax overestimation	(7,306)	(6,228)
Effect of different tax rates in countries in which the group operates (Note)	(333)	(77)
Other	14,528	2,916
Income tax expense	\$ 312,358	\$ 261,122

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

2025				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Defined benefit pension plans	\$ 438	(\$ 142)	(\$ 63)	\$ 233
Loss on inventory	291	(64)	-	227
	<u>729</u>	<u>(206)</u>	<u>(63)</u>	<u>460</u>
— Deferred tax liabilities:				
Unrealised exchange gain	(2,324)	813	-	(1,511)
	<u>(2,324)</u>	<u>813</u>	<u>-</u>	<u>(1,511)</u>
	<u>(\$ 1,595)</u>	<u>\$ 607</u>	<u>(\$ 63)</u>	<u>(\$ 1,051)</u>
2024				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Defined benefit pension plans	\$ 1,096	(\$ 140)	(\$ 518)	\$ 438
Loss on inventory	257	34	-	291
Allowance for doubtful receivables over limit	53	(53)	-	-
Fair value changes of financial assets at FVTPL	5	(5)	-	-
	<u>1,411</u>	<u>(164)</u>	<u>(518)</u>	<u>729</u>
— Deferred tax liabilities:				
Unrealised exchange gain	(677)	(1,647)	-	(2,324)
	<u>(677)</u>	<u>(1,647)</u>	<u>-</u>	<u>(2,324)</u>
	<u>\$ 734</u>	<u>(\$ 1,811)</u>	<u>(\$ 518)</u>	<u>(\$ 1,595)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2016	\$ 137	\$ 137	\$ 137	2026	
2017	129	129	129	2027	
2018	118	118	118	2028	
2019	26	26	26	2029	

December 31, 2024					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2015	\$ 117	\$ 117	\$ 117	2025	
2016	137	137	137	2026	
2017	129	129	129	2027	
2018	118	118	118	2028	
2019	26	26	26	2029	

E. Income tax returns of the Company and its domestic subsidiaries through 2023 have been assessed and approved by the Tax Authority.

(22) Earnings per share

Year ended December 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,227,441	77,957	\$ 15.75
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,227,441	77,957	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	1	
Employees' compensation	-	334	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,227,441	78,292	\$ 15.68
Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,076,506	77,868	\$ 13.82
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,076,506	77,868	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	54	
Employees' compensation	-	240	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,076,506	78,162	\$ 13.77

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 476,433	\$ 1,428,395
Add: Beginning balance of payable on equipment	310,790	428,551
Less: Ending balance of payable on equipment	(55,026)	(310,790)
Cash paid during the period	<u>\$ 732,197</u>	<u>\$ 1,546,156</u>

B. Financing activities with no cash flow effects:

	Year ended December 31, 2025	Year ended December 31, 2024
Cash dividends declared but not yet paid	<u>\$ 514,525</u>	<u>\$ -</u>

(24) Changes in liabilities from financing activities

	2025		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 100,000	\$ 2,280,708	\$ 2,380,708
Changes in cash flow from financing activities	(100,000)	(101,250)	(201,250)
Interest expense paid	-	(45,905)	(45,905)
Changes in other non-cash items	-	219,558	219,558
Impact of changes in foreign exchange rate	-	(24)	(24)
At December 31	<u>\$ -</u>	<u>\$ 2,353,087</u>	<u>\$ 2,353,087</u>
	2024		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ -	\$ 2,389,810	\$ 2,389,810
Changes in cash flow from financing activities	100,000	(89,068)	10,932
Interest expense paid	-	(46,485)	(46,485)
Changes in other non-cash items	-	26,445	26,445
Impact of changes in foreign exchange rate	-	6	6
At December 31	<u>\$ 100,000</u>	<u>\$ 2,280,708</u>	<u>\$ 2,380,708</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Chunghwa Telecom Co., Ltd.	Parent company
Chunghwa System Integration Co., Ltd.	Fellow subsidiary
CHYP Multimedia Marketing & Communications Co., Ltd.	Fellow subsidiary
Spring House Entertainment Tech. Inc.	Fellow subsidiary
Light Era Development Co., Ltd. (Light Era)	Fellow subsidiary
Senao International Co., Ltd.	Fellow subsidiary
Honghwa International Co., Ltd. (Honghwa International)	Fellow subsidiary
Chunghwa Telecom Singapore Pte., Ltd. (Chunghwa Singapore)	Fellow subsidiary
Chunghwa Telecom Global, Inc.	Fellow subsidiary
Donghwa Telecom Co., Ltd.	Fellow subsidiary
Chunghwa Telecom Japan Co., Ltd. (Chunghwa Japan)	Fellow subsidiary
KingwayTek Technology Co., Ltd.	Associate
So-net Entertainment Taiwan Limited (So-net)	Associate
Imedtac Co., Ltd.	Associate
Shenzhen Century Communication Co., Ltd.	Other related party (significant influence over subsidiary, Shanghai Chief Telecom Co., Ltd.)

(2) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Parent company	\$ 239,746	\$ 225,869
Fellow subsidiaries	5,106	70,498
Associates	139,266	144,919
Other related party	29,846	26,139
	<u>\$ 413,964</u>	<u>\$ 467,425</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Operating cost and expenses

	Year ended December 31,	
	2025	2024
Parent company	\$ 511,887	\$ 515,100
Fellow subsidiaries	88,335	135,032
Associates	1,741	1,674
Other related party	1,897	2,437
	<u>\$ 603,860</u>	<u>\$ 654,243</u>

For the Group's transactions with related parties, the prices are determined based on mutual agreement and the payment terms would be available to third parties.

C. Receivables from related parties

	December 31, 2025	December 31, 2024
Accounts receivable:		
Parent company	\$ 16,081	\$ 31,530
Fellow subsidiaries	-	88
Associates	10,919	24,726
	<u>\$ 27,000</u>	<u>\$ 56,344</u>

Receivables from related parties mainly refer to the Group's receivables from related parties for revenue from telecommunications service.

D. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Parent company	\$ 69,415	\$ 72,072
Fellow subsidiaries	64	9
Associates	245	214
	<u>\$ 69,724</u>	<u>\$ 72,295</u>

The payables to related parties arise mainly from transactions of operating costs. The payables bear no interest.

E. Prepayments

	December 31, 2025	December 31, 2024
Parent company	\$ 1,707	\$ 4,012
Fellow subsidiaries	56	10
	<u>\$ 1,763</u>	<u>\$ 4,022</u>

F. Payment on behalf of others (recorded as other current assets)

	December 31, 2025	December 31, 2024
Parent company	<u>\$ 1,919</u>	<u>\$ 2,114</u>

G. Long-term prepaid expenses (recorded as other non-current assets)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Parent company	\$ -	\$ 1,672

H. Guarantee deposits paid (recorded as other non-current assets)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Parent company	\$ 3,410	\$ 3,410

I. Lease transactions - lessee

(a) The Group leases lands and office buildings from parent company and fellow subsidiaries. Rental contracts are typically made for periods of 20 to 50 years. The terms of the contracts were negotiated by both parties. Rents are paid monthly.

(b) Lease liabilities

i. Outstanding balance:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Parent company	\$ 585,182	\$ 549,911
Light Era	1,610,842	1,686,230
	<u>\$ 2,196,024</u>	<u>\$ 2,236,141</u>

ii. Interest expense:

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Parent company	\$ 10,345	\$ 9,616
Light Era	34,496	36,061
	<u>\$ 44,841</u>	<u>\$ 45,677</u>

J. Contract liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Parent company	\$ 899	\$ 767
Fellow subsidiaries	65	67
	<u>\$ 964</u>	<u>\$ 834</u>

K. Guarantee deposits received

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fellow subsidiaries	\$ 20	\$ 20

(3) Key management compensation

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 56,540	\$ 51,098
Post-employment benefits	904	814
Share-based payments	-	257
	<u>\$ 57,444</u>	<u>\$ 52,169</u>

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025	December 31, 2024
Property, plant and equipment	\$ 9,875	\$ 108,919

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

- (1) On February 25, 2026, the Company's Board of Directors resolved to distribute earnings for the second half of 2025.

	The second half of 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 58,568	
Cash dividends	592,484	\$ 7.60

- (2) On February 25, 2026, the Board of Directors resolved to repurchase 1,000 thousand treasury shares for the purpose of transferring shares to the employees. The repurchase price range is between \$280 and \$470 (in dollars). When the Company's stock price falls below the set floor price, the Company will continue to execute the repurchase plan. The Company expects to repurchase treasury shares for the period from February 26, 2026 to April 25, 2026.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 18,555	\$ 24,368
Financial assets at amortised cost (Note 1)	1,220,849	1,636,229
	<u>\$ 1,239,404</u>	<u>\$ 1,660,597</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost (Note 2)	\$ 867,642	\$ 766,520
Lease liability	<u>\$ 2,353,087</u>	<u>\$ 2,280,708</u>

Note 1: The balances include financial assets at amortised cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, net, accounts receivable due from related parties, guarantee deposits paid and long-term installment receivables (recorded as other non-current assets).

Note 2: The balances include financial liabilities at amortised cost, which comprise accounts payable, accounts payable to related parties, certain other payables and guarantee deposits received.

B. Financial risk management policies

The Group's major financial instruments include accounts receivable, accounts payable and lease liabilities. The Group's Finance Department provides services to the business, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,053	31.430	\$ 64,540
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 610	31.430	\$ 19,170
December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 3,442	32.785	\$ 112,861
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 755	32.785	\$ 24,750

- ii. The total exchange gain (loss), including realised and unrealised, arising from foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to (\$18,108) and \$11,426, respectively.

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2025				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	5%	\$	3,227	\$ -
Financial liabilities				
Monetary items				
USD:NTD	5%	\$	959	\$ -
Year ended December 31, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	5%	\$	5,643	\$ -
Financial liabilities				
Monetary items				
USD:NTD	5%	\$	1,238	\$ -

Cash flow and fair value Interest rate risk

i. The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
- Financial assets	\$ 689,199	\$ 998,289
- Financial liabilities	2,353,087	2,280,708
Fair value interest rate risk		
- Financial assets	181,873	261,860

ii. Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the balance sheet date. A 25 basis point increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$455 and \$655, respectively, which was mainly a result of variable-rate interest on the Group's bank deposits.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The main credit terms for the Group's sale of products range from 30 to 90 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.
- iii. The Group measures the loss allowance for notes and accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on notes and trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.
- iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

vi. The Group writes off notes and accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For notes or trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

vii. The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

viii. The Group's provision matrix on December 31, 2025 and 2024 is as follows:

		Not past due	Up to 60 days past due	61~ 90 days past due	91~ 120 days past due	Over 121 days past due	Total
<u>December 31, 2025</u>							
Expected loss rate	Note 2		0%~0.36%	4.23%	39.65%	72.63%~100%	
Total book value	\$ 171,248	\$ 127,043	\$ 2,047	\$ 71	\$ 21,008	Note 1	\$ 321,417
Loss allowance	-	67	87	28	174		356
		Not past due	Up to 60 days past due	61~ 90 days past due	91~ 120 days past due	Over 121 days past due	Total
<u>December 31, 2024</u>							
Expected loss rate	Note 2		0%~0.31%	7.76%	15.80%	37.27%~100%	
Total book value	\$ 223,183	\$ 115,399	\$ 4,105	\$ 3,398	\$ 3,762		\$ 349,847
Loss allowance	-	127	69	28	710		934

Note 1: The Group negotiated with a specific customer regarding a disputed overdue receivable. Following a settlement agreement, the Group adopted an individual valuation method, considering the credit enhancements of the accounts receivables held. The total carrying amount was \$20,823 at December 31, 2025.

Note 2: Considering historical experience loss ratio and adjusting forward-looking, the expected loss rates of receivables not past due on December 31, 2025 and 2024 were extremely low.

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	\$ 934	\$ 1,118
Reversal of impairment loss	(450)	(11)
Actual write-offs	(128)	(173)
At December 31	\$ 356	\$ 934

(c) Liquidity risk

i. The Group invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity.

ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank borrowing facilities		
Amount used	\$ -	\$ 100,000
Amount unused	<u>600,000</u>	<u>1,600,000</u>
	<u>\$ 600,000</u>	<u>\$ 1,700,000</u>

iii. The Group's non-derivative financial liabilities are analysed based on the remaining period at the balance sheet date to the contractual maturity date. The table below described the contractual undiscounted cash flows of financial liabilities.

	On demand or less than 1 month	Between 1 and 3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years	Total
December 31, 2025						
<u>Non-derivative financial liabilities</u>						
Liabilities bear no interest	\$ 254,175	\$ 514,525	\$ -	\$ -	\$ 88,026	\$ 856,726
Lease liability	<u>13,607</u>	<u>27,094</u>	<u>121,821</u>	<u>639,930</u>	<u>2,143,338</u>	<u>2,945,790</u>
	<u>\$ 267,782</u>	<u>\$ 541,619</u>	<u>\$ 121,821</u>	<u>\$ 639,930</u>	<u>\$ 2,231,364</u>	<u>\$ 3,802,516</u>
December 31, 2024						
<u>Non-derivative financial liabilities</u>						
Liabilities bear no interest	\$ 530,776	\$ -	\$ -	\$ -	\$ 114,744	\$ 645,520
Short-term borrowings	100,110	-	-	-	-	100,110
Lease liability	<u>11,318</u>	<u>22,635</u>	<u>101,199</u>	<u>537,855</u>	<u>2,213,499</u>	<u>2,886,506</u>
	<u>\$ 642,204</u>	<u>\$ 22,635</u>	<u>\$ 101,199</u>	<u>\$ 537,855</u>	<u>\$ 2,328,243</u>	<u>\$ 3,632,136</u>

Further information on the maturity analysis of lease liabilities was as follows:

	Less than 1 year	Between 1 and 5 year(s)	Between 5 and 10 years	Between 10 and 15 years	Over 15 years	Total
December 31, 2025						
Lease liability	\$ 162,522	\$ 639,930	\$ 647,731	\$ 644,445	\$ 851,162	\$ 2,945,790
December 31, 2024						
Lease liability	\$ 135,152	\$ 537,855	\$ 646,929	\$ 636,474	\$ 930,096	\$ 2,886,506

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in financial assets at fair value through profit or loss is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, accounts payable and other payables are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 are as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 18,555	\$ -	\$ -	\$ 18,555
December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 17,978	\$ -	\$ 6,390	\$ 24,368

D. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

E. Valuation techniques and inputs of Level 3 fair value measurement

The fair values of domestic unlisted equity securities were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. An increase in long-term revenue growth rates or a decrease in the weighted average cost of capital or discount for lack of marketability used in isolation would result in an increase in the fair value.

F. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. The following chart showed the movement of Level 3 for the year ended December 31, 2025. For the year ended December 31, 2024, there was no movement of Level 3.

	2025
	<u>Non-derivative equity instruments</u>
At January 1	\$ 6,390
Recorded as unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(6,015)
Sold in the period	(375)
At December 31	<u>\$ -</u>

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(3) Information on investments in Mainland China

Basic information: Please refer to table 4.

14. Operating segment Information

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The chief operating decision-maker, who assesses performance of the Group based on the profit or loss before tax in the financial statements, has measured that the Group has only one reportable operating segment. Therefore, the operating segment information is in agreement with that in the main financial statements.

(3) Reconciliation for segment income (loss)

The revenue and profit or loss from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

(4) Geographical information

	<u>Year ended December 31, 2025</u>		<u>Year ended December 31, 2024</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 2,822,475	\$ 6,135,441	\$ 2,553,700	\$ 5,827,074
Others	<u>1,121,191</u>	<u>14,911</u>	<u>1,239,313</u>	<u>11,495</u>
	<u>\$ 3,943,666</u>	<u>\$ 6,150,352</u>	<u>\$ 3,793,013</u>	<u>\$ 5,838,569</u>

(5) Major customer information

No single customer contributed 10% or more to the Group's revenue for both 2025 and 2024.