



Taiwan Mobile Co., Ltd.

2021 Annual General Shareholders' Meeting

Agenda (Translation)

June 16, 2021

Note to Readers:

If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Taiwan Mobile Co., Ltd.

2021 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m., Wednesday, June 16, 2021

Place: 6F, No. 88, Yanchang Rd., Xinyi Dist., Taipei City
(Taipei New Horizon Building)

1. The Chairman — Call the meeting to order
2. Chairman's Address
3. Report Items
4. Proposed Resolutions
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6. Meeting Adjourned

Report Items

1. The 2020 Business Report

The 2020 Business Report is attached hereto as Attachment I.

2. The 2020 Audit Committee Report

The 2020 Audit Committee Report is attached hereto as Attachment II.

The communication between the Audit Committee and Internal Audit Chief Officer is attached hereto as Attachment III.

3. The distribution of the 2020 employees' and directors' compensations

(1) Article 30-1 of the Company's Articles of Incorporation promulgate that if the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 0.3% of the profits as director compensation.

(2) The 2020 employees' and directors' compensations are NT\$390,868,942 and NT\$39,086,894 respectively, which was approved by the Board and the total amounts were distributed in cash.

4. The issuance of the unsecured corporate straight bond in 2020

(1) To repay bank borrowings and strengthen the Company's financial structure, the board resolved to issue the sixth unsecured straight corporate bond of NT\$20bn. The issuance of the aforementioned straight bond was approved by the Taipei Exchange on March 13, 2020 with the Authorization No. 10900016221. The straight bond has been listed on the Taipei Exchange since March 24, 2020.

(2) The terms and the use of proceed from the bond issuance are attached hereto as Attachment IV.

5. Revisions to the Ethical Corporate Management Best Practice Principles

Please refer to Attachment V for articles and amendments.

6. ESG Steering Committee Report (former CSR Committee Report)

CSR Committee was renamed as the ESG Steering Committee to follow the promotion of corporate governance blueprint (third edition) issued by Financial Supervisory Commission, and to continue the integration of international ESG trends, and to enhance the corporate recognition toward ESG (Environment, Society, and Corporate Governance).

Proposed Resolutions

1. To approve the 2020 Business Report and Financial Statements

Taiwan Mobile's (The Company) financial statements were audited by certified public accountants, Pei-De Chen and Kwan-Chung Lai, of Deloitte & Touche. The 2020 Business Report, CPA's audit report, and financial statements are attached hereto as Attachments I, VI, and VII.

Resolution:

2. To approve the proposal for the distribution of the 2020 retained earnings

(1) The Company's 2020 net income was NT\$11,286,553,218 (please see Attachment VIII for the 2020 Earnings Distribution Proposal).

(2) The cash dividend from retained earnings proposed by the Board is NT\$9,521,177,440. The Company received letters of agreement from TCC Investment Co., Ltd. (TCCI), TCCI Investment & Development Co., Ltd. (TID) and TFN Union Investment Co., Ltd. (TUI) forfeiting their share of dividends from the Company. Deducting 698,751,601 shares collectively owned by TCCI, TID and TUI from the total outstanding shares of 3,512,421,461, the share count entitled to receive dividends is 2,813,669,860, representing a cash dividend of NT\$3.3839 per share. It is proposed that the Chairman be authorized to set a record date for distribution and make relevant adjustments, if any, based on the total number of shares outstanding on the record date. Total amount of the cash dividend paid to each shareholder shall be rounded down to the nearest dollar and the remainder will be recognized in other revenue of the Company.

Resolution:

3. To approve the cash return out of capital surplus

Cash return from capital surplus proposed by the Board is NT\$2,577,602,959. The Company received letters of agreement from TCC Investment Co., Ltd. (TCCI), TCCI Investment & Development Co., Ltd. (TID) and TFN Union Investment Co., Ltd. (TUI) forfeiting their share of cash return from the Company. Deducting 698,751,601 shares collectively owned by TCCI, TID and TUI from the total outstanding shares of 3,512,421,461, the share count entitled to receive cash return is 2,813,669,860, representing a cash distribution of NT\$0.9161 per share. It is proposed that the Chairman be authorized to set a record date for distribution and make relevant adjustments, if any, based on the total number of shares outstanding on the record date. Total amount of the cash return paid to each shareholder shall be rounded down to the nearest dollar and the remainder will be recognized in other revenue of the Company.

Resolution:

4. To approve revisions to the Articles of Incorporation

To meet the needs for our operation, the Company proposed revisions to Article 2 of the Articles of Incorporation. Please refer to Attachment IX for articles and amendments.

Resolution:

5. To approve the removal of the non-competition restrictions on the Board of Directors

- (1) According to Article 209 of the Company Act, a director, who acts for himself or on behalf of another person that is within the scope of the company's business, shall clarify the essential content of his act to the meeting of shareholders and secure AGM's approval.
- (2) Vote on the removal of the non-competition restrictions on the Board of Directors that operate or invest in business with the same business scope of the Company until the end of their term of office.

Name	Current position(s) in other companies
Daniel M. Tsai	Supervisor, Tai Yu Industrial Corporation Limited
Chris Tsai	Director, Fubon Land Development Co., Ltd.

- (3) According to Article 178 of the Company Act, a shareholder, who has a conflict of interest with a proposed resolution, shall recuse himself from voting or from exercising the voting rights on behalf of other shareholders in the AGM.

Resolution:

Special Motion

Meeting Adjourned

ATTACHMENTS



Taiwan Mobile Co., Ltd.

Business Report

Taiwan Mobile (“TWM,” or “the Company”) officially launched its 5G commercial services on July 1, 2020. To meet this new challenge, the Company initiated rebranding with a new core value – “Open Possible” – as we endeavor to explore opportunities in 5G, AI and IoT using mobile technology to enable smarter living and open endless possibilities into the future. As always, the Company applies the highest standards to corporate governance, shareholder value and customer satisfaction, and regard sustainability as a corporate social responsibility.

New business roadmap and group resources integration

In 2020, aside from continuing to collaborate with Google on “Smarter Home” projects, TWM joined forces with Riot Games and NVIDIA to enter the gaming market, launching the cloud gaming platform “GeForce NOW powered by Taiwan Mobile,” on top of publishing a number of popular Riot Games titles. With our Double Play package, which bundles unlimited 5G mobile data and high-speed fixed broadband, customers are able to enjoy the new services and applications brought about by high-speed transmission indoors and outdoors. TWM’s solid presence in the mobile, fixed network, cable TV and e-commerce fields has deepened and broadened its relationship with customers, as well as enhanced business synergy. We also helped promote momo coins and momo apps, and plan to reinforce momo’s warehousing efficiency with our 5G mobile edge computing and pathway optimization capabilities.

Innovative applications and research results

TWM’s efforts in developing its 5G ecosystem and innovative services bore fruit in 2020, with successful use cases such as 5G-enabled commercial autonomous vehicles, an immersive 360-degree VR graduation ceremony powered by 5G technology, Taiwan’s first 5G-connected smart stadium, an over-the-air (OTA) service management platform, and an AI-driven taxi fleet management system. Furthermore, to contribute to public health, TWM introduced a smart IoT wireless radio system to bolster airport quarantine and pandemic-prevention efforts, and “myAngel,” an IoT system to track and care for the elderly. On the research-and-development front, deep learning-based resource allocation for 5G heterogeneous mobile networks, convolutional neural networks that identify and eliminate multiple sources of interference, virtual live streaming services on VR devices, and smart warehouse were just some of the products and services developed by our research team.

World-class corporate governance

Taiwan Mobile has striven to be a role model in corporate sustainability, with the Company once again receiving numerous commendations in the past year. In recognition of its efforts, TWM was included in the Carbon Disclosure Project’s (CDP) climate change “A” list for the second year in a row, the only telecom company to make it to the list. The Company was also selected by SAM, a leading international sustainability investment specialist, for inclusion in its “2020 Sustainability Yearbook,” receiving a Silver Class award for the third consecutive year. Additionally, the Company was included in the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index for the ninth consecutive year and in the DJSI World Index for the fourth time, regaining the No. 1 spot in the

global telecommunications industry. TWM was also accorded Prime status in the Institutional Shareholder Services' environmental, social and corporate governance (ISS ESG) corporate rating for the third consecutive year, and ranked 10th in the ISS Taiwan ESG 30 list, the best in the telecommunications industry.

Valuing shareholders' interests and customer satisfaction

Backed by its aggressive 5G infrastructure rollout and promotion of related applications, Taiwan Mobile ranked first in the number of 5G base stations and availability at the end of 2020. Following the launch of 5G services, the telecom industry's landscape has become more rational, with the Big 3 operators setting their minimum monthly fee for 5G unlimited data plans at NT\$1,399.

Taiwan Mobile has created solid returns for its shareholders through a calibrated investment strategy and prudent capital expenditure, while earning widespread recognition for its excellent customer service. In addition to receiving the Best Customer Service Center award at the Customer Service Excellence Awards for four years in a row, the Company's myfone stores and customer service center also received SGS Qualicert certification for the ninth consecutive year.

Corporate social responsibility

As a national telecom industry leader, it is our duty not only to continue to pursue solid operational and financial performances, but also to take into account social inclusion, environmental awareness and sustainability. In 2020, TWM's efforts were recognized by different organizations in Taiwan, with the Company receiving its 15th and 16th Corporate Social Responsibility Award from *Global Views Monthly* and its 13th Excellence in Corporate Social Responsibility Award from *CommonWealth Magazine*, where it ranked first in the telecom industry for the fifth consecutive year. The Company earned further distinction by receiving 10 awards at the 2020 Taiwan Corporate Sustainability Awards and was honored with the Most Prestigious Sustainability Award – Top 10 Domestic Corporations for the sixth time, the most among domestic telecom peers.

2020 operating and financial results

The Company posted consolidated revenue of NT\$132.9 billion, EBITDA of NT\$31.3 billion, net profit of NT\$11.3 billion and earnings per share of NT\$4.01. While the Company's profitability dwindled YoY due to 5G spectrum amortization and rising depreciation, along with plummeting roaming revenue due to the COVID-19 pandemic, its net income still exceeded guidance.

Outlook

With the advent of the 5G era and an aging society, the setting for Industry 4.0, smart home and smart care is gradually maturing. As companies explore 5G applications and opportunities, competition in the telecom industry is moving into a new era filled with uncertainties and endless possibilities. Building on its spirit of innovation, TWM plans to introduce more IoT care systems and provide total solutions for enterprises, while integrating technology into everyday life to enhance profit contributions from its consumer, cable TV, enterprise and retail business groups.

Daniel M. Tsai

Chairman




Audit Committee Report

February 25, 2021

The Board of Directors of Taiwan Mobile Co., Ltd. (TWM) has submitted the Company's 2020 business report and financial statements to the Audit Committee. The CPA firm, Deloitte & Touche, was retained by the Board to audit TWM's financial statements and has issued an audit report relating to the financial statements. The business report and financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of TWM. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan Mobile Co., Ltd.



Hsueh-Jen Sung

Chairman of the Audit Committee



Taiwan Mobile Co., Ltd.

Audit Committee Report

May 4, 2021

The Board of Directors of Taiwan Mobile Co., Ltd. (TWM) has submitted the Company's proposal for distribution of the 2020 earnings to the Audit Committee. The proposal has been reviewed and determined to be correct and accurate by the Audit Committee of TWM. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan Mobile Co., Ltd.

A handwritten signature in black ink, appearing to read "Hsueh-Jen Sung", is written over a faint, light-colored grid background.

Hsueh-Jen Sung

Chairman of the Audit Committee

Communication between the Audit Committee and the Internal Audit Chief Officer

■ Regular :

- The audit chief officer reports the audit matters to the independent directors individually every quarter.

■ Ad hoc :

- The committee chairman will arrange a discussion about audit matters with the audit chief officer and audit personnel.
- When instructions are given by independent directors during Audit Committee meeting, the audit chief officer must submit a report regarding actions taken afterwards.



The Issuance of the Sixth Unsecured Corporate Straight Bond

Issuance Terms:

Issuance		Sixth Unsecured Corporate Straight Bond
Issue date		March 24, 2020
Denomination		NT\$10,000,000
Issuance and listing		Not applicable
Issue price		100% of par value
Total amount		Total amount is NT\$20 billion: NT\$5 billion for the 5-year bond, NT\$10 billion for the 7-year bond, and NT\$5 billion for the 10-year bond
Coupon		Fixed rate at 0.640% per annum for the 5-year bond, 0.660% per annum for the 7-year bond, and 0.720% per annum for the 10-year bond
Term		5 years, maturing on March 24, 2025 7 years, maturing on March 24, 2027 10 years, maturing on March 24, 2030
Guarantor		None
Trustee		Bank of Taiwan
Underwriter		KGI Securities Co., Ltd.
Legal counsel		Chen Ji-Min, Attorney
Auditor		Li-Wen Kuo, CPA Kwan-Chung Lai, CPA Deloitte & Touche
Repayment		100% of the principal at maturity dates
Outstanding balance		NT\$20,000,000,000
Early repayment clause		None
Covenants		None
Credit rating agency, rating date, company credit rating		None
Ancillary rights	Amount converted/exchanged into common shares, ADRs or other securities	Not applicable
	Rules governing issuance or conversion(exchanged or subscribed)	Not applicable
Dilution and other effects on shareholders' equity		Not applicable
Custodian		Not applicable

In accordance with the Company's plan, the proceeds of the NT\$20bn bond issuance were used to repay bank borrowings on March 24, 2020.



**Ethical Corporate Management Best Practice Principles - Before
and After Amendments for Comparison**

Article	Amended	Original	Explanation
1	<p>Subject to the operation principles of integrity, transparency, and responsibility, Taiwan Mobile Co., Ltd. (the “Company”) enacts and executes “The Ethical Corporate Management Best Practice Principles” (“Principles”) to establish a corporate culture of ethical management and sound development, and offer a framework to establish good commercial practices, risk management mechanism, and to create a sustainable business environment</p> <p>The Principles shall apply to the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, <u>Employee Welfare Committee</u>, and other institutions or juridical persons which are substantially controlled by the Company.</p>	<p>Subject to the operation principles of integrity, transparency, and responsibility, Taiwan Mobile Co., Ltd. (the “Company”) enacts and executes “The Ethical Corporate Management Best Practice Principles” (“Principles”) to establish a corporate culture of ethical management and sound development, and offer a framework to establish good commercial practices, risk management mechanism, and to create a sustainable business environment</p> <p>The Principles shall apply to the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.</p>	<p>According to Paragraph 2, Article 24 of Foundations Act, Taipei Foundation Regulation, and principle of Ethical Management Directions for the National Foundations of Employee Welfare Committee released by Ministry of Labor, Taiwan Mobile Employee Welfare Committee shall be included in the Ethical Corporate Management Best Practice Principles.</p>
17	<p>The Company shall establish regulations for preventing conflicts of interest, to distinguish, supervise, and manage the potential risks of Unethical Conduct resulting from conflict interests, and offer appropriate means for directors, managers, and any other stakeholders attending or present at the board meeting to voluntarily explain whether their interests would</p>	<p>The Company shall establish regulations for preventing conflicts of interest, to distinguish, supervise, and manage the potential risks of Unethical Conduct resulting from conflict interests, and offer appropriate means for directors, managers, and any other stakeholders attending or present at the board meeting to voluntarily explain whether their interests would</p>	<p>According to Paragraph 2, Article 11 of XXX Co., Ltd., Procedures for Ethical Management and Guidelines for Conduct,</p>

Article	Amended	Original	Explanation
	<p>potentially conflict with those of the Company.</p> <p>A director, manager, and any other stakeholder attending or present at the board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, shall state the important aspects of the stake in the meeting. Such person shall be prohibited from discussing and participating in voting on any proposals if there is likelihood that the interests of this Company would be prejudiced, shall recuse himself or herself from any discussion and voting, and shall not exercise voting rights as proxy on behalf of another director. The directors shall exercise self-discipline and should not support one another in improper ways.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>The Company's directors, managers, employees, mandataries and Substantial Controllers shall not take advantage of their positions or influence in the Company to obtain improper Benefits for themselves, their spouses, parents, children or any other person.</p>	<p>potentially conflict with those of the Company.</p> <p>A director, manager, and any other stakeholder attending or present at the board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, shall state the important aspects of the stake in the meeting. Such person shall be prohibited from discussing and participating in voting on any proposals if there is likelihood that the interests of this Company would be prejudiced, shall recuse himself or herself from any discussion and voting, and shall not exercise voting rights as proxy on behalf of another director. The directors shall exercise self-discipline and should not support one another in improper ways.</p> <p>The Company's directors, managers, employees, mandataries and Substantial Controllers shall not take advantage of their positions or influence in the Company to obtain improper Benefits for themselves, their spouses, parents, children or any other person.</p>	<p>released by Taiwan Stock Exchange Corporation and Paragraph 2, Article 15 of Taiwan Mobile's Management of Operation of Board Meeting, the paragraph 3 is added in the article 17 of Taiwan Mobile's Ethical Corporate Management Best Practice Principles.</p> <p>The original Paragraph 3, Article 17 of Taiwan Mobile's Ethical Corporate Management Best Practice Principles is moved to Paragraph 4, Article 17.</p>

Ethical Corporate Management Best Practice Principles

Officially resolved by the board of directors on January 27, 2011
First amendment was approved by the board of directors on October 27, 2011
Second amendment was approved by the board of directors on April 30, 2015
Third amendment was approved by the board of directors on July 27, 2016
Fourth amendment was approved by the board of directors on February 1, 2018
Fifth amendment was approved by the board of directors on November 6, 2020

Article 1 (Purpose of Enactment and Applicable Scope)

Subject to the operation principles of integrity, transparency, and responsibility, Taiwan Mobile Co., Ltd. (the "Company") enacts and executes "The Ethical Corporate Management Best Practice Principles" ("Principles") to establish a corporate culture of ethical management and sound development, and offer a framework to establish good commercial practices, risk management mechanism, and to create a sustainable business environment.

The Principles shall apply to the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, **Employee Welfare Committee**, and other institutions or juridical persons which are substantially controlled by the Company.

Article 2 (Prohibition of Unethical Conduct)

When engaging in commercial activities, directors, managers, employees, mandataries of the Company or persons having substantial control over the Company ("Substantial Controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits (see Article 3), nor commit unethical acts including breach of the principle of good faith, illegal acts, or breach of fiduciary duty (collectively "Unethical Conduct") for purposes of acquiring or maintaining Benefits (see Article 3).

The opposite parties of the Unethical Conduct referred to in the preceding paragraph include civil servants, political candidates, political parties or their members, state-run or private-owned businesses or institutions and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 (The Types of Benefits)

The "Benefits" mentioned in the Principles means any items of value, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in

any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Legal Compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, TWSE/GTSM-listing related rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Prevention Program)

In order to exercise in business operation, the Company shall stipulate the “Operation Rules of Ethical Corporate Management Best Practice Principles” and comply with the relevant laws and regulations in the country where the Company, affiliates, group enterprises or organizations have business operations.

Article 6 (The Commitment and Execution)

The Company shall clearly specify ethical corporate management principles in their internal rules and external documents. The board of directors and management promises to rigorously and thoroughly enforce ethical management for internal management and external commercial activities.

Article 7 (Engaging in Commercial Activities under Ethical Corporate Management Policies)

The Company, based on the principle of ethical management, shall engage in commercial activities in a fair and transparent manner.

Prior to the conclusion of any commercial transaction, the Company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and whether they have conducted Unethical Conduct before, if any, and avoid having any dealings with persons who have or have been involved with any record of Unethical Conduct.

When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance and a provision that in the event the trading counterparties are suspected of engaging in or involved with Unethical Conduct, the Company may at any time terminate or cancel the contracts.

When engaging in business activities, the Company shall follow the relevant environmental laws,

regulations and international standards to properly protect the environment and achieve the goal of a sustainable environment. The Company shall prevent from polluting water, air and land when engaging in business activities. Under consideration of cost effectiveness and technology feasibility, the Company shall make the best effort to reduce adverse effects on human health and environment, and take the best and practicable measures for pollution control.

The Company shall comply with the domestic labor laws and regulations, safety and health laws and regulations, and International Bill of Human rights, provide for employees with safe, healthy and clean work environment, protect employees' lawful rights and interests, and shall not endanger basic rights of labors.

The Company shall not discriminate in any type (including races, genders, disabilities, religions etc.) against agents, suppliers, customers, other transaction partners, or employees

Article 8 (Prohibition of Offering and Accepting Bribes)

When conducting business, the Company and its directors, managers, employees, mandataries and Substantial Controllers shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits in any form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 9 (Prohibition of Offering Illegal Political Donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 10 (Prohibition of Improper Charitable Donations or Sponsorship)

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 11 (Prohibition of Unjustifiable Presents, Hospitality or Other Improper Benefits)

The Company and its directors, managers, employees, mandataries and Substantial Controllers shall not directly or indirectly offer or accept any unjustifiable presents, hospitality or other improper Benefits to establish business relationship or influence commercial transactions.

Article 12 (Prohibition of Intellectual Property Infringement)

The Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with the laws, regulations, internal process procedures, and applicable contracts pertaining to intellectual property. The Company shall not use, disclose, dispose, destroy, or make any other infringement to intellectual property without prior written consent of the owners of the intellectual property rights.

Article 13 (Prohibition of Unfair Competition)

The Company shall follow the applicable competition laws and regulations when engaging in business activities, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 (Prohibition of Damages on Products or Services against Stakeholders)

The Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with the applicable laws and regulations and international standards governing its products and services to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of the products and services. The Company shall adopt and announce a policy on the protection of the rights and interests of the consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of the consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of the consumers or other stakeholders, the Company shall recall those products or suspend the services immediately.

Article 15 (Organization and Responsibility)

The directors, managers, employees, mandataries and Substantial Controllers of the Company shall exercise due care in urging the Company to prevent Unethical Conduct, and review, from time to time, the results of the preventive measures and continually make adjustments.

To achieve sound ethical corporate management, the internal legal office shall be in charge of the enactment of the ethical management policy, the prevention of the Unethical Conduct, the execution and supervision of the ethical management as follows, and report to the board of directors on a regular basis:

1. Stipulate the “Operation Rules of Ethical Corporate Management Best Practice Principles”.
2. Promoting and coordinating awareness and educational activities with respect to ethics policy.
3. Developing the whistleblowing mechanism and ensuring its operating effectiveness.

4. Assisting the board of directors and management team in auditing and assessing whether ethical management is effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 16 (Legal Compliance for Conducting Business)

The Company and its directors, managers, employees, mandataries and Substantial Controllers shall comply with the laws, regulations, the internal principles and obligation of confidentiality for confidential and business sensitive information when conducting business.

Article 17 (Avoiding Conflicts of Interest)

The Company shall establish regulations for preventing conflicts of interest, to distinguish, supervise, and manage the potential risks of Unethical Conduct resulting from conflict interests, and offer appropriate means for directors, managers, and any other stakeholders attending or present at the board meeting to voluntarily explain whether their interests would potentially conflict with those of the Company.

A director, manager, and any other stakeholder attending or present at the board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, shall state the important aspects of the stake in the meeting. Such person shall be prohibited from discussing and participating in voting on any proposals if there is likelihood that the interests of this Company would be prejudiced, shall recuse himself or herself from any discussion and voting, and shall not exercise voting rights as proxy on behalf of another director. The directors shall exercise self-discipline and should not support one another in improper ways.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The Company's directors, managers, employees, mandataries and Substantial Controllers shall not take advantage of their positions or influence in the Company to obtain improper Benefits for themselves, their spouses, parents, children or any other person.

Article 18 (Accounting and Internal Control)

The Company shall establish effective accounting and internal control systems for business activities which may be at a higher risk of being involved in Unethical Conduct, and should not have under-the-table accounts or maintain secret accounts, and shall conduct reviews from time to time so as to ensure that the design and enforcement of the systems continue to be effective.

The internal audit department of the Company shall inspect the Company's compliance with the system mentioned in the preceding paragraph and prepare and submit audit reports to the board of directors on a regular basis. The Company may assign accountants to perform the inspection, and may request assistance from other professionals if required.

Article 19 (Operational Procedures and Guidelines)

The operational principles and rules established by the Company for the prevention of Unethical Conduct shall specifically regulate the rules of business conduct for the Company's directors, managers, employees, and Substantial Controllers.

Article 20 (Training and Reviews)

The chairman, general manager, or senior management shall communicate the importance of ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training or awareness programs for its directors, managers, employees, mandataries and Substantial Controllers. Each business department of the Company shall propagate the principles to the counterparties of any commercial transaction the Company engages in, and have such counterparties fully understand the Company's resolution to implement the Principles and the consequences of committing Unethical Conduct.

The Company shall combine the Principles with its employee performance evaluation system and human resource policies to establish a clear and effective reward and punishment system.

Article 21 (Whistleblowing, Punishment and Appeals Process)

In cases where the Company's directors, manager, employees, mandataries or Substantial Controller has discovered a violation of the Principles, the directors, manager, employees or Substantial Controller shall report such violation to the Audit Committee, managers, internal audit officer or other appropriate channels of the Company. The Company shall keep confidential the identity of the person who reports such violation and the report's content, and shall investigate and deal with such report actively. If any violation of the Principles is confirmed, a disciplinary action will be imposed depending upon the nature and degree of such violation.

Article 22 (Disclosure of Information)

The Company shall disclose the status of the enforcement of the Principles on its company website, annual report and public prospectus.

Article 23 (Review and Amendment to the Principles)

The Company shall monitor the development of relevant local and international regulations concerning ethical corporate management from time to time, and encourage its directors, managers and employees to make suggestions so as to review and improve the Principles and achieve better results from implementation.

Article 24 (Enforcement)

The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after the Principles are reviewed by the Audit Committee and resolved by the board of directors, and then the Principles shall be submitted at the shareholders' meeting. The same procedure shall apply to any amendment thereto.

The 2020 Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Mobile Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Mobile Co., Ltd. and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' 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 ROC, 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 consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the 2020 consolidated financial statements are as follows:

Telecommunications and Value-added Services Revenue

The description of key audit matter:

One of the operating revenue sources of the Group is the telecommunications and value-added services revenue. The Group offers more different monthly-fee plans and diversifies the business by innovating value-added services since the telecommunication industry becomes more competitive nowadays. The

competitive telecommunication industry and complicated calculations for revenue recognition, which highly relies on automatic and systematic connection and implementation, lead the telecommunications and value-added services revenue to be considered as one of the key audit matters.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the telecommunication revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Review the contracts of mobile subscribers to ensure the accuracy of information in the accounting system.
2. Perform dialing tests to verify the completeness of the information in the telephone exchange system.
3. Perform system integration tests from telephone-exchange to telephone traffic.
4. Test for the accuracy of call record charge rates and billing calculations.
5. Verify the accuracy of the billing amounts generated from monthly rentals as well as airtime accounting systems and the transfer to the accounting information system.

Sales Revenue

The description of key audit matter:

The Group's another source of operating revenue is generated from the sales through virtual channels, including E-commerce portals, TV shopping channels and catalogues by momo.com Inc. (momo). Due to the nature of momo's core sales, momo offers a wide range of products and services to different customers; the trading quantity is rather high while each transaction is individually low in value and is highly automated through the website and related system. As a result of momo's business model being highly reliant on IT infrastructure and the fact that momo processes, stores and transmits large amounts of data through digital and web-based environment, the risk in revenue recognition is whether the sales amount is transmitted accurately to the IT system and processed on a real-time basis.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the virtual-channel revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Verify the details of invoices in the system to check if the sales amount of each invoice is consistent with its shipping notice and sales order.
2. Confirm the completeness and consistency of transmission through IT system by testing the information transferred from front-end system to general ledger system, and further perform tests on whether the Daily Sales Report in the system is consistent with journal entries of revenue each day.

Other Matter

We have also audited the parent company only financial statements of Taiwan Mobile Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, 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 its 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.

Auditors' 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 auditing standards generally accepted in the ROC 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 auditing standards generally accepted in the ROC, we exercise professional judgment and maintain 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 and is 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 and appropriate audit evidence regarding the financial information of 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, 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Pei-De Chen and Kwan-Chung Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the ROC and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019		LIABILITIES AND EQUITY	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 6 and 29)	\$ 10,777,791	6	\$ 8,663,370	6	Short-term borrowings (Note 17)	\$ 9,800,000	5	\$ 16,270,000	11
Financial assets at fair value through profit or loss (Note 29)	-	-	149	-	Short-term notes and bills payable (Note 17)	14,195,385	8	1,898,111	1
Financial assets at fair value through other comprehensive income (Note 7)	245,446	-	246,493	-	Contract liabilities (Note 22)	1,892,749	1	1,807,407	1
Contract assets (Note 22)	4,617,051	3	4,832,043	3	Notes and accounts payable	9,625,964	5	7,660,285	5
Notes and accounts receivable, net (Note 8)	7,638,043	4	7,671,838	5	Accounts payable due to related parties (Note 29)	160,556	-	135,162	-
Notes and accounts receivable due from related parties (Note 29)	186,903	-	146,186	-	Other payables (Note 29)	11,153,442	6	8,823,705	6
Other receivables (Note 29)	1,348,704	1	1,418,485	1	Current tax liabilities	2,192,429	1	1,539,638	1
Inventories (Note 9)	5,766,264	3	5,670,476	4	Provisions (Note 19)	68,531	-	88,961	-
Prepayments (Note 29)	652,375	-	463,334	-	Lease liabilities (Notes 13, 26 and 29)	3,505,968	2	3,532,951	2
Assets held for sale	23,005	-	-	-	Advance receipts	99,944	-	87,410	-
Other financial assets (Notes 29 and 30)	677,891	-	592,868	-	Long-term liabilities, current portion (Notes 17 and 18)	2,935,405	2	303,297	-
Other current assets	159,321	-	200,458	-	Other current liabilities (Note 29)	2,901,946	2	2,376,029	2
					Total current liabilities	58,532,319	32	44,522,956	29
Total current assets	32,092,794	17	29,905,700	19	NON-CURRENT LIABILITIES				
NON-CURRENT ASSETS					Contract liabilities (Note 22)	102,767	-	45,293	-
Financial assets at fair value through other comprehensive income (Note 7)	2,289,746	1	5,245,888	4	Bonds payable (Note 18)	34,973,223	19	15,903,436	10
Contract assets (Note 22)	3,753,081	2	3,463,456	2	Long-term borrowings (Note 17)	8,780,081	5	8,586,076	6
Investments accounted for using equity method (Notes 10 and 29)	1,966,894	1	1,478,025	1	Provisions (Note 19)	1,449,171	1	1,459,270	1
Property, plant and equipment (Note 12)	42,479,314	23	36,182,005	24	Deferred tax liabilities (Note 24)	1,063,734	-	977,560	1
Right-of-use assets (Notes 13 and 29)	9,011,290	5	9,657,938	6	Lease liabilities (Notes 13, 26 and 29)	5,530,987	3	6,117,438	4
Investment properties (Note 14)	2,626,185	2	2,984,057	2	Net defined benefit liabilities (Note 20)	534,071	-	517,175	-
Concessions (Notes 15 and 30)	64,803,445	35	37,709,501	24	Guarantee deposits	1,165,500	1	1,092,364	1
Goodwill (Note 15)	15,819,108	9	15,832,440	10	Other non-current liabilities	462,537	-	522,116	-
Other intangible assets (Note 15)	5,143,958	3	5,536,534	4	Total non-current liabilities	54,062,071	29	35,220,728	23
Deferred tax assets (Note 24)	883,367	-	839,240	1	Total liabilities	112,594,390	61	79,743,684	52
Incremental costs of obtaining a contract (Note 22)	1,771,884	1	2,119,052	1	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)				
Other financial assets (Notes 29, 30 and 31)	355,432	-	271,653	-	Common stock	35,124,215	19	34,959,441	23
Other non-current assets (Notes 16 and 29)	1,588,104	1	2,694,470	2	Capital collected in advance	-	-	134,104	-
					Capital surplus	18,936,574	10	20,274,694	13
Total non-current assets	152,491,808	83	124,014,259	81	Retained earnings				
					Legal reserve	30,170,398	16	28,922,281	19
					Special reserve	-	-	95,381	-
					Unappropriated earnings	13,300,996	7	12,909,829	8
					Other equity interests	(2,449,739)	(1)	438,905	-
					Treasury stock	(29,717,344)	(16)	(29,717,344)	(19)
					Total equity attributable to owners of the parent	65,365,100	35	68,017,291	44
					NON-CONTROLLING INTERESTS (Note 21)	6,625,112	4	6,158,984	4
					Total equity	71,990,212	39	74,176,275	48
TOTAL	\$ 184,584,602	100	\$ 153,919,959	100	TOTAL	\$ 184,584,602	100	\$ 153,919,959	100

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Reclassified (Note 3) Amount	%
OPERATING REVENUES (Notes 22, 29 and 35)	\$ 132,860,984	100	\$ 124,420,913	100
OPERATING COSTS (Notes 9, 29, 33 and 35)	<u>101,415,248</u>	<u>76</u>	<u>91,612,178</u>	<u>74</u>
GROSS PROFIT FROM OPERATIONS	<u>31,445,736</u>	<u>24</u>	<u>32,808,735</u>	<u>26</u>
OPERATING EXPENSES (Notes 29, 33 and 35)				
Marketing	10,055,415	8	10,506,264	8
Administrative	5,260,967	4	5,204,694	4
Research and development	214,996	-	163,166	-
Expected credit loss	<u>190,763</u>	<u>-</u>	<u>241,043</u>	<u>-</u>
Total operating expenses	<u>15,722,141</u>	<u>12</u>	<u>16,115,167</u>	<u>12</u>
OTHER INCOME AND EXPENSES, NET (Notes 29 and 35)	<u>332,565</u>	<u>-</u>	<u>499,767</u>	<u>-</u>
OPERATING INCOME (Note 35)	<u>16,056,160</u>	<u>12</u>	<u>17,193,335</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 29)	66,122	-	115,313	-
Other income (Note 23)	121,592	-	196,585	-
Other gains and losses, net (Notes 23 and 29)	(267,386)	-	(359,131)	-
Finance costs (Note 23)	(618,588)	-	(574,780)	-
Share of profit of associates accounted for using equity method (Note 10)	<u>99,891</u>	<u>-</u>	<u>10,488</u>	<u>-</u>
Total non-operating income and expenses	<u>(598,369)</u>	<u>-</u>	<u>(611,525)</u>	<u>-</u>
PROFIT BEFORE TAX	15,457,791	12	16,581,810	14
INCOME TAX EXPENSE (Note 24)	<u>3,064,013</u>	<u>3</u>	<u>3,289,943</u>	<u>3</u>
NET PROFIT	<u>12,393,778</u>	<u>9</u>	<u>13,291,867</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 10, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit plans	(37,801)	-	(44,101)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(840,451)	-	536,083	-
Share of other comprehensive income of associates accounted for using equity method	21,133	-	15,432	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation	7,764	-	(24,446)	-
Share of other comprehensive income (loss) of associates accounted for using equity method	<u>(4,314)</u>	<u>-</u>	<u>4,205</u>	<u>-</u>
Other comprehensive income (loss) (after tax)	<u>(853,669)</u>	<u>-</u>	<u>487,173</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,540,109</u>	<u>9</u>	<u>\$ 13,779,040</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 11,286,553	8	\$ 12,481,167	10
Non-controlling interests	<u>1,107,225</u>	<u>1</u>	<u>810,700</u>	<u>1</u>
	<u>\$ 12,393,778</u>	<u>9</u>	<u>\$ 13,291,867</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 10,414,104	8	\$ 12,971,397	10
Non-controlling interests	<u>1,126,005</u>	<u>1</u>	<u>807,643</u>	<u>1</u>
	<u>\$ 11,540,109</u>	<u>9</u>	<u>\$ 13,779,040</u>	<u>11</u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>\$ 4.01</u>		<u>\$ 4.51</u>	
Diluted earnings per share	<u>\$ 3.99</u>		<u>\$ 4.44</u>	

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

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Parent						Other Equity Interests		Treasury Stock	Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
				Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2019	\$ 34,208,519	\$ 29,819	\$ 12,580,692	\$ 27,558,064	\$ 362,703	\$ 16,954,448	\$ (24,398)	\$ (70,983)	\$(29,717,344)	\$ 61,881,520	\$ 6,112,176	\$ 67,993,696
Effect of retrospective application	-	-	-	-	-	32,605	-	-	-	32,605	16,275	48,880
ADJUSTED BALANCE, JANUARY 1, 2019	34,208,519	29,819	12,580,692	27,558,064	362,703	16,987,053	(24,398)	(70,983)	(29,717,344)	61,914,125	6,128,451	68,042,576
Distribution of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	1,364,217	-	(1,364,217)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(267,322)	267,322	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(15,366,223)	-	-	-	(15,366,223)	-	(15,366,223)
Total distribution of earnings	-	-	-	1,364,217	(267,322)	(16,463,118)	-	-	-	(15,366,223)	-	(15,366,223)
Profit for the year ended December 31, 2019	-	-	-	-	-	12,481,167	-	-	-	12,481,167	810,700	13,291,867
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(44,056)	(10,107)	544,393	-	490,230	(3,057)	487,173
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	12,437,111	(10,107)	544,393	-	12,971,397	807,643	13,779,040
Conversion of convertible bonds to common stock	750,922	104,285	7,710,366	-	-	-	-	-	-	8,565,573	-	8,565,573
Changes in equity of associates accounted for using equity method	-	-	(17,346)	-	-	(51,217)	-	-	-	(68,563)	(83,749)	(152,312)
Other changes in capital surplus	-	-	982	-	-	-	-	-	-	982	-	982
Cash dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(693,361)	(693,361)
BALANCE, DECEMBER 31, 2019	34,959,441	134,104	20,274,694	28,922,281	95,381	12,909,829	(34,505)	473,410	(29,717,344)	68,017,291	6,158,984	74,176,275
Distribution of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	1,248,117	-	(1,248,117)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(95,381)	95,381	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,756,844)	-	-	-	(11,756,844)	-	(11,756,844)
Total distribution of earnings	-	-	-	1,248,117	(95,381)	(12,909,580)	-	-	-	(11,756,844)	-	(11,756,844)
Cash dividends from capital surplus	-	-	(1,593,624)	-	-	-	-	-	-	(1,593,624)	-	(1,593,624)
Profit for the year ended December 31, 2020	-	-	-	-	-	11,286,553	-	-	-	11,286,553	1,107,225	12,393,778
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	(38,068)	2,826	(837,207)	-	(872,449)	18,780	(853,669)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	11,248,485	2,826	(837,207)	-	10,414,104	1,126,005	11,540,109
Conversion of convertible bonds to common stock	164,774	(134,104)	259,109	-	-	-	-	-	-	289,779	-	289,779
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	2,052,067	-	(2,052,067)	-	-	-	-
Changes in equity of associates accounted for using equity method	-	-	(1,721)	-	-	(2,001)	-	-	-	(3,722)	(1,490)	(5,212)
Disposal of investments accounted for using equity method	-	-	(2,738)	-	-	2,196	-	(2,196)	-	(2,738)	(3,344)	(6,082)
Other changes in capital surplus	-	-	854	-	-	-	-	-	-	854	-	854
Cash dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(655,043)	(655,043)
BALANCE, DECEMBER 31, 2020	\$ 35,124,215	\$ -	\$ 18,936,574	\$ 30,170,398	\$ -	\$ 13,300,996	\$ (31,679)	\$ (2,418,060)	\$(29,717,344)	\$ 65,365,100	\$ 6,625,112	\$ 71,990,212

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 15,457,791	\$ 16,581,810
Adjustments for:		
Depreciation expense	11,106,070	12,755,740
Amortization expense	4,167,114	3,439,851
Amortization of incremental costs of obtaining a contract	1,718,101	2,483,997
Loss on disposal and retirement of property, plant and equipment, net	257,006	277,123
Loss on disposal and retirement of intangible assets, net	64,703	-
Expected credit loss	190,763	241,043
Finance costs	618,588	574,780
Interest income	(66,122)	(115,313)
Dividend income	(102,762)	(117,211)
Share of profit of associates accounted for using equity method	(99,891)	(10,488)
Gain on disposal of investments accounted for using equity method	(73,859)	-
Valuation (gain) loss on financial assets and liabilities at fair value through profit or loss	149	(2,858)
Impairment loss on intangible assets	13,332	40,155
Others	(16,318)	(2,950)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	84,864
Contract assets	(71,727)	388,595
Notes and accounts receivable	(111,732)	(552,401)
Notes and accounts receivable due from related parties	(32,645)	(276)
Other receivables	77,777	607,142
Inventories	(95,788)	(1,724,813)
Prepayments	(178,030)	(3,017)
Other current assets	41,760	716,507
Other financial assets	(15,621)	(11,484)
Incremental costs of obtaining a contract	(1,370,933)	(1,656,767)
Contract liabilities	87,033	1,921
Notes and accounts payable	1,965,679	903,305
Accounts payable due to related parties	25,394	(44,426)
Other payables	20,476	(533,329)
Provisions	(81,084)	(11,582)
Advance receipts	67,708	(19,658)
Other current liabilities	523,117	(14,010)
Net defined benefit liabilities	(30,355)	(48,831)
Cash inflows generated from operating activities	34,055,694	34,227,419
Interest received	16,651	42,534
Interest paid	(1,299)	(1,291)
Income taxes paid	(2,328,524)	(4,052,247)
Net cash generated from operating activities	<u>31,742,522</u>	<u>30,216,415</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$ (11,037,092)	\$ (6,605,925)
Acquisition of right-of-use assets	(26,264)	(14,858)
Acquisition of intangible assets	(29,904,358)	(291,260)
Increase in prepayments for equipment	(266,182)	(240,031)
Proceeds from disposal of property, plant and equipment	93,237	49,700
Proceeds from disposal of intangible assets	16,000	-
Increase (decrease) in advanced receipts from assets disposals	331	(123)
Acquisition of financial assets at fair value through profit or loss	-	(2,500)
Acquisition of financial assets at fair value through other comprehensive income	(798,131)	-
Disposal of financial assets at fair value through other comprehensive income	2,964,345	-
Acquisition of investments accounted for using equity method	(572,714)	(262,000)
Disposal of investments accounted for equity method	219,742	-
Increase in prepayments for investment	-	(100,000)
Proceeds from capital return of investments accounted for using equity method	33,298	-
Increase in refundable deposits	(318,178)	(1,257,689)
Decrease in refundable deposits	260,325	249,028
Increase in other financial assets	(269,366)	(222,215)
Decrease in other financial assets	116,785	73,985
Interest received	44,757	58,545
Dividend received	<u>122,926</u>	<u>192,062</u>
Net cash used in investing activities	<u>(39,320,539)</u>	<u>(8,373,281)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(6,470,000)	6,000,000
Increase in short-term notes and bills payable	12,289,537	399,285
Proceeds from issue of bonds	19,979,415	-
Repayments of bonds payable	-	(4,500,000)
Proceeds from long-term borrowings	6,496,758	-
Repayment of long-term borrowings	(4,304,000)	(2,304,000)
Repayment of the principal portion of lease liabilities	(3,881,512)	(3,776,678)
Increase in guarantee deposits received	192,808	217,256
Decrease in guarantee deposits received	(119,240)	(138,587)
Cash dividends paid (including paid to non-controlling interests)	(14,005,485)	(16,059,547)
Interest paid	<u>(487,496)</u>	<u>(512,224)</u>
Net cash generated from (used in) financing activities	<u>9,690,785</u>	<u>(20,674,495)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS		
	<u>1,653</u>	<u>(3,979)</u>

(Continued)

TAIWAN MOBILE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 2,114,421	\$ 1,164,660
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,663,370</u>	<u>7,498,710</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,777,791</u>	<u>\$ 8,663,370</u>

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

(Concluded)

The 2020 Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taiwan Mobile Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taiwan Mobile Co., Ltd. (TWM), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TWM as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China (ROC). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of TWM in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, 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 financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the 2020 financial statements are as follows:

Telecommunications and Value-added Services Revenue

The description of key audit matter:

One of the operating revenue sources of TWM is the telecommunications and value-added services revenue. TWM offers more different monthly-fee plans and diversifies the business by innovating value-added services since the telecommunication industry becomes more competitive nowadays. The competitive telecommunication industry and complicated calculations for revenue recognition, which highly relies on automatic and systematic connection and implementation, lead the telecommunications and value-added services revenue to be considered as one of the key audit matters.

Corresponding audit procedures:

By conducting compliance tests, we obtained an understanding of the telecommunication revenue recognition process and of the design and execution for relevant controls. We also performed major audit procedures which are as follows:

1. Review the contracts of mobile subscribers to ensure the accuracy of information in the accounting system.
2. Perform dialing tests to verify the completeness of the information in the telephone exchange system.
3. Perform system integration tests from telephone-exchange to telephone traffic.
4. Test for the accuracy of call record charge rates and billing calculations.
5. Verify the accuracy of the billing amounts generated from monthly rentals as well as airtime accounting systems and the transfer to the accounting information system.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing TWM'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 TWM or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing TWM's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in the ROC 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 TWM'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 and is related to events or conditions that may cast significant doubt on TWM'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 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 TWM to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within TWM to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements for the year ended December 31, 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Pei-De Chen and Kwan-Chung Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

TAIWAN MOBILE CO., LTD.
BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019		LIABILITIES AND EQUITY	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 6 and 28)	\$ 1,542,179	1	\$ 1,272,740	1	Short-term borrowings (Notes 16 and 28)	\$ 22,270,000	13	\$ 25,135,000	18
Financial assets at fair value through other comprehensive income (Note 7)	236,913	-	239,086	-	Short-term notes and bills payable (Note 16)	14,195,385	8	1,898,111	1
Contract assets (Note 21)	4,612,234	3	4,827,361	4	Contract liabilities (Note 21)	1,133,438	1	1,041,382	1
Notes and accounts receivable, net (Note 8)	5,835,196	4	6,105,549	4	Accounts payable	1,822,172	1	1,562,918	1
Accounts receivable due from related parties (Note 28)	487,370	-	285,763	-	Accounts payable due to related parties (Note 28)	214,771	-	172,003	-
Other receivables (Note 28)	559,069	-	624,367	1	Other payables (Note 28)	8,684,707	5	6,655,590	5
Inventories (Note 9)	2,368,016	1	3,257,280	2	Current tax liabilities	1,296,140	1	679,240	1
Prepayments	361,650	-	147,341	-	Provisions (Note 18)	37,521	-	64,020	-
Other financial assets (Notes 28 and 29)	36,514	-	20,893	-	Lease liabilities (Notes 12, 25 and 28)	3,005,715	2	3,060,243	2
Other current assets	34	-	55,358	-	Advance receipts	11,862	-	72,965	-
Total current assets	<u>16,039,175</u>	<u>9</u>	<u>16,835,738</u>	<u>12</u>	Long-term liabilities, current portion (Notes 16 and 17)	2,632,030	2	-	-
					Other current liabilities (Note 28)	2,133,203	1	1,668,244	1
NON-CURRENT ASSETS					Total current liabilities	<u>57,436,944</u>	<u>34</u>	<u>42,009,716</u>	<u>30</u>
Financial assets at fair value through other comprehensive income (Note 7)	1,717,859	1	1,608,217	1	NON-CURRENT LIABILITIES				
Contract assets (Note 21)	3,749,737	2	3,458,120	3	Contract liabilities (Note 21)	58,347	-	-	-
Investments accounted for using equity method (Notes 10 and 28)	45,524,371	27	43,562,809	31	Bonds payable (Note 17)	34,973,223	21	15,903,436	11
Property, plant and equipment (Notes 11 and 28)	25,327,616	15	19,711,168	14	Long-term borrowings (Note 16)	6,497,420	4	6,000,000	4
Right-of-use assets (Notes 12 and 28)	7,516,872	5	8,278,391	6	Provisions (Note 18)	638,210	-	712,431	1
Investment properties (Note 13)	2,828,136	2	3,135,409	2	Deferred tax liabilities (Note 23)	678,679	-	623,651	1
Concessions (Note 14)	58,012,111	34	30,739,448	22	Lease liabilities (Notes 12, 25 and 28)	4,526,498	3	5,195,924	4
Goodwill (Note 14)	7,121,871	4	7,121,871	5	Net defined benefit liabilities (Note 19)	322,707	-	307,606	-
Other intangible assets (Note 14)	213,029	-	439,596	-	Guarantee deposits	373,715	-	336,291	-
Deferred tax assets (Note 23)	637,945	-	618,759	1	Total non-current liabilities	<u>48,068,799</u>	<u>28</u>	<u>29,079,339</u>	<u>21</u>
Incremental costs of obtaining a contract (Note 21)	1,671,623	1	2,039,338	2	Total liabilities	<u>105,505,743</u>	<u>62</u>	<u>71,089,055</u>	<u>51</u>
Other non-current assets (Notes 15, 28 and 29)	510,498	-	1,557,482	1	EQUITY (Note 20)				
Total non-current assets	<u>154,831,668</u>	<u>91</u>	<u>122,270,608</u>	<u>88</u>	Common stock	35,124,215	20	34,959,441	25
					Capital collected in advance	-	-	134,104	-
					Capital surplus	18,936,574	11	20,274,694	15
					Retained earnings				
					Legal reserve	30,170,398	18	28,922,281	21
					Special reserve	-	-	95,381	-
					Unappropriated earnings	13,300,996	8	12,909,829	9
					Other equity interests	(2,449,739)	(2)	438,905	-
					Treasury stock	(29,717,344)	(17)	(29,717,344)	(21)
					Total equity	<u>65,365,100</u>	<u>38</u>	<u>68,017,291</u>	<u>49</u>
TOTAL	<u>\$ 170,870,843</u>	<u>100</u>	<u>\$ 139,106,346</u>	<u>100</u>	TOTAL	<u>\$ 170,870,843</u>	<u>100</u>	<u>\$ 139,106,346</u>	<u>100</u>

TAIWAN MOBILE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Reclassified (Note 3) Amount	%
OPERATING REVENUES (Notes 21 and 28)	\$ 56,890,204	100	\$ 62,426,270	100
OPERATING COSTS (Notes 9, 28 and 31)	<u>39,229,257</u>	<u>69</u>	<u>42,140,467</u>	<u>67</u>
GROSS PROFIT FROM OPERATIONS	17,660,947	31	20,285,803	33
REALIZED (UNREALIZED) GAIN ON SALES	<u>509</u>	<u>-</u>	<u>(509)</u>	<u>-</u>
GROSS PROFIT FROM OPERATIONS, NET	<u>17,661,456</u>	<u>31</u>	<u>20,285,294</u>	<u>33</u>
OPERATING EXPENSES (Notes 28 and 31)				
Marketing	7,151,971	13	8,105,643	13
Administrative	2,927,309	5	2,974,859	5
Research and development	34,832	-	1,268	-
Expected credit loss	<u>172,590</u>	<u>-</u>	<u>233,546</u>	<u>-</u>
Total operating expenses	<u>10,286,702</u>	<u>18</u>	<u>11,315,316</u>	<u>18</u>
OTHER INCOME AND EXPENSES, NET (Note 28)	<u>223,644</u>	<u>-</u>	<u>228,865</u>	<u>-</u>
OPERATING INCOME	<u>7,598,398</u>	<u>13</u>	<u>9,198,843</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	8,186	-	55,988	-
Other income (Note 22)	13,151	-	20,074	-
Other gains and losses, net (Note 22)	(330,450)	(1)	(296,273)	-
Finance costs (Notes 22 and 28)	(618,164)	(1)	(565,793)	(1)
Share of profit of subsidiaries and associates accounted for using equity method (Note 10)	<u>5,970,883</u>	<u>11</u>	<u>5,749,646</u>	<u>9</u>
Total non-operating income and expenses	<u>5,043,606</u>	<u>9</u>	<u>4,963,642</u>	<u>8</u>
PROFIT BEFORE TAX	12,642,004	22	14,162,485	23
INCOME TAX EXPENSE (Note 23)	<u>1,355,451</u>	<u>2</u>	<u>1,681,318</u>	<u>3</u>
NET PROFIT	<u>11,286,553</u>	<u>20</u>	<u>12,481,167</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 10, 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit plans	(25,077)	-	(32,904)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(350,224)	(1)	(162,652)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	(499,974)	(1)	695,893	1
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method	<u>2,826</u>	<u>-</u>	<u>(10,107)</u>	<u>-</u>
Other comprehensive income (loss) (after tax)	<u>(872,449)</u>	<u>(2)</u>	<u>490,230</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 10,414,104</u>	<u>18</u>	<u>\$ 12,971,397</u>	<u>21</u>
EARNINGS PER SHARE (Note 24)				
Basic earnings per share	<u>\$ 4.01</u>		<u>\$ 4.51</u>	
Diluted earnings per share	<u>\$ 3.99</u>		<u>\$ 4.44</u>	

The accompanying notes are an integral part of the financial statements.

TAIWAN MOBILE CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Common Stock	Capital Collected in Advance	Capital Surplus	Retained Earnings			Other Equity Interests		Treasury Stock	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2019	\$ 34,208,519	\$ 29,819	\$ 12,580,692	\$ 27,558,064	\$ 362,703	\$ 16,954,448	\$ (24,398)	\$ (70,983)	\$(29,717,344)	\$ 61,881,520
Effect of retrospective application	-	-	-	-	-	32,605	-	-	-	32,605
ADJUSTED BALANCE, JANUARY 1, 2019	34,208,519	29,819	12,580,692	27,558,064	362,703	16,987,053	(24,398)	(70,983)	(29,717,344)	61,914,125
Distribution of 2018 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	1,364,217	-	(1,364,217)	-	-	-	-
Reversal of special reserve	-	-	-	-	(267,322)	267,322	-	-	-	-
Cash dividends	-	-	-	-	-	(15,366,223)	-	-	-	(15,366,223)
Total distribution of earnings	-	-	-	1,364,217	(267,322)	(16,463,118)	-	-	-	(15,366,223)
Profit for the year ended December 31, 2019	-	-	-	-	-	12,481,167	-	-	-	12,481,167
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(44,056)	(10,107)	544,393	-	490,230
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	12,437,111	(10,107)	544,393	-	12,971,397
Conversion of convertible bonds to common stock	750,922	104,285	7,710,366	-	-	-	-	-	-	8,565,573
Changes in equity of associates accounted for using equity method	-	-	(17,346)	-	-	(51,217)	-	-	-	(68,563)
Other changes in capital surplus	-	-	982	-	-	-	-	-	-	982
BALANCE, DECEMBER 31, 2019	34,959,441	134,104	20,274,694	28,922,281	95,381	12,909,829	(34,505)	473,410	(29,717,344)	68,017,291
Distribution of 2019 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	1,248,117	-	(1,248,117)	-	-	-	-
Reversal of special reserve	-	-	-	-	(95,381)	95,381	-	-	-	-
Cash dividends	-	-	-	-	-	(11,756,844)	-	-	-	(11,756,844)
Total distribution of earnings	-	-	-	1,248,117	(95,381)	(12,909,580)	-	-	-	(11,756,844)
Cash dividends from capital surplus	-	-	(1,593,624)	-	-	-	-	-	-	(1,593,624)
Profit for the year ended December 31, 2020	-	-	-	-	-	11,286,553	-	-	-	11,286,553
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	(38,068)	2,826	(837,207)	-	(872,449)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	11,248,485	2,826	(837,207)	-	10,414,104
Conversion of convertible bonds to common stock	164,774	(134,104)	259,109	-	-	-	-	-	-	289,779
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	2,052,067	-	(2,052,067)	-	-
Changes in equity of associates accounted for using equity method	-	-	(1,721)	-	-	(2,001)	-	-	-	(3,722)
Disposal of investments accounted for using equity method	-	-	(2,738)	-	-	2,196	-	(2,196)	-	(2,738)
Other changes in capital surplus	-	-	854	-	-	-	-	-	-	854
BALANCE, DECEMBER 31, 2020	<u>\$ 35,124,215</u>	<u>\$ -</u>	<u>\$ 18,936,574</u>	<u>\$ 30,170,398</u>	<u>\$ -</u>	<u>\$ 13,300,996</u>	<u>\$ (31,679)</u>	<u>\$ (2,418,060)</u>	<u>\$(29,717,344)</u>	<u>\$ 65,365,100</u>

The accompanying notes are an integral part of the financial statements.

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 12,642,004	\$ 14,162,485
Adjustments for:		
Share of profit of subsidiaries and associates accounted for using equity method	(5,970,883)	(5,749,646)
Depreciation expense	8,275,054	9,765,832
Amortization expense	3,723,081	3,007,799
Amortization of incremental costs of obtaining a contract	1,633,231	2,417,688
Realized/unrealized gain on sales	(509)	509
Loss on disposal and retirement of property, plant and equipment, net	291,044	274,349
Loss on disposal and retirement of intangible assets, net	57,863	-
Expected credit loss	172,590	233,546
Finance costs	618,164	565,793
Interest income	(8,186)	(55,988)
Dividend income	(9,185)	(9,735)
Valuation gain on financial liabilities at fair value through profit or loss	-	(1,819)
Others	(1,839)	(622)
Changes in operating assets and liabilities		
Contract assets	(74,343)	378,537
Notes and accounts receivable	107,744	(263,831)
Accounts receivable due from related parties	(201,607)	(144,388)
Other receivables	77,607	417,749
Inventories	889,264	(945,800)
Prepayments	(216,309)	(33,365)
Other current assets	55,324	738,767
Other financial assets	(15,621)	(11,484)
Incremental costs of obtaining a contract	(1,265,516)	(1,572,544)
Contract liabilities	94,642	15,270
Accounts payable	259,254	442,539
Accounts payable due to related parties	42,768	(52,978)
Other payables	(190,097)	(514,729)
Provisions	(112,607)	(40,501)
Advance receipts	(8,420)	(9,895)
Other current liabilities	464,959	(80,950)
Net defined benefit liabilities	(16,246)	(15,687)
Cash inflows generated from operating activities	21,313,225	22,916,901
Interest received	275	42,440
Interest paid	(442)	(409)
Income taxes paid	(654,133)	(2,635,874)
Net cash generated from operating activities	<u>20,658,925</u>	<u>20,323,058</u>

(Continued)

TAIWAN MOBILE CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	\$ (8,375,407)	\$ (4,425,869)
Acquisition of right-of-use assets	(22,596)	(14,635)
Acquisition of intangible assets	(29,772,382)	(129,657)
Increase in prepayments for equipment	(94,676)	(169,632)
Proceeds from disposal of property, plant and equipment	36,918	60,098
Proceeds from disposal of intangible assets	16,000	-
Cash outflow on acquisition of subsidiaries	(1,600,000)	(5,000)
Acquisition of financial assets at fair value through other comprehensive income	(400,000)	-
Acquisition of investments accounted for using equity method	-	(235,000)
Increase in prepayments for investment	-	(100,000)
Increase in refundable deposits	(173,738)	(1,099,187)
Decrease in refundable deposits	158,244	101,122
Increase in other financial assets	-	(480)
Decrease in other financial assets	-	720
Interest received	4,495	9,792
Dividend received	5,115,408	5,040,733
	<u>(35,107,734)</u>	<u>(966,995)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(4,800,000)	5,300,000
Borrowings from related parties	15,414,000	12,797,000
Repayments of borrowings from related parties	(13,479,000)	(12,250,000)
Increase in short-term notes and bills payable	12,289,537	399,285
Proceeds from issue of bonds	19,979,415	-
Repayments of bonds payable	-	(4,500,000)
Proceeds from long-term borrowings	6,496,758	-
Repayment of long-term borrowings	(4,000,000)	(2,000,000)
Repayment of the principal portion of lease liabilities	(3,363,616)	(3,354,619)
Increase in guarantee deposits received	79,801	50,538
Decrease in guarantee deposits received	(41,982)	(62,174)
Cash dividends paid	(13,350,442)	(15,366,186)
Interest paid	(506,223)	(516,335)
	<u>14,718,248</u>	<u>(19,502,491)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	269,439	(146,428)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,272,740</u>	<u>1,419,168</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,542,179</u>	<u>\$ 1,272,740</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Taiwan Mobile Co., Ltd.
2020 Earnings Distribution Proposal

Unit: NT\$

Item	Amount
Unappropriated retained earnings as of December 31, 2019	249,166
Actuarial losses of 2020	(38,068,733)
Adjustments due to investments accounted for using equity method	194,725
Disposal of financial instruments at fair value through profit or loss	2,052,067,166
Unappropriated retained earnings - Adjusted	2,014,442,324
Net income of 2020	11,286,553,218
Legal reserve appropriation (10%)	(1,330,074,638)
Set aside special reserve appropriation	(2,449,739,065)
Retained earnings available for distribution	9,521,181,839
Appropriation:	
Cash dividends (Note 1)	(9,521,177,440)
Balance of unappropriated retained earnings	4,399

Note 1: Refer to the second proposed resolution regarding the distribution of the 2020 retained earnings.



Taiwan Mobile Co., Ltd.

Articles of Incorporation

Before and After Amendments for Comparison

Article	Amended	Original	Explanation
2	<p>The scope of business of the Company shall be:</p> <ol style="list-style-type: none"> 1. <u>G903010 Telecommunications Enterprises</u> 2. I301040 Third-Party Payment; 3. I301020 Data Processing Services; 4. J303010 Magazine and Periodical Publication; 5. J304010 Book Publishers; 6. J305010 Audio Tape and Record Publishers; 7. J399010 Software Publication; 8. J399990 Other Publishers Not Elsewhere Classified; 9. F108031 Wholesale of Drugs, Medical Goods; 10. F208031 Retail Sale of Medical Equipment; 11. E601010 Electric Appliance Construction; 12. E701010 Telecommunications Construction; 13. CC01080 Electronic Parts and Components Manufacturing; 14. E601020 Electric Appliance Installation; 15. E603090 Illumination Equipment Construction; 16. IG03010 Energy Technical Services; 17. H703100 Real Estate Rental and Leasing; 18. JE01010 Rental and Leasing Business; and 19. J401010 Motion Picture 	<p>The scope of business of the Company shall be:</p> <ol style="list-style-type: none"> 1. F401021 Regulated Telecom Radio Frequency Equipment and Materials Import; 2. G901011 Type I Telecommunications Enterprise; 3. G902011 Type II Telecommunications Enterprise; 4. I301040 Third-Party Payment; 5. I301020 Data Processing Services; 6. J303010 Magazine and Periodical Publication; 7. J304010 Book Publishers; 8. J305010 Audio Tape and Record Publishers; 9. J399010 Software Publication; 10. J399990 Other Publishers Not Elsewhere Classified; 11. F108031 Wholesale of Drugs, Medical Goods; 12. F208031 Retail Sale of Medical Equipment; 13. E601010 Electric Appliance Construction; 14. E701010 Telecommunications Construction; 15. CC01080 Electronic Parts and Components Manufacturing; 16. E601020 Electric Appliance Installation; 17. E602011 Frozen and Air-conditioning Engineering 18. E603090 Illumination Equipment Construction; 	<p>In accordance with the implementation of the Telecommunications Management Act, the first three items were replaced with a new item called “Telecommunications Enterprises”.</p>

	<p>Production</p> <p>20. J402010 Motion Picture Distribution</p> <p>21. J503020 Television Production</p> <p>22. J503030 Broadcasting and Television Program Distribution</p> <p>23. EZ05010 Apparatus Installation Construction</p> <p>24. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.</p>	<p>19. IG03010 Energy Technical Services;</p> <p>20. H703100 Real Estate Rental and Leasing;</p> <p>21. JE01010 Rental and Leasing Business; and</p> <p>22. J401010 Motion Picture Production</p> <p>23. J402010 Motion Picture Distribution</p> <p>24. J503020 Television Production</p> <p>25. J503030 Broadcasting and Television Program Distribution</p> <p>26. E501011 Water Pipe Construction</p> <p>27. EZ05010 Apparatus Installation Construction</p> <p>28. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.</p>	
34	<p>These Articles of Incorporation were agreed to and signed on 30 January 1997. ...</p> <p>The twenty- eighth amendment was made on 12 June 2019</p> <p>The twenty- ninth amendment was made on 18 June 2020</p> <p><u>The thirtieth amendment was made on 16 June 2021</u></p>	<p>These Articles of Incorporation were agreed to and signed on 30 January 1997. ...</p> <p>The twenty- eighth amendment was made on 12 June 2019</p> <p>The twenty- ninth amendment was made on 18 June 2020</p>	



Articles of Incorporation

Chapter I General Provisions

- Article 1** The Company shall be incorporated as a company limited by shares, under the Company Act of the Republic of China. The name of the Company shall be 台灣大哥大股份有限公司.
- Article 2** The scope of business of the Company shall be:
1. G903010 Telecommunications Enterprises;
 2. I301040 Third-Party Payment;
 3. I301020 Data Processing Services;
 4. J303010 Magazine and Periodical Publication;
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 24. ZZ99999 Any other business (other than those approved by the relevant authorities) not prohibited or restricted by law.
- Article 3** The Company may act as a guarantor where necessary for the purpose of carrying out its business.
- Article 4** The Company shall have its registered head office in Taipei, Taiwan, Republic of China and shall, where necessary and with a resolution to do so by the Board of Directors (“Board”), set up branch offices either within or outside the territory of the Republic of China.
- Article 5** (Deleted)
- Article 6** The Company’s aggregate investment may exceed forty percent of its paid-up capital.

Chapter II Capital Stock

Article 7 The total registered capital stock of the Company shall be Sixty Billion New Taiwan Dollars (NT\$60,000,000,000), divided into Six Billion (6,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued, where necessary, upon the approval of the Board.

Two hundred and fifty million shares of the above total capital stock of the Company with a par value of Ten New Taiwan Dollars (NT\$10) per share shall be retained for the issuance of employee stock options, which may be issued from time to time upon the approval of the Board.

Article 7-1 (Deleted)

Article 7-2 The Company may, upon the approval at a shareholders' meeting which is attended by shareholders holding at least 50% of the issued capital stock, by more than two-thirds of the shareholders attending the meeting, transfer the treasury shares to its employees at a price lower than the average buyback price.

Article 8 Share certificates of the Company shall be issued only if they bear the names of the shareholders, be appropriately serial numbered, be signed by or affixed with the personal seals of three or more Directors of the Company, and be duly signed and authenticated by the responsible authority or a share registry endorsed by the regulatory authority. The Company is exempted from issuing any physical share certificates for the shares issued. A physical share certificate may be issued for all the new shares issued at a particular point in time, provided that the share certificate shall be placed in custody or for registration with a centralized depository.

Article 9 Shareholders shall provide their names, addresses, and specimens of their personal seals to the Company for record. The same shall also be provided upon variation of any of the above details. Where any personal seals of the shareholders are lost, the specimens of the personal seals shall only be replaced with new specimens if the shareholders report the loss to the Company.

Article 10 Upon transfer of shares, the transferor and transferee shall complete an application for registration of the transfer and affix their personal seals on the application. The application and the associated share certificates, affixed with the personal seals of the transferor and transferee on the back page, together with other documents evidencing the transfer, shall be submitted to the Company for the purpose of registration of the transfer. The transferee shall not have a right of action against the Company with respect to matters associated with or arising from the transfer if the name of the transferee is not recorded on the share certificates and the name and address of the transferee are not entered onto the register of shareholders of the Company.

Article 11 Where a share certificate is lost, the shareholder shall immediately file an application to report the loss and submit the same to the Company for audit and record. The shareholder shall also apply to the competent court for a judgment declaring the original share certificate invalid, in accordance with the procedures for public announcement of invalidation of a certificate under the Code of Civil Procedures. After obtaining the judgment from the court, the shareholder shall apply to the Company for

the share certificate to be reissued, with the original copy of the aforementioned court judgment. Where a share certificate is worn out or defaced and the shareholder wishes to apply for a replacement of the share certificate, the shareholder shall apply to the Company for the replacement by submitting to the Company the original copy of the share certificate with a completed application for replacement of share certificate.

Article 12 The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

Article 13 Registration of share transfers shall be suspended for a 60-day period immediately prior to a general meeting of the shareholders; for a 30-day period immediately prior to an extraordinary meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Article 14 Shareholders shall submit specimens of their personal seals to the Company for record. The same personal seals shall be used by the shareholders for the purposes of claiming their dividends and when exercising their rights as shareholders via written documents.

Chapter III Shareholders' Meetings

Article 15 There are two types of shareholders' meetings, the general meetings and the extraordinary meetings.

- (1) General Meetings – General meetings shall be held within 6 months of the end of each fiscal year, and shall be convened by the Board by no less than 30 days' prior notice to the shareholders.
- (2) Extraordinary Meetings – Extraordinary meetings shall be convened in accordance with the relevant laws, by no less than 15 days' prior notice to the shareholders.

Article 16 A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a shareholders' meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization.

Article 17 The Chairman or, in his absence, the Vice Chairman, shall preside as the chairman of the shareholders' meetings of the Company. If neither the Chairman nor the Vice Chairman shall be present at the meetings, or the Vice Chairman becomes vacant, the Chairman shall designate one of the Directors as the chairman, failing which, the Directors present at the meetings shall elect the chairman from amongst themselves.

Article 18 Except under the circumstances set forth in Article 179 of the Company Act, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.

Article 18-1 Shareholders may exercise their voting rights in written or electronic forms at the shareholders' meetings.

Article 19 Unless otherwise provided by the Company Act, all resolutions of a shareholders meeting of the Company shall be passed, at a meeting attended by shareholders holding

at least 50% of the issued capital stock, by more than 50% of the shareholders attending the meeting.

Article 20 Resolutions at a shareholders' meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The meeting minute shall be distributed to all the shareholders of the Company by public announcement within 20 days after the shareholders' meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

Chapter IV Directors

Article 21 There shall be 9 to 11 Directors of the Company. Directors shall be persons with legal capacity and shall be elected by the shareholders at the shareholders' meeting. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The election of Directors is adopted by candidate nomination system per Article 192-1 of the Company Act. Not more than half of the Directors of the Company shall have the following relationships among them:

- (1) A spousal relationship.
- (2) A familial relationship within the second degree of kinship.

The Chairman and the Vice Chairman shall be elected respectively from amongst the Directors by a simple majority of the Directors present at the Board meetings attended by at least two thirds of all the Directors.

The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Article 21-1 According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than 3 independent directors. The independent directors shall together constitute the Audit Committee and replace the role of the supervisors.

Article 22 If one third of the offices of the Directors become vacant, the Board shall convene an extraordinary meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.

Article 23 If any new Directors are not elected in time before the expiration of the tenure of the relevant existing offices of the Directors, the tenure of the existing offices shall be extended until such time when the new Directors duly elected to assume their offices.

Article 24 The business policy and other imperative matters of the Company shall be determined by the Board. The Board shall be entitled to form different functional committees, and determine the duties and responsibilities of the committees. Except for the first meeting of each term of the Board which shall be convened by the Director who received a ballot representing the largest number of votes at the election of Directors, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meetings. If the Chairman is unable to perform his duties for any reasons, the Vice

Chairman shall act on his behalf. If the Vice Chairman is also absent from the meetings or becomes vacant, the Chairman shall designate one of the Directors to act on his behalf, failing which, the Directors present at the meetings shall elect a person from amongst themselves to act on behalf of the Chairman.

The notice of the Board meetings may be made and delivered by letter, email or facsimile.

Article 25 Unless otherwise provided for in the Company Act, all resolutions of the Board shall be passed by a simple majority of the Directors present at the Board meetings attended by at least 50% of all the Directors. If a Director is unable to attend the meeting, he shall be entitled to authorize another Director to represent him at the meeting by executing a power of attorney stating therein the scope of authorization with respect to each matter proposed to be dealt with at the meeting, however, a Director attending the meeting shall not be authorized to represent more than one absent Directors at the meeting. If any Director attends the Board meeting by video conference, it is deemed that such Director has participated in person.

Article 26 All proceedings at a Board meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman of the meeting. The meeting minute shall be distributed to all Directors of the Company within 20 days after the Board meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

Article 27 The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations or the Company's Articles of Incorporation.

Article 27-1 (Deleted)

Article 27-2 (Deleted)

Article 27-3 The Board is authorized to decide the compensation to directors (including independent directors), according to his/her contribution to the operation and involvement in the operation of the Company, comparable to peer's levels, transportation and other allowance included.

Chapter V Managers and Officers

Article 28 There shall be several Presidents and Vice Presidents of the Company. The President shall be nominated by the Chairman; and his/her appointment or removal shall be approved by more than 50% of the Directors. The Vice Presidents shall be nominated by the President; and their appointment or removal shall be approved by more than 50% of the Directors.

Article 29 The Company may, by resolution of the Board, retain consultants or key officers.

Article 29-1 The Company shall purchase liability insurance for key management based on their duties and terms.

Chapter VI Financial Reports

Article 30 The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. The Board shall prepare the following reports after the end of each fiscal year, and present to the shareholders at the general meeting of the shareholders for their ratifications in accordance with the legal procedure:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 30-1 If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 0.3% of the profits as director compensation. 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.

Qualification requirements of employees entitled to receive shares or cash set for in the above paragraph shall be applied to the employees of subsidiaries who meet certain requirements.

Article 31 In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, set aside for legal reserve pursuant to laws and regulations, unless the legal reserve has reached the Company's total paid-up capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a shareholders' meeting.

Article 31-1 The Company adopts a dividend distribution policy whereby only surplus profits of the Company shall be distributed to shareholders. That is, only the surplus profits, after setting aside amounts for retained earnings based on the Company's capital budget plan, shall be distributed as cash dividend. The value of stock dividend in a particular year shall not be more than 80% of the value of dividend distributed for that year. The amount of the distributable dividend, the forms in which dividend shall be distributed and the ratios thereto, shall depend on the actual profits and cash positions of the Company and shall be approved by resolutions of the Board, who shall, upon such approval, recommend the same to the shareholders for approval by resolution at the shareholders' meetings.

Article 32 The internal organization and the detailed procedures relevant to the business operation of the Company shall be separately determined by the Board.

Article 33 Matters not specifically provided for in these Articles of Incorporation shall be governed by the Company Act and any other relevant laws.

Article 34 The Articles of Incorporation were agreed to and signed on January 30, 1997.
The first amendment was made on February 18, 1997.
The second amendment was made on February 22, 1997.
The third amendment was made on April 2, 1997.
The fourth amendment was made on August 30, 1997.
The fifth amendment was made on December 12, 1997.
The sixth amendment was made on March 21, 1998.
The seventh amendment was made on June 23, 1998.
The eighth amendment was made on February 3, 1999.
The ninth amendment was made on June 22, 1999.
The tenth amendment was made on March 6, 2000.
The eleventh amendment was made on March 30, 2001.
The twelfth amendment was made on March 30, 2001.
The thirteenth amendment was made on April 26, 2002.
The fourteenth amendment was made on June 25, 2003.
The fifteenth amendment was made on June 15, 2004.
The sixteenth amendment was made on June 14, 2005.
The seventeenth amendment was made on June 15, 2006.
The eighteenth amendment was made on June 15, 2007, except for the Article 7-2,
which shall be effective on January 1, 2008
The nineteenth amendment was made on June 13, 2008.
The twentieth amendment was made on June 19, 2009.
The twenty-first amendment was made on June 15, 2011.
The twenty-second amendment was made on June 22, 2012.
The twenty-third amendment was made on June 21, 2013.
The twenty-fourth amendment was made on 12, June 2014.
The twenty-fifth amendment was made on 15, June 2016.
The twenty-sixth amendment was made on 14, June 2017.
The twenty-seventh amendment was made on 12 June 2018.
The twenty- eighth amendment was made on 12 June 2019.
The twenty- ninth amendment was made on 18 June 2020.
The thirtieth amendment was made on 16 June 2021.

APPENDICES

Shares Owned by Directors

As of April 18, 2021

Title	Name	Current Shareholding	
		Shares	%
Chairman	Fu-Chi Investment Co., Ltd. Representative: Daniel M. Tsai	5,748,763	0.16%
Director	Fu-Chi Investment Co., Ltd. Representative: Richard M. Tsai	5,748,763	0.16%
Independent Director	Hsueh-Jen Sung	0	0.00%
Independent Director	Char-Dir Chung	0	0.00%
Independent Director	Hsi-Peng Lu	0	0.00%
Independent Director	Tong Hai Tan	0	0.00%
Independent Director	Drina Yue	0	0.00%
Director	Fu-Chi Investment Co., Ltd. Representative: Chris Tsai	5,748,763	0.16%
Director	TCC Investment Co., Ltd. Representative: Jamie Lin	200,496,761	5.71%
The total shares owned by the directors are 206,245,524 shares, or 5.87% of the total issued shares.			

Note:

1. According to Article 26 of the Security and Exchange Act, total shares owned by all directors shall not be less than 2.4% of total shares issued, or 84,298,115 shares.
2. As the Company's supervisors were replaced by the Audit Committee, the minimum holding requirement of supervisors no longer applies.



Articles of Incorporation

Chapter I General Provisions

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Article 3 The Company may act as a guarantor where necessary for the purpose of carrying out its business.

Article 4 The Company shall have its registered head office in Taipei, Taiwan, Republic of China and shall, where necessary and with a resolution to do so by the Board of Directors (“Board”), set up branch offices either within or outside the territory of the Republic of China.

Article 5 (Deleted)

Article 6 The Company's aggregate investment may exceed forty percent of its paid-up capital.

Chapter II Capital Stock

Article 7 The total registered capital stock of the Company shall be Sixty Billion New Taiwan Dollars (NT\$60,000,000,000), divided into Six Billion (6,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share. Any unissued shares shall be issued, where necessary, upon the approval of the Board.

Two hundred and fifty million shares of the above total capital stock of the Company with a par value of Ten New Taiwan Dollars (NT\$10) per share shall be retained for the issuance of employee stock options, which may be issued from time to time upon the approval of the Board.

Article 7-1 (Deleted)

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Article 8 Share certificates of the Company shall be issued only if they bear the names of the shareholders, be appropriately serial numbered, be signed by or affixed with the personal seals of three or more Directors of the Company, and be duly signed and authenticated by the responsible authority or a share registry endorsed by the regulatory authority. The Company is exempted from issuing any physical share certificates for the shares issued. A physical share certificate may be issued for all the new shares issued at a particular point in time, provided that the share certificate shall be placed in custody or for registration with a centralized depository.

Article 9 Shareholders shall provide their names, addresses, and specimens of their personal seals to the Company for record. The same shall also be provided upon variation of any of the above details. Where any personal seals of the shareholders are lost, the specimens of the personal seals shall only be replaced with new specimens if the shareholders report the loss to the Company.

Article 10 Upon transfer of shares, the transferor and transferee shall complete an application for registration of the transfer and affix their personal seals on the application. The application and the associated share certificates, affixed with the personal seals of the transferor and transferee on the back page, together with other documents evidencing the transfer, shall be submitted to the Company for the purpose of registration of the transfer. The transferee shall not have a right of action against the Company with respect to matters associated with or arising from the transfer if the name of the transferee is not recorded on the share certificates and the name and address of the transferee are not entered onto the register of shareholders of the Company.

Article 11 Where a share certificate is lost, the shareholder shall immediately file an application to report the loss and submit the same to the Company for audit and record. The shareholder shall also apply to the competent court for a judgment declaring the original share certificate invalid, in accordance with the procedures for public announcement of invalidation of a certificate under the Code of Civil Procedures. After obtaining the judgment from the court, the shareholder shall apply to the Company for the share certificate to be reissued, with the original copy of the aforementioned court judgment. Where a share certificate is worn out or defaced and the shareholder wishes to apply for a replacement of the share certificate, the shareholder shall apply to the Company for the replacement by submitting to the Company the original copy of the share certificate with a completed application for replacement of share certificate.

Article 12 The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

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Chapter III Shareholders' Meetings

Article 15 There are two types of shareholders' meetings, the general meetings and the extraordinary meetings.

- (1) General Meetings – General meetings shall be held within 6 months of the end of each fiscal year, and shall be convened by the Board by no less than 30 days' prior notice to the shareholders.
- (2) Extraordinary Meetings – Extraordinary meetings shall be convened in accordance with the relevant laws, by no less than 15 days' prior notice to the shareholders.

Article 16 A shareholder is entitled to appoint a proxy to attend and vote on behalf of the shareholder at a shareholders' meeting by completing and submitting to the Company a form prescribed by the Company stating the scope of authorization.

Article 17 The Chairman or, in his absence, the Vice Chairman, shall preside as the chairman of the shareholders' meetings of the Company. If neither the Chairman nor the Vice Chairman shall be present at the meetings, or the Vice Chairman becomes vacant, the Chairman shall designate one of the Directors as the chairman, failing which, the Directors present at the meetings shall elect the chairman from amongst themselves.

Article 18 Except under the circumstances set forth in Article 179 of the Company Act, shareholders of the Company shall be entitled to one vote for each share held at the shareholders' meeting.

Article 18-1 Shareholders may exercise their voting rights in written or electronic forms at the shareholders' meetings.

Article 19 Unless otherwise provided by the Company Act, all resolutions of a shareholders meeting of the Company shall be passed, at a meeting attended by shareholders holding at least 50% of the issued capital stock, by more than 50% of the shareholders attending the meeting.

Article 20 Resolutions at a shareholders' meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman. The meeting minute shall be distributed to all the shareholders of the Company by public announcement within 20 days after the shareholders' meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

Chapter IV Directors

Article 21 There shall be 9 to 11 Directors of the Company. Directors shall be persons with legal capacity and shall be elected by the shareholders at the shareholders' meeting. The tenure of the offices of the Directors shall be 3 years and the Directors shall be eligible for re-elections. The election of Directors is adopted by candidate nomination system per Article 192-1 of the Company Act. Not more than half of the Directors of the Company shall have the following relationships among them:

- (1) A spousal relationship.
- (2) A familial relationship within the second degree of kinship.

The Chairman and the Vice Chairman shall be elected respectively from amongst the Directors by a simple majority of the Directors present at the Board meetings attended by at least two thirds of all the Directors.

The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

Article 21-1 According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than 3 independent directors. The independent directors shall together constitute the Audit Committee and replace the role of the supervisors.

Article 22 If one third of the offices of the Directors become vacant, the Board shall convene an extraordinary meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.

Article 23 If any new Directors are not elected in time before the expiration of the tenure of the relevant existing offices of the Directors, the tenure of the existing offices shall be extended until such time when the new Directors duly elected to assume their offices.

Article 24 The business policy and other imperative matters of the Company shall be determined by the Board. The Board shall be entitled to form different functional committees, and determine the duties and responsibilities of the committees. Except for the first meeting of each term of the Board which shall be convened by the Director who received a ballot representing the largest number of votes at the election of Directors, Board meetings shall be convened by the Chairman, who shall also be the chairman of the meetings. If the Chairman is unable to perform his duties for any reasons, the Vice Chairman shall act on his behalf. If the Vice Chairman is also absent from the meetings or becomes vacant, the Chairman shall designate one of the Directors to act on his behalf, failing which, the Directors present at the meetings shall elect a person from amongst themselves to act on behalf of the Chairman.

The notice of the Board meetings may be made and delivered by letter, email or facsimile.

Article 25 Unless otherwise provided for in the Company Act, all resolutions of the Board shall be passed by a simple majority of the Directors present at the Board meetings attended by at least 50% of all the Directors. If a Director is unable to attend the meeting, he shall be entitled to authorize another Director to represent him at the meeting by executing a power of attorney stating therein the scope of authorization with respect to each matter proposed to be dealt with at the meeting, however, a Director attending the meeting shall not be authorized to represent more than one absent Directors at the meeting. If any Director attends the Board meeting by video conference, it is deemed that such Director has participated in person.

Article 26 All proceedings at a Board meeting shall be recorded in a meeting minute signed by or affixed with the personal seal of the chairman of the meeting. The meeting minute shall be distributed to all Directors of the Company within 20 days after the Board meeting. The meeting minute shall contain information such as the time and venue of the meeting, name of the chairman of the meeting, manner in which resolutions are passed, and a summary and outcome of all proceedings of the meeting.

Article 27 The Audit Committee shall exercise their powers and other relevant matters in accordance with the relevant laws, regulations or the Company's Articles of Incorporation.

Article 27-1 (Deleted)

Article 27-2 (Deleted)

Article 27-3 The Board is authorized to decide the compensation to directors (including independent directors), according to his/her contribution to the operation and involvement in the operation of the Company, comparable to peer's levels, transportation and other allowance included.

Chapter V Managers and Officers

Article 28 There shall be several Presidents and Vice Presidents of the Company. The President shall be nominated by the Chairman; and his/her appointment or removal shall be

approved by more than 50% of the Directors. The Vice Presidents shall be nominated by the President; and their appointment or removal shall be approved by more than 50% of the Directors.

Article 29 The Company may, by resolution of the Board, retain consultants or key officers.

Article 29-1 The Company shall purchase liability insurance for key management based on their duties and terms.

Chapter VI Financial Reports

Article 30 The fiscal year of the Company shall begin on 1 January and end on 31 December of each year. The Board shall prepare the following reports after the end of each fiscal year, and present to the shareholders at the general meeting of the shareholders for their ratifications in accordance with the legal procedure:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 30-1 If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 0.3% of the profits as director compensation. 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.

Qualification requirements of employees entitled to receive shares or cash set for in the above paragraph shall be applied to the employees of subsidiaries who meet certain requirements.

Article 31 In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, set aside for legal reserve pursuant to laws and regulations, unless the legal reserve has reached the Company's total paid-up capital. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a shareholders' meeting.

Article 31-1 The Company adopts a dividend distribution policy whereby only surplus profits of the Company shall be distributed to shareholders. That is, only the surplus profits, after setting aside amounts for retained earnings based on the Company's capital budget plan, shall be distributed as cash dividend. The value of stock dividend in a particular year shall not be more than 80% of the value of dividend distributed for that year. The amount of the distributable dividend, the forms in which dividend shall be distributed and the ratios thereto, shall depend on the actual profits and cash positions of the Company and shall be approved by resolutions of the Board, who shall, upon such approval, recommend the same to the shareholders for approval by resolution at the shareholders' meetings.

Article 32 The internal organization and the detailed procedures relevant to the business operation of the Company shall be separately determined by the Board.

Article 33 Matters not specifically provided for in these Articles of Incorporation shall be governed by the Company Act and any other relevant laws.

Article 34 The Articles of Incorporation were agreed to and signed on January 30, 1997.
The first amendment was made on February 18, 1997.
The second amendment was made on February 22, 1997.
The third amendment was made on April 2, 1997.
The fourth amendment was made on August 30, 1997.
The fifth amendment was made on December 12, 1997.
The sixth amendment was made on March 21, 1998.
The seventh amendment was made on June 23, 1998.
The eighth amendment was made on February 3, 1999.
The ninth amendment was made on June 22, 1999.
The tenth amendment was made on March 6, 2000.
The eleventh amendment was made on March 30, 2001.
The twelfth amendment was made on March 30, 2001.
The thirteenth amendment was made on April 26, 2002.
The fourteenth amendment was made on June 25, 2003.
The fifteenth amendment was made on June 15, 2004.
The sixteenth amendment was made on June 14, 2005.
The seventeenth amendment was made on June 15, 2006.
The eighteenth amendment was made on June 15, 2007, except for the Article 7-2, which shall be effective on January 1, 2008
The nineteenth amendment was made on June 13, 2008.
The twentieth amendment was made on June 19, 2009.
The twenty-first amendment was made on June 15, 2011.
The twenty-second amendment was made on June 22, 2012.
The twenty-third amendment was made on June 21, 2013.
The twenty-fourth amendment was made on 12, June 2014.
The twenty-fifth amendment was made on 15, June 2016.
The twenty-sixth amendment was made on 14, June 2017.
The twenty-seventh amendment was made on 12 June 2018.
The twenty- eighth amendment was made on 12 June 2019.
The twenty- ninth amendment was made on 18 June 2020.



Taiwan Mobile Co., Ltd.

Rules and Procedures Governing Shareholders' Meeting

Article 1: The Company's Shareholders' meeting (the "Meeting") shall be conducted in accordance with the Rules and Procedures.

Article 2: Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. Representatives appointed by institutional shareholders to attend the Meeting shall submit the Letter of Appointment and the supporting identification documents of the appointee upon signing in. If an institutional shareholder appoints both a proxy and a representative, the appointed representative shall be accepted.

The Meeting shall be held at the premises of Company or at a place that is both convenient for shareholders to attend and suitable for holding the Meeting. The Meeting shall start not earlier than 9:00 a.m. or later than 3:00 p.m.

The Company may appoint designated counsel, Certified Public Accountant or other relevant persons to attend the Meeting.

The staff in charge of handling the affairs of the Meeting shall wear badges.

If the Meeting is called by the board of directors, the board chairman shall preside at the Meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. If there is no vice chairperson, or the vice chairman is also on leave of absence, or cannot exercise his powers and authority, the chairman shall designate a director to act in lieu of him. If the chairman does not designate a director, the directors shall elect one from among themselves to act in lieu of the chairman. If the Meeting is called by any other person than the board of directors, who has the right to call the Meeting, the said person shall preside at that Meeting. If there are more than two said persons calling the Meeting, one of the two persons shall be chairing the Meeting.

The entire proceedings of the Meeting shall be tape recorded and videotaped and these tapes shall be archived for a minimum of one year.

Article 2-1: Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at the Meeting, and only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. However, in case the shareholder proposal is to urge the Company to promote public interest or fulfill its social responsibilities, the board of directors may still include it in the agenda. The board of directors shall not include a proposal into the agenda if the proposal falls under any clause set forth in Company Act Article 172-1, Paragraph 4. Prior to the date on which share transfer registration is suspended before the convention of the Meeting, the Company shall give a public notice announcing the written or electronical way, the place and the period for shareholders to submit proposals for discussions at the Meeting; and the period for accepting such proposals shall not be less than ten(10) days.

The number of words of a proposal to be submitted by a shareholder shall be limited to no more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the Meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the Meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the Meeting notice, inform the proposal submitting shareholders of the results of the proposal, and shall list in the Meeting notice the proposals conforming to the requirements set out in this rule. With regard to the proposals submitted by shareholders but not included in the agenda of the Meeting, the cause for exclusion of such proposals and explanation shall be made by the board of directors at the Meeting to be convened.

Article 3: The presence of shareholders in the Meeting and their voting thereof shall be calculated in accordance with the number of shares.

The number of shares representing shareholders present at the Meeting shall be calculated based on the submitted attendance cards plus the number of shares whose voting powers are exercised in writing or by way of electronic transmission.

Article 4: The chairman shall call the Meeting to order at the time scheduled for the Meeting provided that the number of shares represented by the shareholders present at the Meeting reaches the specified quorum. The chairman may postpone the start time for the Meeting if the number of represented shares has not yet constituted the quorum at the time of the Meeting. The number of postponement shall be limited to a maximum of two times and each postponement shall not exceed thirty minutes. If after two postponements no quorum can yet be constituted but the number of represented shares is more than one-third of the total issued shares, tentative resolutions may be made by a majority vote of the present shareholders in accordance with Article 175 of the Company Act. If during the process of tentative resolutions the number of represented shares becomes sufficient to constitute the quorum, the Chairman may call the Meeting to order and submit the tentative resolutions to the Meeting for approval.

Article 5: If the Meeting is convened by the board of directors, the agenda of the Meeting shall be set by the board of directors. Related motions (including extraordinary motions and amendments to original proposals) shall be resolved by voting. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the scheduled agenda.

If the Meeting is convened by any person other than the board of directors, the provision set forth in the preceding paragraph shall be applicable *mutatis mutandis*.

Unless otherwise resolved at the Meeting, the chairman shall not adjourn the Meeting until the discussion items (including extraordinary motions) listed on the agenda have been resolved.

After the Meeting is adjourned, the shareholders shall not appoint another chairman to continue the Meeting at the same place or at a new location unless the chairman has violated the Rules and Procedures for the Meeting in adjourning the Meeting.

Article 6: During the proceedings of the Meeting, the chairman may, at his discretion, set time for intermission.

Article 7: When a shareholder present at the Meeting wishes to speak, the shareholder shall first fill out a slip, specifying therein the shareholder's serial number (or the number of attendance card), the name of the shareholder, and the key points of the speech. The chairman shall determine the sequence of speeches by the shareholders.

If any shareholder present at the Meeting submits a slip for speech but does not speak, no speech shall be deemed to have been made by such shareholder. In case there is a discrepancy between the contents of the speech and the contents specified on the slip, the contents of actual speech shall prevail.

Article 8: A shareholder shall not speak more than two times for each discussion item, unless with the prior consent from the chairman, and each speech shall not exceed 5 minutes.

Article 9: In case the speech of a shareholder violates the time provisions or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder. While a shareholder is speaking, other shareholders shall not interrupt the speech unless the shareholders have obtained prior consent of the chairman and the speaking shareholder. Otherwise, the chairman shall stop such interruption. If the offender defies the order to stop, Article XIV shall be applicable.

Article 10: Any legal entity designated as proxy by a shareholder to be present at the Meeting may appoint only one representative to attend the Meeting. If an institutional shareholder designates two or more representatives to attend the Meeting, only one representative may speak for each discussion item.

Article 11: After the speech of a shareholder, the chairman may respond in person or appoint an appropriate person to respond. When the chairman considers that the discussion item has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution, and shall arrange sufficient time for voting.

Article 12: Unless otherwise specified for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at the Meeting.

In case of an amendment or an alternative to a discussion item, the chairman shall determine the sequence of voting. If any one of them has been resolved, the other(s) shall be deemed vetoed and no further voting is necessary.

Each share hereof is entitled to one voting power. However, shares that fall under the clause set forth under Article 179-2 of the Company Act shall have no voting power.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by the person shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13: The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman. The person supervising the casting of votes, however, shall be a shareholder. The results of resolution(s) shall be announced in the Meeting, and recorded in the Meeting minutes.

Article 14: The chairman may direct disciplinary (or security) personnel to assist in maintaining the order of the Meeting. Such disciplinary (or security) personnel shall wear badges marked “Disciplinary Personnel” for identification purposes. The chairman or the disciplinary (or security) personnel may expel anyone who disturbs the order of the Meeting.

Article 15: If the continuation of the Meeting proves to be impossible due to force majeure, the chairman may suspend or reschedule the Meeting.

Article 16: Any matters not provided in the Rules and Procedures shall be handled in accordance with the Company Act, Articles of Incorporation of the Company and relevant laws and regulations.

Article 17: The Rules & Procedures were put into effect by the Founders’ Meeting. Any amendments are subject to the approval of the Shareholders’ Meeting.