

FROST & SULLIVAN
BEST PRACTICES



2026
**TAIWANESE
TELECOMS**

COMPANY OF THE YEAR



中華電信
Chunghwa Telecom

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Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Chunghwa Telecom excels in many of the criteria in the Taiwanese telecoms space.

RECOGNITION CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Megatrends	Customer Purchase Experience
Leadership Focus	Customer Ownership Experience
Best Practices Implementation	Customer Service Experience
Financial Performance	Brand Equity

The Transformation of the Taiwanese Telecoms Industry

Visionary Scenarios Through Megatrends

Chunghwa Telecom is Taiwan’s largest integrated telecom operator, offering a comprehensive suite of services that includes fixed-line, mobile, broadband internet, and enterprise cloud and information and communication technology (ICT) solutions. Recognizing artificial intelligence (AI) integration and digital resilience as defining industry megatrends, the company is actively advancing its capabilities through strategic investments in artificial intelligence of things (AIoT) technologies, resilient infrastructure, and AI-powered solutions.

The company is leveraging AIoT technologies for environmental sustainability and biodiversity. In April 2026, it signed a memorandum of understanding with the Penghu County Government to promote seagrass ecological restoration. In this project, the company introduced its AIoT biodiversity seagrass restoration monitoring system that integrates high-resolution imaging, water quality and temperature sensing, and cloud-based data management for round-the-clock environmental tracking. This digitalizes traditional manual processes, enhancing restoration efficiency and management precision through multi-stakeholder collaboration spanning industry, government, academia, and local communities. The effort supports marine biodiversity through carbon restoration, environmental education, and coastal resilience.

Chunghwa Telecom is fortifying its resilient digital infrastructure with strategic investments in AI infrastructure, submarine cables, internet data center (IDC) facilities, and network resilience applications designed to drive digital transformation. It also is expanding AI-enabled enterprise solutions. For example,

its AI factory platform, which consolidates computing power, AI models, intelligent agents, and applications, is designed to accelerate enterprise AI adoption and digital modernization. The initiatives demonstrate the company's move to unlock new growth opportunities beyond traditional telecom services.

As enterprises and governments accelerate their digital transformation, the company anticipates sustained market expansion across AI, digital resilience, and sustainable ICT solutions, positioning these

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Senior Director, ICT Research

integrated capabilities as the primary drivers of long-term corporate growth. IDC, cloud, AIoT, and cybersecurity are foundational to ICT business growth. The surge in demand for AI capabilities is a primary driver of AI infrastructure expansion. The company is actively commercializing its AI computing centers and AI factory platforms to meet enterprise demand for computing power, generative applications, and cloud-hosted services.

Network reliability and resilient infrastructure are increasingly important. The surge of international data traffic, cloud adoption, and AI workloads require secure, stable global connectivity. The company continues to invest heavily in submarine cable systems, advanced IDC

frameworks, and resilience-oriented applications to support future digital development. It recognizes substantial market potential in sustainability-driven digital services. The Penghu seagrass restoration project demonstrates how AIoT technologies extend beyond telecom into advanced environmental monitoring. Similar ESG-focused and AIoT applications will continue to create relevant use cases for public and private sector customers.

Addressing Unmet Needs

Chunghwa Telecom has evolved into a comprehensive, AI-driven digital ecosystem, supporting more than 13 million mobile subscribers in Taiwan. The company's strategic direction with its technology is to push for customer-centric AI innovation, greener infrastructure, smarter applications, and stronger digital resilience. By prioritizing smart city applications, robust infrastructure, and multi-orbit satellite connectivity, the company advanced its Sea, Land, Satellite, and Sky strategy for secure, multi-orbit satellite communication and built upon its reputation as a technology infrastructure partner to customers.

Its customer-centric AI innovations are designed to address customers' unmet needs. A prime example is its cloud AI voice assistant service, which was showcased at the 2026 Smart City Summit and Expo. This service upgrades traditional fixed-line systems into AI-driven, 24-hour response networks. Public demonstrations revealed that the AI assistant can resolve approximately 80% of repetitive customer inquiries, such as business hours, parking information, and fee-related questions. An AI reservation assistant supports the food and beverage industry by managing incoming calls during and after peak hours.

The company has integrated AI and energy-saving technologies to enhance data center efficiency. It has expanded the deployment of AI-driven energy conservation into its IDC facilities to optimize operations, stabilize rack temperatures, and boost power efficiency. In its AI data center construction, the company introduced advanced direct liquid cooling solutions to maximize system performance, increase energy efficiency, and reduce power usage effectiveness.

On smart applications and edge computing, its enterprise-grade 5G private network supports high bandwidth, low latency, and massive connections. By combining 5G multi-access edge computing with AI, large volumes of data can be processed at the network edge with millisecond-level latency. Architecture helps enterprises lower the barrier to AI service adoption and accelerate smart application development. Its smart city application deployments span critical domains, including resilient healthcare, smart transportation, drone inspection, and cloud infrastructure.

In digital resilience and zero trust security, the company launched its self-developed X-Trust zero trust network system in February 2026. X-Trust became the first in Taiwan to pass the third stage of trust

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inference verification established by the National Institute of Cyber Security. The system provides three core functionalities: identity verification, device verification, and trust inference. X-Trust also leverages AI to support dynamic risk assessment and access control, ensuring robust protection for critical systems in an evolving threat landscape.

These initiatives showcase the company's capability to combine 5G, AI, edge computing, and resilient cybersecurity into

sustainable architectures, delivering high-performance, scalable digital solutions for its enterprise and public sector customers.

Leadership Focus

In 2025, Chunghwa Telecom maintained market leadership in Taiwan for mobile and broadband. The competitive advantage that the company enjoys is derived from a strong customer base, continued service upgrades, and long-term investment in resilient digital infrastructure. To retain its competitive advantage, the company is strengthening core telecom leadership, upgrading network and service quality, investing in resilient digital infrastructure, and partnering to innovate and improve services.

The company's Q4 2025 financial report highlights commendable market metrics, with mobile revenue market share reaching 40.8% and mobile subscriber market share reaching 39.7%. The results show that the company's 5G services continue to strengthen its mobile leadership. The financial report also highlights that subscribers using speeds of 300 Mbps or above reached 1.726 million, representing a 13.3% year-over-year growth.. The company will continue to upgrade network and service quality to promote premium, higher-speed tiers, including 500 Mbps and 1 Gbps plans, to drive value and average revenue per user (ARPU).

The company's 2026 outlook projects steady revenue growth driven by 5G, broadband upgrades, and new ICT opportunities. To secure this growth and invest more in resilient digital infrastructure, the company is

executing its integrated Sea, Land, Satellite, and Sky strategy, which includes strategically investing in submarine cable networks, IDC data centers, and power, cooling, and cybersecurity enhancements.

Chunghwa Telecom's partnership with NTT, Accton, and Edgecore transformed the IOWN All-Photonics Network (APN) into real-world services in 2025, enabling a cross-border (between Taiwan and Japan) entertainment experience at Expo 2025 and supporting AI workloads through distributed data centers to support high-speed transmission of training data and remote graphics processing unit (GPU) applications over APN for AI workloads. It moved APN from technology demonstration into real-world, user-facing services and successfully combined APN, 5G Standalone, and AI technologies to enhance service innovation in real urban scenarios.

The collaboration covered applications including 4K real-time cross-border connection, such as cross-border entertainment streaming on multimedia on demand (MOD) and Hami Video, AI speech recognition and real-time two-way translation, smart transportation, smart healthcare, and resilient remote backup, demonstrating how Chunghwa Telecom's infrastructure can support more advanced and reliable digital services in Taiwan. By supporting distributed AI data center applications, remote GPU usage, and high-speed cross-border transmission, the company is strengthening its service foundation.

Financial Performance

In 2025, Chunghwa Telecom achieved a record-breaking year characterized by robust financial performance and solid execution. Revenue reached an unprecedented TWD 236.11 billion, reflecting a 2.7% year-over-year growth. This milestone was propelled by steady growth in its core telecom services including increasing 5G penetration and record-high fixed broadband ARPU, alongside continuous expansion in enterprise ICT service domains, such as data centers, big data, and 5G private networks. Operating income increased by 3.6%, net income attributable to shareholders increased by 4%, and earnings per share (EPS) hit an eight-year high of TWD 4.99. Importantly, revenue, operating income, net income, and EPS all surpassed the high end of its annual guidance. Building on its record performance, the company is targeting steady growth across all key financial metrics by maintaining its market leadership and capitalizing on emerging digital transformation trends, positioning it to meet or exceed its upcoming fiscal guidance.

Price/Performance Value

With industry-leading mobile network speed and reliability, the company commands a premium over competitors including Taiwan Mobile and FarEasTone by delivering the fastest median mobile speeds, the most expansive 5G network coverage (97.6% of the population), and exceptional customer care standards. Rather than competing strictly on price, its commercial strategy focuses on generating sustained, long-term value for customers by providing product flexibility, superior and reliable network quality, and integrated digital services.

The company offers product flexibility and comprehensive service portfolios for consumer and enterprise customers. Its broad service portfolio encompassing mobile, fixed broadband, video, cloud, cybersecurity, and ICT services allow for bespoke packages. Consumers benefit from combined mobile and broadband options, while enterprises benefit from integrated solutions covering networking, cloud infrastructure, AIoT, and cybersecurity services.

Its approach to 5G centers on value creation rather than price competition. The company actively drives upgrades to premium 5G services by ensuring mobile network reliability and stable user experience. Its commitment to performance is frequently recognized by independent benchmarks. For example, its 5G experience, coverage, and consistent quality have been repeatedly validated in OpenSignal reports. Okla repeatedly pegs Chunghwa as the fastest mobile operator in Taiwan, noting median 5G download speeds exceeding 344 Mbps and the lowest multiserver latency (around 23 ms).

The company's strategic objective is to empower customers with enhanced connectivity, trusted network quality, and flexible service combinations, and its fundamental value proposition rests on combining robust network infrastructure with integrated digital services and long-term service resilience. As such, it has increased non-mobile capital expenditure by more than 25% to support AI data centers and submarine cable expansion, upgraded IDCs to AI-ready data centers, and developed in-house AI computing platforms.

For enterprises, the company integrates traditional telecom services with robust ICT capabilities to accelerate digital transformation. It continues to scale IDC cloud, AIoT, cybersecurity, and AI-driven solutions. By supplying integrated network and ICT services, it is helping enterprises reduce deployment complexity and enhance overall operational efficiency. It is also accelerating enterprise AI adoption and digital transformation by upgrading facilities to AI-ready data centers and expanding in-house computing platforms. The AI factory platform integrates computing power, AI models, and application services into a unified framework to optimize efficiency.

Brand Equity

Its branding strategy is built on technological leadership, trusted service quality, and sustainability. The company leverages achievements to strengthen customer trust, market confidence, and long-term brand loyalty. Evidence of customers' trust includes an average monthly mobile churn rate of less than 1% (below the industry average), which supports stable and predictable recurring revenue; high consumer engagement on the Hami Video sports/streaming application, which is among the top-performing OTT platforms in Taiwan with more than 3.0 million monthly active users; and the growth in enterprise customers that benefit from its business-to-business AI and 5G rollouts. The superior brand perception stems from the company's extensive 5G network coverage, ultrafast gigabit fiber broadband infrastructure, and high-value converged service bundles tailored to diverse household needs.

The company ensures seamless customer experience by pairing 24/7 digital channels with highly efficient generative AI automation tools, resolving routine inquiries rapidly while solidifying its long-term market dominance. A combination of AI agents for customers and AI copilots for frontline staff has cut operational costs, raised customer satisfaction ratings, and resolved over 70% of routine inquiries. The innovative service won the Silver Award at the 2025 World Communication Awards for AI Innovation. The solution has been introduced into other sectors, including government services, healthcare, logistics, financial services, food and beverage, consumer appliances, repair services, and television shopping.

Chunghwa Telecom cements its industry leadership through global recognition, notably securing the most AI patents in Taiwan's telecom sector and winning first place in the Global AI City Challenge. The company's rigorous environmental commitments are validated by the Science Based Targets initiative with a verified net zero target by 2045, positioning it three consecutive years in the S&P Global

Sustainability Yearbook 2025 top 5% of the global telecom industry. Climate achievements are backed by financial excellence, earning Best Issuer for Sustainable Finance and Best Sustainability Bond recognitions from The Asset, while its corporate integrity earned it a spot on Newsweek's World's Most Trustworthy Companies 2025. Chunghwa Telecom distinguishes itself in the competitive Taiwanese market by leveraging its top-tier MSCI ESG AAA rating and sustainable practices, such as carbon emission reduction and extensive digital inclusion, as strategic differentiators that appeal to eco-conscious customers and investors.

Conclusion

Chunghwa Telecom has been solidifying its status as Taiwan's largest integrated telecom operator and has been playing a key role in driving digital transformation in Taiwan, with commendable improvements in financial metrics for 2025. The company's strategic transition to leveraging AI and digital resilience to unlock new growth opportunities beyond traditional telecom services is expected to drive strong future growth potential.

With its strong overall performance, Chunghwa Telecom earns Frost & Sullivan's 2026 Taiwanese Company of the Year Recognition in the telecoms industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Recognition Analysis

For the Company of the Year Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed to create growth opportunities across the entire value chain

Visionary Scenarios Through Megatrends: Long-range scenarios are incorporated into the innovation strategy by leveraging megatrends and cutting-edge technologies, thereby accelerating the transformational growth journey

Leadership Focus: The company focuses on building a leadership position in core markets to create stiff barriers to entry for new competitors and enhance its future growth potential

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate consistent, repeatable, and scalable success

Financial Performance: Strong overall business performance is achieved by striking the optimal balance between investing in revenue growth and maximizing operating margin

Customer Impact

Price/Performance Value: Products or services offer the best ROI and superior value compared to similar market offerings

Customer Purchase Experience: Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

Customer Ownership Excellence: Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

Customer Service Experience: Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

VALUE IMPACT			
STEP		WHAT	WHY
1	Opportunity Universe	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	Transformational Model	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	Ecosystem	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	Growth Generator	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	Growth Opportunities	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	Frost Radar	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	Best Practices	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	Companies to Action	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

*Board of Directors, Investors, Customers, Employees, Partners

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fueled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Megatrend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

