

Major Resolutions of the Twelfth Meeting of Chunghwa
Telecom's Fourth Board of Directors (March 28, 2006)

Discussion items:

1. Summary: The Company's 2005 operation report and financial report were submitted for resolution.

Resolutions:

(1)The attending directors unanimously approved the financial report as revised in Resolution (2).

The management is instructed to submit the reports to the Supervisors for inspection and to the 2006 Annual Shareholders Meeting for acknowledgement, in accordance with the Company Law.

(2)The final two lines of page 27 of the financial report: "i\$--, the amount not yet paid into the Executive Yuan's State Enterprise Privatization Fund is approximately NT\$7.1 billion.i" was revised to read: "i\$--, the amount not yet paid into the Executive Yuan State Enterprise Privatization Fund is approximately NT\$7.1 billion, which is expected to be paid on March 27, 2006.i"

2. Summary: The proposal that this Company's internal control system statements be signed to facilitate posting in the company's annual report and public reporting on website of the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan (herein referred to as the "i\$Securities and Futures Bureau") before the end of April, was submitted for resolution.

Resolution: The attending directors unanimously approved the proposal, and requested that the management implement the proposal in accordance with the prescribed procedures.

3. Summary: Revision to certain articles of the Articles of Incorporation of Chunghwa Telecom Co., Ltd. was submitted for resolution.

Resolution: The attending directors unanimously approved the proposal, and submit the revised articles to the Company's 2006 Annual Shareholders Meeting for discussion.

4. Summary: The Company's 2005 profit distribution proposal was submitted for resolution.

Resolutions:

(1) The attending directors unanimously approved the proposal to distribute 0.1% as directors and supervisors' cash compensation and 3% as employees bonuses (in the form of half stocks and half cash) after privatization (August 12 ~ December 31, 2005); distribution of shareholders dividends includes cash dividend of NT\$4.3 and stock dividend of NT\$0.2 per share.

(2) The Chairman is authorized to approve the distribution of remuneration to directors (including the Chairman, director/President, independent directors, and labor directors) and Supervisors; such remuneration shall be distributed in accordance with regulations. The Management shall determine the distribution of employee bonuses.

(3) This proposal shall be submitted to the 2006 Annual Shareholders Meeting for acknowledgement.

5. Summary: The proposal to increase the Company's capital was submitted for resolution.

Resolution: In order to secure the 3G five-year tax exemption, the attending directors unanimously approved the proposal to convert part of the 2005 retained

earnings, consisting of shareholders' stock dividends and employees' stock bonuses, into new capital stock. The Management is authorized to adjust the number of shares issued as part of the capital increase proposal, taking into consideration of the treasury shares repurchased by the Company, and shall submit the number of shares to the 2006 Annual Shareholders Meeting for discussion.

6. Summary: The proposal that the Company shall issue 2 shares of Preferred Stock to increase the Company's capital in accordance with Article 12, Paragraph 8 of the Telecommunications Act and Article 6-1 of the Company's Articles of Incorporation, to MOTC at the purchase price equal to the face value of NT\$10 per share for a total capital increase of NT\$20, was submitted for resolution.

Resolution: The attending directors unanimously passed the proposal, and submitted it to the 2006 Annual Shareholders Meeting for report.

7. Summary: The proposal to revise the Chinese and English versions of the Company's Code of Ethics in conjunction with the adjustment of the organizational functions and duties of the Company's Corporate Ethics Departments and the Company's actual business operations, were submitted for resolution.

Resolution: The attending directors unanimously approved the proposal and submitted said proposal to the 2006 Annual Shareholders Meeting for report.

8. Summary: The proposal that the directors and Supervisors receive part-time fixed compensation was submitted for resolution.

Resolution: The attending directors unanimously passed the proposed compensation, and submitted it to the 2006 Annual Shareholders Meeting for discussion.

9. Summary: The proposed compensation for the Chairman and the President (as explained) was submitted for resolution.

Resolutions:

(1)The attending directors unanimously approved the proposal, and requested that the Management implement the proposal in accordance with the prescribed procedures.

(2)Director Hsu-Chung Simon Chang expressed a dissenting opinion as follows:

While most of the Company's staff currently feel that they are taking a disguised pay cut, and while the Company's performance has not yet improved significantly, the Chairman and President are receiving a large pay raise, and this raise is retroactive. This action will adversely affect the employees' morale and the company's image in the eyes of the public. I therefore believe that this proposal should be brought up only after the Company's business performance improves to some degree.

If this proposal is to be implemented, then the unreasonable performance evaluation guidelines that in effect prevent 70% of the employees from being promoted or getting a raise irrespective of their hard work, should also be discussed and reviewed at the same time.

10. Summary: The proposed fixed monthly compensation for the managers (as explained) was submitted for resolution.

Resolutions:

(1)The attending directors unanimously approved the proposal, but called for active and effective

oversight of the managers' performance and proper handling of the bonus issues.

(2) Subsidiary resolutions

Any and all similar matters proposed by the Human Resources Department in the future should be accompanied by complete information concerning the market data, impact on the company and considerations in implementation.

11. Summary: The revised "Ordinance of the Company's Annual General Meeting" (draft) was submitted for resolution.

Resolutions:

(1) The attending directors unanimously approved the revised "Rules of Chunghwa Telecom Co., Ltd.'s Annual General Meeting" with further revision explained in Resolution No. (2), and submitted the revised Rules to the 2006 Annual Shareholders Meeting for discussion.

(2) The "Rules of Chunghwa Telecom Co., Ltd.'s Shareholders Meeting" were approved, subject to the following revisions. Said "Rules of Chunghwa Telecom Co., Ltd.'s Shareholders Meeting" are as shown in Appendix 4:

A. Article 2-2, Paragraph 3 language: "Those shareholders' proposals which, upon the Board of Directors' review, do not satisfy any one of the following items, shall be included in the Shareholders General Meeting Notice: . . . " shall be revised to read as follows:

"Those shareholders' proposals which, upon the Board of Directors' review, do not satisfy any one of the following items, shall be included in the Meeting Agenda and explicitly become an item of business for the Shareholders' General Meeting: . . . "

B. Article 2-2, Paragraph 5 language: "If a shareholder's proposal has been accepted by the Company as an item of business for the Shareholders' Meeting and if the moving shareholder fails to attend the Meeting in person or appoint a proxy to attend the Shareholders' Meeting to express his opinions, the chairman of the Meeting may rule that the proposal be set aside and not proceed with discussion and voting" shall be revised to read as follows:

"With regard to a shareholder's proposal, which is included in the Meeting Agenda in accordance with Paragraph 3, if the moving shareholder fails to attend in person or appoint a proxy to express his opinions at the Shareholders' Meeting, then the Chairman may rule that the proposal be set aside and not proceed with discussion and voting"

C. Article 2-2, Paragraph 6 language: "When a shareholder's proposal is submitted in writing in accordance with Article 172-1 of the Company Law and becomes an item on the Meeting Agenda of the Shareholders' Meeting and when such proposal is of the same or similar nature as other items of business proposed by the Board of Directors, the chairman of the meeting may consolidate the two proposals and proceed with consideration of such proposals as one in accordance with the provisions of Article 12,

Paragraph 7 of these Rules." shall be revised to read as follows:

"With regard to a shareholder proposal, which is included in the Meeting Agenda in accordance with Paragraph 3, if it is of the same or similar nature as the other proposed items of business, chairman of the meeting may consolidate the two proposals and proceed with consideration of such proposals as one in accordance with the provisions of Article 12, Paragraph 7 of these Rules."

12. Summary: The Board was asked to approve revisions to the Company's 2006 Annual Shareholders Meeting Agenda.

The attached post-revision draft "Chunghwa Telecom Co., Ltd. 2006 Annual Shareholders Meeting Agenda" (as explained) was submitted for resolution.

Resolutions:

(1) The attending directors unanimously approved the agenda as revised in Resolution (2), and requested that the Management publish the agenda and make all necessary filings in accordance with the law.

(2) Under the proposed discussion Item 2 on the Chunghwa Telecom Co., Ltd. 2006 Annual Shareholders Meeting Agenda, "The Company's proposal to convert earnings and contributed earnings into capital stock and issue additional shares of stock is submitted for resolution." was revised to read "The Company's proposal to convert earnings into capital stock of the Company and issue additional shares of stock is submitted for resolution." Discussion item 4 "The Company's Procedures for Extension of a Credit to a Third Party" was deleted and removed from the Meeting Agenda.

13. Summary: The proposal to invest in and form the "Chunghwa Telecom Yellow Pages Media Co., Ltd." to provide professional yellow page service was submitted for resolution.

Resolutions:

(1) The attending directors unanimously approved the proposal, and requested that the Management implement the proposal in accordance with the prescribed procedures.

(2) Subsidiary resolutions

A. The preparatory office shall consult with the

Strategic Planning Committee regarding its recommendations for strengthening the business plan of the new venture and implement the recommendations in a proactive manner. The preparatory office shall make sure that the transfer of technology and intangible assets complies with the required procedures.

B.The Management is requested to review and draft a set of regulations governing the exchange of personnel between the parent company and subsidiary as soon as possible.