

Major Resolutions of the 14th Meeting of Chunghwa
Telecom's Fourth Board of Directors (June 20, 2006)

Discussion items

1. Summary: With regard to the Company's repurchase of 192,000,000 shares from February 10 to April 7, 2006, the proposal that June 30 of this year (2006) be taken as the record date for the capital reduction via treasury stock cancellation was submitted for resolution.

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

2. Summary: The proposal that the board of directors authorizes the Chairman to decide the Company's 2005 record date for both ex-dividend and ex-rights was submitted for resolution.

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

Provisional motions

1. Summary: For the selling of the Company's common stock via conversion to American Depositary Receipts (ADR) by the government stockholder and Taiwan Mobile Company, the proposal that the BoD authorize the Chairman to be fully in charge of or to have the right to authorize certain person to be in charge of related matters concerning the issuance, registration, listing and signing of relevant

contracts and documents (apart from the pricing of ADR) was submitted for resolution.

Resolution:

A. The attending directors unanimously passed the proposal and requested that the management implement the proposal in accordance with the prescribed procedures.

B. Director Hsu-Chung Simon Chang expressed a differing opinion:

(1) The current limit of foreign ownership as Ministry of Transportation and Communications (MOTC) has announced is 40%. It will not be appropriate to further release stock via the issuance of ADR either before the competent authority revises relevant regulations, or before it becomes clear the power of revision of this foreign ownership limit belongs to MoTC or NCC.

(2) The MOTC's request, in its capacity as major stockholder, that the Company implement the 2001 stock release budget violated the relevant resolutions of the Legislative Yuan which consequently created the conflicts between executive branch and legislators. The issuance of ADR in 2005 is still in dispute, in addition, it's not imperative for Chunghwa Telecom to re-issue ADR at the moment.

(3) The release of stocks via ADR by MoTC together with Taiwan Mobile Company will induce the public to correlate the thought of benefiting the Tsai Family. I therefore suggest that handle the share release of Taiwan Mobile Company and the MOTC separately.

(4) The MOTC's instructions concerning this ADR

issuance was received only this morning. And a meeting was convened by the drafting committee just ten minutes before the Board Meeting. Since the information needed to assess the case is insufficient, I oppose the hasty approval of this resolution.