

Major Resolutions of the 19th Meeting of Chunghwa Telecom's
Fourth Board of Directors (March 23, 2007)

1. Summary: The Company's 2006 Operation Report and Financial Report were submitted to the Board of Directors for approval.

Resolution: The attending directors unanimously approved the 2006 Operation Report and Financial Report.

2. Summary: The proposal that the Company's internal control system statement be signed in order to publish the statement in the Company's annual report in accordance with the regulations and to report the statement on the website of Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan (herein referred to as "Securities and Futures Bureau") by the end of April was submitted to the Board of Directors for approval.

Resolutions: The attending directors unanimously approved the proposal and requested that the Management implement the proposal in accordance.

3. Summary: The proposed "Revised Draft of Procedures for Acquisition or Disposition of Assets of Chunghwa Telecom" was submitted to the Board of Directors for approval.

Resolutions: The attending directors unanimously approved the proposal and requested that the Management implement the prescribed procedures in accordance to the revised draft.

4. Summary: The proposed "Revised Draft of Procedures for Signing Guarantee for Other Entities of Chunghwa Telecom" was submitted to the Board of Directors for approval.

Resolutions:

(1) Article 9, Paragraph 2 of the "Procedures for Signing Guarantee for Other Entities of Chunghwa Telecom" was revised from "when a change of circumstances at the Company causes the opposing party of a signed guarantee to not comply with regulations or causes the amount to exceed the limit,iK" to read as "when a change of circumstances at the Company or the opposing party of a signed guarantee causes noncompliance with the regulations or causes the amount to exceed the limit,iK".

(2) The attending directors unanimously approved the proposed Procedures including the revisions stated above, and requested that the Management implement the proposed Procedures.

5. Summary: The proposed "Draft of the Procedures for Making Loans to Other Entities of Chunghwa Telecom" was submitted to the Board of Directors for approval.

Resolutions:

(1) Article 10 Paragraph 2 of the " Procedures for Making Loans to Other Entities of Chunghwa Telecom" was revised from "when a change of circumstances at the Company causes the balance of an existing loan to exceed the limit, an improvement plan shall be determined,iK" to read as "when a change of circumstances at the Company or the borrower causes the balance of an existing loan to exceed the limit, an improvement plan shall be determined,iK".

(2) The attending directors unanimously approved the proposed Procedures including the revisions stated above and requested that the Management implement the proposed Procedures.

7. Summary: The proposed "Revised Draft of Certain Articles of the Internal Audit Implementation Rules of Chunghwa Telecom" was submitted to the Board of

Directors for approval.

Resolutions:

(1) Director Jing-Twen Chen, with Director Hsu-Chung Chang concurring, expressed that, in light of his position as an independent director, while this revised draft has been reviewed and approved by the audit committee, the following explanation should be made:

"Since the Chairman is also the CEO, if the three items listed below is first disclosed to the Audit Committee for preliminary review, then it may be viewed as an impartial and independent act in the respect of corporate governance.

- 1.the assignment of the senior managing director of the audit department,
- 2.the performance of internal audit work by audit personnel, and
- 3.the drafting of an internal audit plan."

(2) The attending directors unanimously approved the proposed Procedures and requested that the Management implement the proposed Procedures.

8. Summary: The proposed Company's "Draft of Organization Integration Plan for Central Taiwan and Southern Taiwan Business Groups" was submitted to the Board of Directors for approval.

Resolutions:

(1) The following sentence stated in the proposed Draft was revised from "If this proposal is passed, implementation of the organization's integration plan will formally begin on June 1, 2007." to read as "If this proposal is passed, the organization's integration plan will adopt May 1, 2007 as its target date".

(2) The synergy of the integration of the Central and Southern Taiwan Business Groups shall be as follows, and the Southern Taiwan Business Group shall report implementation results to the Board one year after integration:

a. Downsizing of organization and personnel:

Approximately 142 of the staff will be terminated from 8 department-level and 28 section-level units.

b. Reduction of operating costs: Approximately NT\$160 million annually (Personnel costs: NT\$150 million, utilities and postage: NT\$10 million).

c. Expected benefits of reduction of office space and activation of assets:

i. Approximately 15,200 square meters of office space will be saved.

ii. Annual rental income is estimated to be NT\$25 million.

d. Savings following integration of information systems.

i. Savings will be achieved gradually.

ii. First installation costs and equipment replacement costs of approximately NT\$120 million (First installation costs of NT\$35 million and equipment replacement and integration costs of NT\$85 million).

iii. Annually cost of hardware, software, and manpower of NT\$106 million (Hardware and software costs of NT\$100 million and manpower costs of NT\$6 million).

(3) Following integration and the establishment of the Southern Taiwan Business Group, planning of network integration and service integration shall be completed within three months, and shall report to the Strategy Committee.

(4) The attending directors unanimously approved the proposed draft including the revisions stated above, and requested that the Management implement the

prescribed procedures in accordance to the proposed draft.

9. Summary: In order to meet operational needs, the personnel transfer proposal for eight individuals including Senior Vice President, Feng-Hsiung Chang, as stated in the explanatory notes, was submitted to the Board of Directors for approval.

Resolutions:

(1) In explanatory note (2)h., the proposed title of Chi-Mao Hsieh was revised from "company executive vice president and the president of the Central Taiwan Business Group and concurrently representative of the president of the Southern Taiwan Business Group," to read as "company executive vice president and the president of the Southern Taiwan Business Group and concurrently representative of the president of the Central Taiwan Business Group."

(2) Explanatory note (2)h. was also revised from "concurrently representative of the president of the Southern Taiwan Business Group in conjunction with the organizational integration needs of the Central and Southern Taiwan Business Groups (to take effect on June 1, 2007)," to read as "concurrently representative of the president of the Central Taiwan Business Group in conjunction with the organizational integration needs of the Central and Southern Taiwan Business Groups".

(3) The attending directors unanimously approved the proposal including revisions stated above, and requested that the Management implement the proposal.