

**Major Resolutions Resolved in the 16th Meeting of
Chunghwa Telecom's Fifth Board of Directors
(April 28, 2009)**

Discussion Items:

1. Summary: The Financial Forecast of the Company for the second quarter of 2009 was submitted to the board for approval.

Resolutions:

- A. The attending directors unanimously approved the proposal, and requested the Management to implement the proposal in accordance with the prescribed procedures.
 - B. The Management is requested to strengthen the explanation to the public in respect of the changes to the methods of compilation of the Financial Forecast and publication.
 - C. The calculation basis of various bonuses rewarded by the Company currently varies from department to department, and shall be consolidated as appropriate so that such can be integrated with employee performance. The Management is requested to conduct a solid assessment and review before submitting a report to the board.
2. Summary: The proposal to issue new shares of the Company by capital increase out of capital surplus was submitted to the board for approval.

Resolutions: The attending directors unanimously approved the proposal based on the following resolutions, and requested the Management to implement the proposal in accordance with the prescribed procedures.

- A. As proposed, an amount of NT\$9,696,808,180, which is listed as paid-in capital in excess of par value under the capital surplus, shall be capitalized through issuance of 969,680,818 new common shares at once at a par value of NT\$10 per share. The newly issued common shares bear the same rights and obligations as those of existing common shares. Such shares will be issued in a book-entry form. The proposal shall be submitted to 2009 Annual General Shareholders' Meeting for discussion in accordance with the prescribed procedures.
- B. Explanation 5: The wordings "After the proposal of capital increase is duly resolved by the Annual General Shareholders' Meeting and approved by the competent authority, it is proposed that the Annual General Shareholders' Meeting authorizes the Board of Directors to decide the record date of the capital increase" shall be amended as "When the proposal is resolved by the Annual General Shareholders' Meeting, it is proposed simultaneously to authorize the Board of Directors to decide the record date of the capital increase upon

receipt of the approval of the competent authority."

3. Summary: The proposal of the Company capital reduction was submitted to the board for approval.

Resolutions: The attending directors unanimously approved the proposal based on the following resolutions, and requested the Management to implement the proposal in accordance with the prescribed procedures.

- A. After the completion of the capital increase out of capital surplus, the capital shall be reduced in cash in an amount equivalent to the capital increase. The amount of capital reduction in cash is NT\$9,696,808,180. After the completion of the capital reduction in cash, the paid-in capital of the Company is NT\$96,968,081,810. All shares shall be issued in book-entry form. This proposal shall be submitted to 2009 Annual General Shareholders' Meeting for discussion in accordance with the prescribed procedures.
- B. Explanation 5: The wordings "After the proposal of capital reduction is duly resolved by the Annual General Shareholders' Meeting and is approved by the competent authority, it is proposed that the Annual General Shareholders' Meeting authorizes the Board of Directors to decide the record date for the capital reduction" shall be amended as "When the capital reduction proposal is resolved by the Annual General Shareholders' Meeting, it is proposed simultaneously to authorize the Board of Directors to decide the record date of the capital reduction and relevant matters upon receipt of the approval of the competent authority.

4. Summary: The proposal to present the "Policy for Loaning of Funds and Making of Endorsements/Guarantees of Chunghwa Telecom (Draft)", the draft amendment to the "Operation Procedures for Loaning of Funds of Chunghwa Telecom", and the draft amendment of the "Procedures for Endorsements/Guarantees of Chunghwa Telecom" were submitted to the board for approval.

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

5. Summary: The proposal to amend the agenda of the Company's 2009 Annual General Shareholders' Meeting was submitted to the board for approval.

Resolution:

- A. The attending directors unanimously approved the proposal, and requested the Management to implement the proposal in accordance with the prescribed procedures.
- B. As of April 20, 2009, the Company has not received any proposal from shareholders

(including ADR shareholders). In the event that any shareholder submits any proposal behind the specified proposal acceptance period, such a proposal shall not be included in the agenda of the Annual Shareholders' Meeting and will not be submitted to the Board of Directors for reviewal.

6. Summary: The proposal to promulgate the Company's "Policies for Long-term Equity Investment" and to amend the Company's "Guidelines on Investment" for the need to carry out the reinvestment business was submitted to the board for approval.

Resolutions:

A. The attending directors unanimously approved Chapter Six - Criteria for Measurement of Performance of the "Policies for Long-term Equity Investment of Chunghwa Telecom" and the amendment to Article 32 of the "Guidelines on Investment of Chunghwa Telecom" in accordance with the Resolutions B and C, and requested the Management to implement the proposal in accordance with the prescribed procedures.

B. Chapter Six - Criteria for Measurement of Performance:

- (1) The review of investment shall be conducted in accordance with the industrial attributes of each re-investment subject, with additional consideration of the industrial risk premiums. For offshore investment, the investment ambience of the target territories shall be assessed together with the risk premium as appropriate for the target countries. For investment subjects with special strategic consideration, there should be the overall performance analysis to act as a reference in review of the investment decision-making process.
- (2) When evaluating the overall performance of an investment, the return on investment shall be greater than the weighted average of capital cost (WACC) of the Company. However, for an invested enterprise which is still in the initial stage, has been in business operation for less than three years, or has been invested by the Company for less than two years, the financial plans of the investment assessment may serve as a criterion in measuring the performance. It may also be excluded from consideration in the measurement of the overall investment performance.
- (3) In cases of an invested enterprise with special strategic consideration, the department in charge of the investment may stipulate a separate evaluation benchmark to evaluate the investment performance and submit such evaluation benchmark to the in-charge official for approval.

The above quoted contents shall be amended into the following:

- (1) The assessment of the performance of the investment shall be evaluated

comprehensively primarily based on the strategic efficiency, and supplemented by the financial efficiency.

- (2) When evaluating each investment subject, the primary consideration shall focus on the strategic efficiency in terms of business promotion and growth topology, and supplemented by the evaluation of financial efficiency and risks, so as to evaluate the overall investment efficiency which shall serve as a reference for examination on investment.
- (3) When evaluating the performance of the each invested enterprise, the strategic and financial efficiency at the time of assessment shall serve as the basis in examining the return of the invested enterprise.

C. Article 32:

In assessing the overall performance of the investment of the Company, the return on investment shall be greater than the weighted average of capital cost (WACC) of the Company. However, for an invested enterprise which is still in the initial stage, has been in business operation for less than three years, or has been invested by the Company for less than two years, the financial plans of the investment assessment may serve as a criterion in measuring the performance. It may also be excluded from consideration in the measurement of the overall investment performance.

In cases of an invested enterprise with special strategic consideration, the Investment Department may stipulate a separate evaluation benchmark to evaluate the investment performance and submit such evaluation benchmark to the in-charge official for approval.

The above quoted contents should be amended into the following:

When evaluating the performance of each reinvested enterprise, the primary consideration shall focus on the strategic efficiency in terms of business promotion and growth topology, and supplemented by the evaluation of financial efficiency so as to conduct an overall evaluation.

When evaluating the performance of each invested enterprise, the Investment Department shall take into consideration the strategic and financial benefits at the time of assessment, and shall invite opinions from other related departments to stipulate a benchmark for the investment return of each year based on the then-current industrial environment and apply it in evaluating the performance of the invested enterprise.

Provisional motions

1. Summary: The proposal to discharge the position of Chairman of each of Chief Telecom Inc.

(full-time chairman), Chunghwa System Integration Co., Ltd. (full-time chairman) and InfoExplorer Co., Ltd. (concurrent chairman), all of which are the re-invested enterprises of the Company, and to nominate the candidates for the positions were submitted to the board for recommendation to the Board of the above mentioned enterprise for nomination and recommendation.

Resolutions: The attending directors unanimously approved the proposal based on the following resolutions, and requested the Management to implement the proposal in accordance with the prescribed procedures.

- A. The Company is to discharge the Chairman Mr. Chang, Lai-hsi of Chief Telecom Inc. and the Chairman Mr. Lin, Tien-ying of Chunghwa System Integration Co., Ltd. It is recommended that their positions shall be replaced and assumed by Mr. Huang, Cheng-lang, a committee member of the Research & Planning Committee of the Company, and Mr. Liang Lung-hsing, the Chief of the Telecommunication Laboratories of the Company, respectively on a full-time basis.
 - B. Mr. Hung, Feng-yu, the assistant manager of the Company and deputy manager of Enterprise Business Group, that was appointed to concurrently serve as the Chairman of InfoExplorer Co., Ltd., the re-invested enterprise of the Company, is hereby discharged from the chairmanship and recommended the position will be replaced and assumed by Mr. Feng, Ting-kuo.
2. Summary: The proposal to designate a candidate for the Chief of the Telecommunication Laboratories due to the assignment of the current chief to another new position was submitted to the board for approval.

Resolution: The attending directors unanimously approved that after the Chief Mr. Liang, Lung-hsing of the Telecommunication Laboratories takes over to act as the Chairman of Chunghwa System Integration Co., Ltd., his vacancy will be filled by Mr. Tu, Yuan-kuang, head of Corporate Planning Department of the Company. The Management is requested to implement the proposal in accordance with the prescribed procedures.