

**Major Resolutions of the Fifth Meeting of
Chunghwa Telecom's Fifth Board of Directors
(October 23, 2007)**

Discussion:

1. Summary: The "Revised Draft of Segregation of Power between BOD and Management of Chunghwa Telecom (table shown segregation of power in regard to personnel, financial, and accounting before and after revision)" was submitted for approval.

Resolutions: The attending directors unanimously passed the proposal to revise Section IV of the Draft from "Financial Accounting and Assets, Section IV," to "Financial, Accounting, and Assets, Section IV", and the attending directors requested that the management implement the proposal in accordance with the prescribed procedures.

2. Summary: In respond to business needs and based on office building use considerations, a proposal was submitted for resolution, in which the Company would purchase from the National Property Administration national land at Da-an District, Da-an Section 3, Sub-Section Nos. 52, 52-1, 52-2, and Building No. 727 (in the area of Dun-hua South Road, Section 2, No. 162), on which the Company's Dun-nan Business Office is located, at the market price of NTD 1.24 billion (as well as five-year use subsidies of approximately NTD 58 million).

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

3. Summary: In order to implement the share conversion of the Company's cash capital reduction, a proposal was submitted for resolution, in which a plan for cash capital reduction through share conversion was drafted and the Chairman and CEO, in view of the actual operations timetable, was authorized to determine the closing date of the capital reduction share conversion.

Resolutions: The attending directors unanimously passed the proposal and requested that the management implement the proposal in accordance with the

prescribed procedures.

4. Summary: Certain revised articles of the "Offshore Discretionary Investment Guidelines of Chunghwa Telecom" were submitted for resolution.

Resolutions: The attending directors unanimously passed a proposal to revise Article 11 of the " Offshore Discretionary Investment Guidelines of Chunghwa Telecom from "Monthly performance assessment reports shall be submitted to the Vice-President, with quarterly reports to the President" to "Monthly performance assessment reports shall be submitted to the Vice-President and quarterly reports submitted to the President, with copies going to the accounting department", and the attending directors requested that the management implement the revision in accordance with the prescribed procedures.

Extraordinary Motions

1. Summary: In order to strengthen the Company's management team, a proposal to add an additional Vice President has been submitted for approval. The responsibilities of this Vice President shall be 1) supervising and directing the operations and planning of the Company's business development strategy, new technology and new partner development, and 2) serving as chairman of a task force for strategy and planning.

It has also been proposed that this position be filled by Mr. Luo Min, who holds extensive experience as the current advisor to the heads of the Institute for the Information Industry. (Proposed by Ho Chen Tan and seconded by Lu Shyue-ching)

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

2. Summary: A letter marked No. 0960125837, dated June 8, 2007, from The Council of Labor Affairs stated the following:

"Regarding your company's involvement in the violation of the collective agreement signed with the Company's union, it is requested that the Company reinstate the labor conditions originally stipulated in the collective agreement. Please carry out group negotiations with respect to the collective agreement reached with the union regarding guidelines for assessing performance, retirement pensions and consolation pay, severance pay, management regulations, merits and disciplinary standards, and salaries by June 13, 2007."

Furthermore, a letter marked No. 0950024441, dated May 23, 2006, from the Council of Labor Affairs, and another letter marked No. 09533317600, dated May 16, 2006, from the Taipei City Government Department of Labor both covered matters related to the following statement:

"Regarding your Company's revised working rules, these rules must be implemented in accordance with 2nd clause listed in the collective agreement signed by both parties..."

Therefore, it is hereby proposed that the Board, in response to the violations arising from implementation of the "Employee Performance Evaluation Guidelines", rectify the situation and immediately make improvements regarding the issues raised by these labor organizations, so as to maintain harmonious relations with labor. (Proposed by: Director Chang Hsu-chung)

Resolutions: The attending directors unanimously approved the following resolutions to handle this matter:

A. The Board will form a task force to handle this matter, and the task force will define matters relevant to original labor conditions, as well as future strategies and framework for continuing negotiations between labor and management with regards to guidelines for employee assessment.

B. The task force will be composed of Directors Cheng Yu, Liaw Jeng-tsun, Huang Chiu-kuei, Lu Shyue-ching, and Chang Hsu-chung, whereas Director Cheng Yu will assume the post of chairman of the task force, and the

human resources department will serve as the staffing unit.

C. Regarding Director Chang Hsu-chung's remarks expressing hope that there can be more forms of communications during negotiations, the directors requested that the management do its utmost to cooperate in this effect.

D. After the Board forms the task force, the management must report to the task force within two weeks for discussion regarding the task force's proposed handling of the matter and state of communications.