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## FINANCIAL HIGHLIGHTS

### Chunghwa Telecom Co., Ltd.

(Unit: NT\$ millions, except per share data)	2002	2001
Service Revenues	176,089	182,155
Costs of Service	90,407	100,866
Net Income	43,205	37,271
Earnings Per Share	4.48	3.86
Total Assets	465,860	455,746
Capital Expenditure	42,896	55,344
Long-term Loans	17,700	17,000
Local telephone subscribers (in 1,000 sub.)	12,978	12,827
Mobile phone subscribers (in 1,000 sub.)	7,422	6,233
DSL Customers (in 1,000 sub.)	1,700	860
International telephone, outgoing traffic volume (in million minutes)	1,368	1,330
No. of Employees (year end)	28,969	31,421
Stock price (per share, year average) (in NT\$)	49.48	56.46

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## I. Chairman's Statement

Although 2002 was a difficult year for the telecommunications industry worldwide, I am proud to report that Chunghwa Telecom was successful in accomplishing its major operating objectives, resulting in the creation and enhancement of shareholder value. Thanks to the combined efforts of our diligent work force and effective management team, Chunghwa Telecom not only recaptured the leadership position in the domestic cellular market, we also managed to increase our dominance in the broadband area. Furthermore, substantial progress was made in raising the overall level of customer satisfaction.

Our performance in 2002 was outstanding. Although total revenue fell slightly to NT\$176 billion, a decrease of 3.3% as compared to 2001, net income grew significantly in the same period to NT\$43.2 billion, an increase of 16%, primarily due to the successful implementation of various cost cutting measures. These encouraging financial results not only give us the confidence to develop and launch additional innovative products and services, we are motivated to play an even more proactive role in the government's ambitious plan of an "e-Taiwan" by 2008.

### 2002 OPERATING RESULTS

The successes we enjoyed in the past year were largely the results of our longstanding management philosophy to "fully grasp the trends of the telecommunications industry, and confront competitive challenges pragmatically and aggressively."

In response to the increasing competition from market liberalization and deregulation, Chunghwa Telecom formulated three key strategies to strengthen our competitive position: adjust revenue mix by shifting emphasis from traditional fixed line to high growth business areas; focus on core services to maintain our leadership positions in key markets; and most importantly, redefine our corporate culture so that every member of Chunghwa Telecom is market-driven, customer-oriented, proactive and creative in achieving our common goal of increasing shareholder value.

With our solid business base and steady revenue stream, coupled with a series of aggressive cost cutting measures, including the reduction of capital expenditures, we achieved an enviable NT\$4.48 earnings per share in 2002. In line with our stated objective of gradually adjusting our revenue mix, cellular and data last year accounted for 36% and 18%, respectively, of our total revenue. Together these high growth areas accounted for more than 50% of our business. In comparison, the traditional fixed line areas of local telephone, domestic long distance and international long distance decreased to only 45% of our total revenue in 2002.

ADSL broadband service is a benchmark in the data communications market. Last year this sector continued to experience strong growth: the number of subscribers increased 97% and revenue increased 159%. Our share in the ADSL market was a dominating 92%. In terms of the total broadband market, including both ADSL and cable modem, Chunghwa Telecom's market share was 80%.

In the cellular market, despite a SIM card penetration rate of over 100% in Taiwan, our subscriber base increased 19% in 2002. We accounted for 50% of the net adds during the year. Our market share was 31% in terms of subscribers, and 35% in terms of revenue.





Chairman: Tan Ho Chen

## Chairman's Statement

In the fixed line market, due to migration and substitution effects of cellular and broadband internet access, declines in both volume and revenue were experienced in the local telephone and domestic long distance areas. As a whole, the fixed line business decreased 15% in 2002. Chunghwa Telecom's market share in local telephone was 99%, domestic long distance market share was 92%, and international long distance market share was 60%.

To support our ongoing business requirements, NT\$42.9 billion was spent in 2002 on capital expenditures. The expansion and construction of broadband infrastructure, optic fiber cable systems, data communications circuits, cellular switching equipment, cellular base stations, broadband access equipment, and ultra high speed switching networks accounted for about NT\$41.8 billion of the total expenditure. In addition, NT\$1.1 billion was spent on research and development, human resource training and other minor construction and maintenance projects.

### 2002 FINANCIAL ANALYSIS

Total revenue in 2002 was approximately NT\$176 billion, after tax net income was NT\$43.2 billion. In the following table we compared the highlights of our results and key financial ratios of 2001 and 2002.

Unit: NT\$ million

	Item	FY2002 (Jan.1-Dec.31)	FY2001 (Jan.1-Dec.31)
Income	Net Operating Revenue	176,089	182,155
	Gross Profit	85,682	81,289
	Net Income After Tax	43,205	37,271
Profitability Ratios	Return on Total Asset (%)	9.40	8.15
	Return on Shareholder's Equity (%)	11.79	10.95
	Operating Income to Paid-in Capital (%)	57.41	49.77
	Profit Before Tax to Paid-in Capital (%)	57.75	48.62
	Net Profit to Sales (%)	24.54	20.46
	Earnings per Share (NT\$)	4.48	3.86

### 2003 KEY BUSINESS OBJECTIVES

Given the completely liberalized and deregulated market environment, the technology-driven nature of the telecommunications industry, near saturation of the traditional voice market, and continued growth of the cellular and broadband businesses, we have set forth the following operating guidelines:

- > Continue cultivation of the cellular and broadband markets
- > Strengthen traditional voice business and protect related income stream
- > Control operating expenses to maintain profitability

We have also formulated the following marketing and sales objectives:



President & CEO: Shyue-Ching Lu



## Chairman's Statement

- > Fully promote broadband business by cultivating the high speed ADSL and fiber-to-the-building (FTTB) markets
- > Roll-out 3G infrastructure, develop wireless broadband business, enrich emome contents, and aggressively promote the wireless lifestyle
- > Promote voice resale and value-added services, provide bundled packages and pricing incentives to stabilize the fixed line business
- > Continue to increase the level of customer satisfaction by improving our customer relationship management

### FINANCIAL TARGETS FOR 2003

We remain quite optimistic about the prospects of 2003. Our projected financial targets are as follows:

To attain our operating targets, we must enhance our sales and marketing efforts to attract new customers, like the youth. We must also find ways to encourage existing customers to enlarge their usage of various services, especially in the near saturated voice market and the fiercely competitive cellular and broadband markets. Furthermore, we must maintain our dominant leadership position in the fixed line business.

All sales promotions should have the singular aim of cultivating potential customers in targeted market segments. We must be creative in devising packages and incentives that will appeal to these potential customers. We will join forces with service providers in other industries, such as travel and banking, to offer special promotions. Furthermore, we will apply state-of-the-art information technologies, such as data warehousing and customer relationship management (CRM), to identify new customers and create more effective sales promotions.

While some economists and telecommunications industry analysts are somewhat pessimistic on the outlooks of 2003, predicting that market conditions could be even worse than those of 2002, we at Chunghwa Telecom remain optimistic about our business prospects. I believe our dedicated work force and experienced management team will be able to successfully execute our business plan and achieve the targets set forth, including the roll-out of 3G and the privatization of the company by yearend. Chunghwa Telecom has successfully confronted numerous adversities since the liberalization of the telecommunications market in 1995, I am confident that we shall once again overcome the present challenges and emerge an even better organization. For 2003 and beyond, we will not only endeavor to maintain our leadership position in Taiwan, we will strive to become one of the best telecommunications companies in the world!

Unit: NT\$ million

Operating Revenue	NT\$ 177,476	
Cost of Services	91,877	
Gross Profit	85,600	
Operating expenses	31,104	
Income from operations	54,496	
Other Income	149	
Income Before Tax	54,645	

Source: Approved 2003 estimation by accounting firm



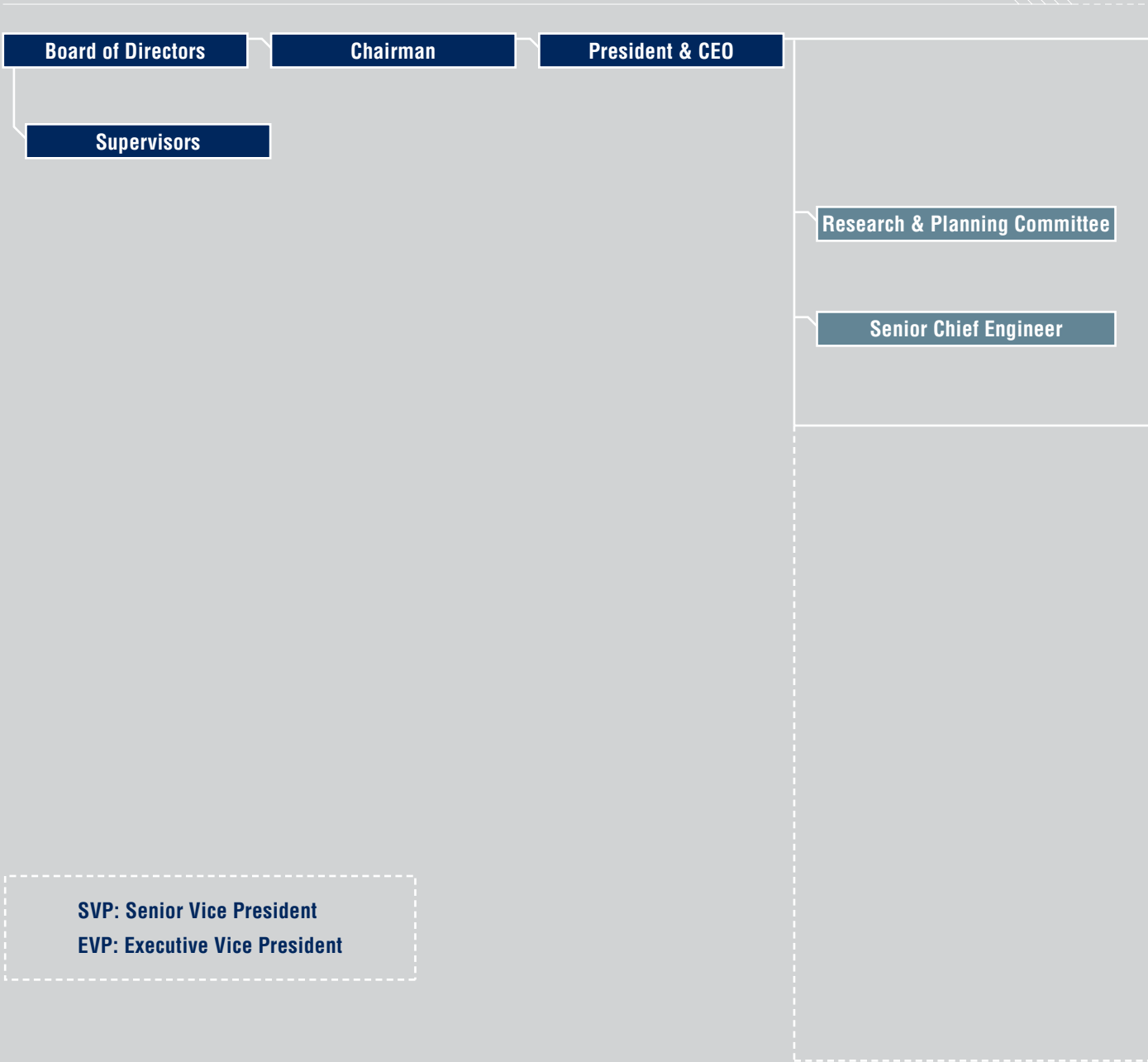
Chairman  
Chunghwa Telecom

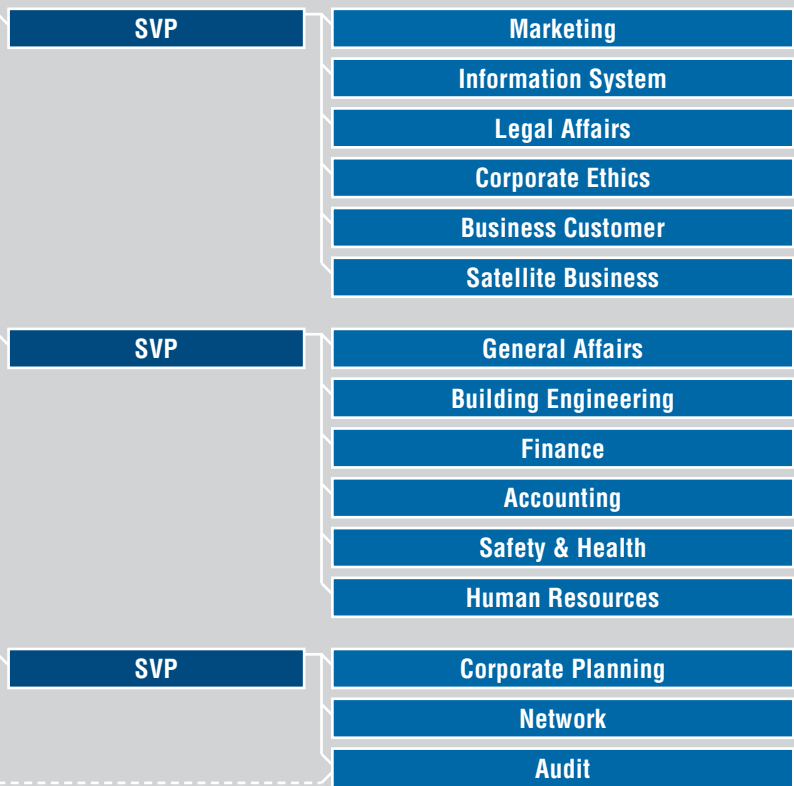


President & CEO  
Chunghwa Telecom



## II. Organization Chart of Chunghwa Telecom





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### III. The Status and Prospects of Chunghwa Telecom



The government of the Republic of China has to fulfill its obligations and commitments as a member of WTO and is now pushing hard to open the telecommunications market in Taiwan. Aggressive actions include issuing additional operation licenses, adopting the asymmetric regulation, raising the limit of foreign ownership in telecom companies, loosening the service restrictions for international submarine cable operators, etc. All these policies and actions have been closely monitored by the telecom industry. However, from the perspective of our business operations, every such measure aiming to stimulate the Taiwan telecom market could inevitably be harmful to the business interest and future development of Chunghwa Telecom.

As Chunghwa Telecom prepares to face these and other challenges, after thorough deliberation of technological evolution and the telecommunications sector, we set clear objectives to maintain our leading position in the market and sustain our competitive advantages.

The future direction in telecom business operation must be redefined to keep pace with the more pervasive use of mobile communications and internet and rapid changes in consumer preferences. Based on our experiences in service provisioning and network operations, we have swiftly re-allocated our business resources to focus on the top tier of services - cellular and data communications. We have also fully deployed IT to improve our efficiency, enhance customer services, and provide tailor-made products to meet the demands of our business customers. Our aggressive push for the growth of broadband and mobile communications services to enhance overall profitability has won respect from both local and foreign investors. In particular in the current downturn of the telecom industry, our performance has been outstanding in terms of return on investment and future value creation.

The following topics provide an in-depth study on our competitive environment, the trend in the corporate market, the trend in marketing for consumers, and IT application deployment in Chunghwa Telecom. All these topics will allow our shareholders to learn our strategies in maintaining our competitive advantages and how we intend to create more value for them.

#### A. THE COMPETITIVE ENVIRONMENT

Today over 75% of countries in the world are moving toward telecom liberalization because deregulation and globalization are world trends. Many major telecom players reinforced their competitiveness by means of mergers and acquisitions. For example, AT&T merged with TCI, the 2nd largest cable TV network in the USA and Telecom Italia was acquired by Olivetti Group, a private conglomerate in Italy.

To comply with commitments as a WTO member, beginning in 1995 when we were still not a member of WTO, our country has been actively pursuing telecommunications liberalization. In 1997 mobile phone and satellite communications services were opened, then fixed-line services was opened in 2001. After the opening of international submarine cable in 2002, the domestic telecommunications market came to a state of fully open competition.



As the traditional voice service in fixed-line became saturated, the new emerging operators introduced various promotion campaigns to win customers on the one hand, and at the same time, included IP service in product packages to reduce its costs of operations. Since the deployment of last mile in wide area coverage cannot be done overnight, Chunghwa Telecom still keeps this unique, but regulatory challenged competitive advantage. However, very fierce competition is experienced in long distance and international telephone services because every operator has the rights for equal access.

We anticipate that the number of mobile subscribers will continue to grow even though the penetration has already exceeded 100%. However, due to harsh competition and the decrease in ARPU, every operator has to launch a variety of mobile value-added services and mobile Internet services to attract customers. The most severe competition will be in the youngsters market and with enterprise customers.

Fixed-line operators, Type II operators and international submarine cable operators joined in the competition of the data communications market in Taiwan. The Internet market grew rapidly last year to reach 40% penetration. While the number of broadband Internet subscribers grew substantially, narrow-band Internet subscribers had decreased gradually. In line with the increasing number of broadband users, value-added data services and applications such as movies, games and education program are becoming more mature. Many operators have entered into strategic alliances or cooperative partnerships to strengthen their competitiveness.

## **Develop the core businesses and strengthen the market position**

In order to develop the core businesses and strengthen our market position, Chunghwa Telecom made adjustments to the organizational structure and injected sufficient new resources. In H1 of 2002, we split the mobile business group from the long distance business group, and merged the latter into the local telephone business group. This reorganization yielded remarkable synergy of sales and efficiency in business operation and network planning. The ultimate result of this change is to enable our mobile business group to focus on its core cellular markets.

One of the most important strategies in 2001 is to regain our No.1 position in the mobile service market in Taiwan. To accomplish this, we expand our network capacity and enhanced sales of mobile services in providing better quality service to customers. And we changed each Service Center, which function was mainly for serving local phone business, to become our sales channel for aggressively promoting mobile services. In our sales campaign for mobile services, we also motivated each of our individual employees to become a first line sales person. In August, 2001 we successfully won back our leading position in the mobile phone market.

At the same time we also greatly upgraded our quality of services, reduced customer churn rate and launched many innovative value-added services. These efforts helped us to firmly maintain our No.1 position in the mobile market in terms of monthly total revenues and ARPU - the average revenue per user.

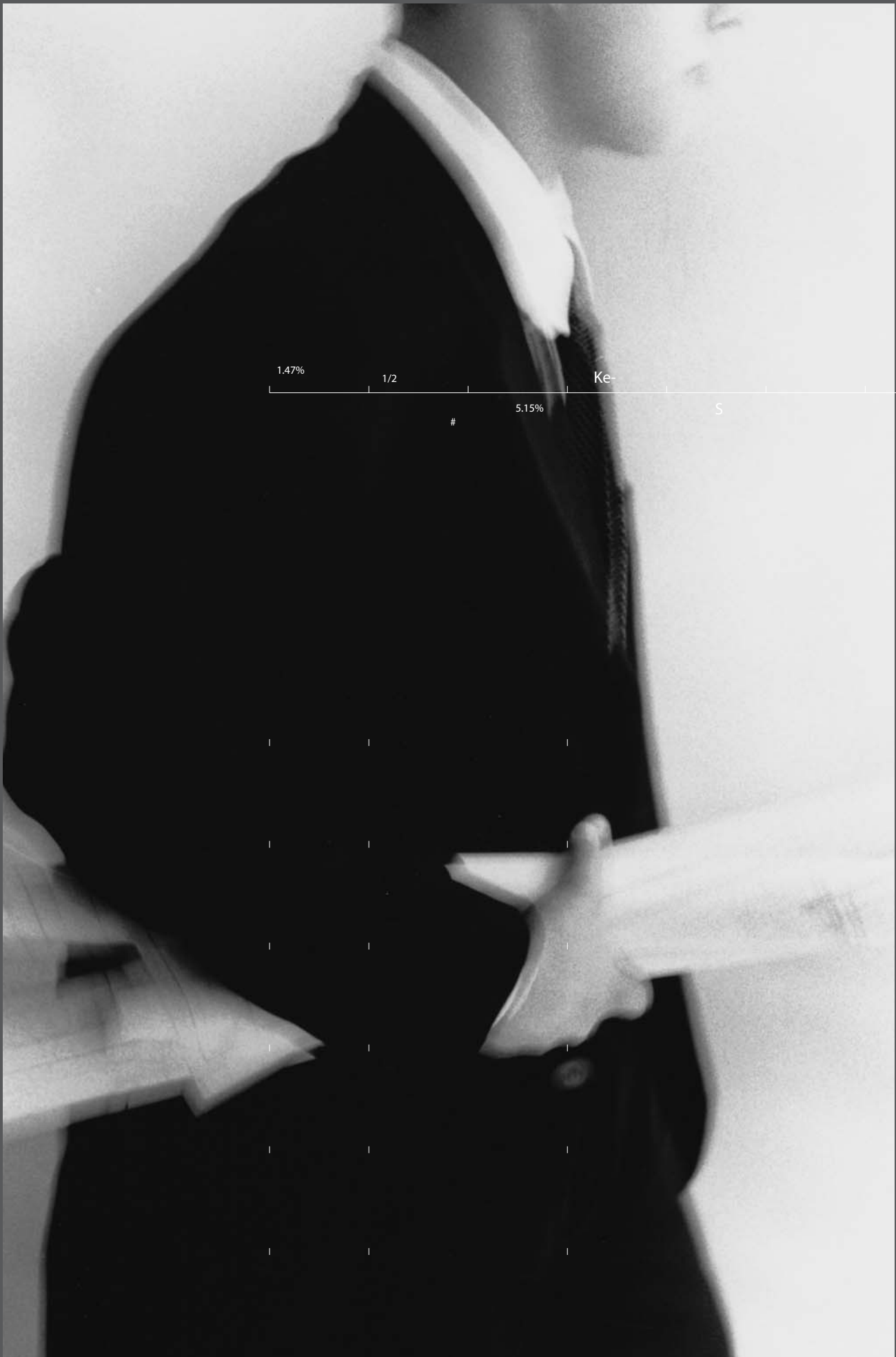
## **Transform the corporate culture and establish the competitive advantages**

Perhaps transforming our corporate culture was the most important task in the whole process of company-wide re-engineering. We intended to build a corporate culture where each of our 29,000 employees becomes a value-creator for increasing shareholder value. Thus we need every employee to take full accountability for the profits of the company. Undoubtedly, each employee has the potential to become the best sales person on the front line. During the past year our hardworking employees, in addition to their regular duties, also in their own time sold ADSL service to their relatives, neighbors and friends. Even when our service crews handled their duties for broadband installation, they also knock on doors along the street to sell more mobile phone handsets. This situation has been exaggerated by some members of the media as "Chunghwa Telecom became a Dancing Monster". After this transformation we have a rejuvenated work force with sales oriented targets and a clear corporate vision to aggressively pursue opportunities in the mobile and data businesses.

## **Upgrade efficiency to increase profits**

In 2002, revenue of the fixed-line business was only 45 % of total revenues. This decrease in revenue of the fixed-line business was compensated for by the increased revenues in cellular and data communications. The combined revenue of the mobile and data businesses was 54 % of the total revenues in 2002. In addition, we also implemented measures to cost down, reduce service expenses, and optimize capital expenditure to increase profit. From the management perspective, we need to reduce the number employees and cut operation expenses. But when most companies faced these issues simply by laying-off their employees in large numbers, instead, we offered to our staff special packages to encourage their earlier retirement. Since 2000 we have reduced about 7,000 employees, or about 20% of total workforce in Chunghwa Telecom. In 2002 our profit was NT\$ 43.2 billion, about 16% over the previous year. This performance was the best in Asia and also one of the most outstanding in the world.

We believe Chunghwa Telecom will achieve its ambitious targets because it possesses competitive advantages such as experiences and insights in the highly competitive markets, healthy financial status, abilities in deploying measures of costs saving, seamless cooperation among our employees across all disciplines, and most importantly, a redefined corporate culture where every employee is accountable, proactive and aggressive in pursuing higher value for themselves, the company, and ultimately, for our shareholders.





## B. TREND OF ENTERPRISE CUSTOMERS MARKET

The enterprise customers market accounted about 32 % of our total revenues last year, so it is crucial that we must strengthen our operations in this area to secure a higher satisfaction from every business customer. We regard this as the only guarantee in keeping a steady revenue flow from these clients. In our business customer service system, we consolidated experienced resources in the core business areas of fixed-line, mobile and data communications, and launched a variety of e-business and m-commerce services for our enterprise customers. We also developed digital contents to kick-off the e-learning program for business customers in response to government policy. We also promoted system integration (SI) services and developed the Internet Certification service to encourage e-business and m-commerce promotion and development in Taiwan.

### Promote services for e-business

In today's knowledge-base economy, the key factor of success is to offer products with "Win-win" benefits for both our business customers and ourselves. This can be done by knowing our business customers and designing solutions for their unique requirements. We must develop e-business as our core competence to succeed in the business customer market. Our e-business services including IP Virtual Private Network (IP-VPN), two-way 512 Kbps broadband service, Fiber-to-the-building (FTTB), and custom- tailored e-business platforms such as Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), Public Key Infrastructure (PKI), Supply Chain Management (SCM), and a variety of services bundled from the above-mentioned buildingblocks and applications.

### Push services for m-business and build the m-commerce environment

Beginning in 2003, the era of wireless communications has arrived as wireless technology becomes more matured. More business customers have recognized that mobile Internet is the ultimate tool to reduce operation costs and improve business performance. It has already become the main focus of many enterprises in chasing higher growth and profitability. Since e-business and m-commerce are in nature complementary to each other, and it is expected that wireless access applications will be widely deployed by most business entities once data communications security can be guaranteed. In 2003 we will launch a variety of wireless services such as W-LAN, MVPN, ITS, and emomeM1 to help the development of m-commerce.

### Develop digital contents and push e-learning for business

In "Challenge 2008--National Development Plan", the Executive Yuan of the Republic of China has envisioned that the digital content industry will be one of the most prominent as it could become a NT\$ 2 trillion market by 2008. It

is planned that Taiwan will become an international innovation and R&D base. However, these perspectives are highly dependent on the supply of talents and necessary human resources. The cultivation of talents must be initiated at the school education level and supplemented by special training in business entities. The training courses and lectures in business entities are gradually shifting from the traditional style of classroom-teacher to e-learning, since the lectures can be repeated without limit, and the transportation cost for students to training sites can almost be eliminated. Furthermore, employees located everywhere can access these lectures online and make instant responses to the instructors in e-learning courses.

In 2003 we will continue to promote a service called "two-way 512" enabling 512Kbps data speed in both uplink and downlink, and we also provide Fiber To-The-Building (FTTB) service to those buildings where the incoming optical fibers have already been placed. These services will greatly help business enterprises and schools to establish a low cost and high efficiency remote e-learning network, and provide enormous benefits to enterprises in developing their own internal training infrastructure. Currently, these services and applications include consultancy and turnkey to build out high-speed websites, systems engineering for mass e-mail that can handle huge multimedia files, and multi-point video conferencing system. We also launched enterprise applications such as HiNet Classroom ([www.elearn.hinet.net](http://www.elearn.hinet.net)), or special platforms such as HiVideo and HiLink.

### **Promote System Integration Service for expanding communications market opportunities**

Initially the System Integration Service played a subtle role as a link between the automation application software and its system hardware equipment, but it has now become more independent and more integrated. When business communications systems become very sophisticated, and under the demands of "Easy install, Easy use and Easy maintain", more is expected of the system integration service which is in high demand today. Our System Integration Service has been bundled with our core products and services, with hardware products supplied and technically supported by our partner equipment vendors. This integrated cooperation aims to meet the increasing network demands in communications and information network applications from the enterprise customers. Currently the SI service includes MPLS IP VPN and the following dedicated integration of services:

- > Virtual Private Network for Internet/ Intranet/ Extranet, including backbone infrastructure of WAN and LAN.
- > Turn-key project for communication system, including material supply and installation service in wiring, network cards, concentrator, and routers.
- > Engineering and installation services for LAN
- > Value-added services: including Video conferencing, Web Server, Mail Server, and Network security deployment.
- > System Integration service for communities, including intercom and broadcasting system, Security guard intercom system, vehicle management automation, emergency back-up networks, digital AV monitoring system and community network turnkey project.

### **Development of Internet Certification to stimulate e-commerce**

We have devoted resources in R/ D on Internet Certification for many years to accomplish the Public Key Infrastructure (PKI) platform for electronic authorization operations. In terms of technology progress and number of talents, we are at the forefront in the field of Internet Certification. We believe it will bring maximized synergy when we consolidate the capital flow with our other advantages such as the huge database for customer relationship.

When e-commerce takes off in a global scale, a mechanism of integrating the Internet Certification with services of e-fund and e-banking will dominate the entire e-commerce environment. In the front-end we will assist enterprises to deploy e-commerce, and in the rear-end we back-up solutions for financial institutions to deploy e-banking. Here, we must guarantee network security and data security in the e-commerce process flows, and provide a higher value to our partners and customers.

It is evident that business customer services in the future will be integrating telecom resources and bundling with Internet Certification to reduce the work load in each business operational site. The routines such as filing for application, changing, inquiring and terminating services, will be handled by Internet Certification to enable business customers to apply online any kind of services. They can also use our other services such as PKI platform, Certification Authority (CA), web hosting, depositing and deadline management to deploy a series of security checking in every step of the e-transaction. This is greatly beneficial to the application of e-commerce and further stimulate its deployment.

### **Enhance satisfaction of business customers**

In order to attain better satisfaction from our business customers, we constantly review the features and capabilities of our service menu as well as the attitude of our service crews in dealing with our business customers. We use regular opinion polling to better understand the ideas and expectations of our customers. The polling results are carefully analyzed to identify areas in need of further improvement, allowing us to upgrade our core business services as well as our corporate image.







### C. MARKETING IN CONSUMER MARKETS

The consumer market trend in the 21st century has been characterized by more personal, more lifestyle, more mobility and more IT orientation, so our products have to be more creative, more friendly and more diversified. At the same time, our service quality has to be high enough to meet demands from different consumer groups. Today, our revenue from the consumer market is about 68% of total revenues. We believe to perform well in the consumer market is we must fully grasp the interest and preference of each consumer segment. To do this, we must conduct intensive research of consumer behaviors and their trends and tendencies, then follow-up with differentiated services and offer attractive

packages for these customers.

The advances and rapid evolution in modern telecommunications technology provide little opportunity for competitive players to manufacture products or provide services with big and drastic differences. However, each service provider can only retain the loyalty of customers by attracting them with unique and highly differentiated services. Based on this, many companies attempt to strengthen their competitiveness by strategic investment, merger and acquisition, entering into strategic partnership, or integrating upper and lower stream partners. All these strategies and practices combined to form a new telecom market ecology. In addition, rapidly emerging new technology and fancy new services make the consumer market the hottest battlefield today.

Including local telephone and long-distance telephone, the fixed-line voice market is in decline because of the migration and substitution effects of cellular and broadband data communications. When many new players rush to compete in the hot market of international telephone business, total traffic volume was stimulated to significant growth. With the maturation of VoIP technology, its integration of voice and data greatly reduced operation costs in transmission and maintenance for fixed-line operators, thus many similar VoIP service products appeared in the market. However, when there are too many similar service products available in the market, customer loyalty will decline or even disappear. Consequently, price wars among competitors are inevitable. With this concern, special focus must be placed on the customers' consuming behaviors. To avoid price wars we must enhance our customer relationship and in constant efforts to satisfy our customers.

As our government is aggressively pushing 3G and encouraging the build out of high-speed communications infrastructure, and to make wireless access widely available, it is estimated that in H2 of 2003 Chunghwa Telecom will launch 3G services and test market. However, there are many factors impacting 3G in its initial stage, such as insufficient signal coverage and shortage of proper handsets, together with 3G own impacts on 2G, the effects of all these complicated issues are still unknown and need to be carefully monitored. Because service in 2G is almost saturated today, every operator is adopting data mining technology to help retain customers and gain bigger market shares. On the other hand, more transmission bandwidth in 3G will enable the future multi-media value-added services based on MMS, JAVA, and MASP platforms to provide more personalized services. Currently we are focusing on potential value-added services that target the youngster consumer groups and the enterprise customers, both of which are sustained contributors to our revenues.



In data communications, we must accelerate our broadband services development as our government has set a target of "reaching 6 million broadband households by 2008" in its national development plan, which aims to make Taiwan a digitized island. In order to provide customers with more diversified ways of broadband access, operators are keen to provide different access approaches by implementing ADSL, FTTH and VDSL, and also introduce DWDM in backbone transmission and deploy MPLS/ GSR in IP infrastructure. Most ISPs are expanding their broadband capabilities to handle value-added services such as high-speed data, audio-video entertainment and multi-media. The cable TV operators in Taiwan also launched "3 in 1" service which combines cable modem + CATV + cable phone. Their progress must be closely watched as they integrate telecom, media and content businesses together. Intense competition in this area seems inevitable.

Our marketing strategies to attain a leadership position in the consumer markets were derived from a deliberate review of every competitive advantage we have established over the years, and to deploy them to each frontline sales site and back-up teams for network operations and management. Through the offerings of value-added services, we can maximize sales and bringing enormous benefits to various consumer groups. We believe our competitive advantages are as follows:

- > With our market leading customers bases in fixed-line, mobile phone and data services, we can easily attract vendors to form strategic alliances or cooperative partnerships.
- > As we own the largest bandwidth in domestic and international networks and the most comprehensive coverage, we can provide various kinds of traffic circuits, value-added services, and integrated wide area network services for the enterprise customers.
- > We possess the largest number of Internet Content Providers, allowing us to offer the most complete series of innovative services in meeting market demands.
- > Supported by our own R/ D and training institutions, we could introduce in a timely manner new services or new technologies to sharpen our competitive edge.
- > We have qualified and experienced teams of employees, all of whom are well-equipped to thrive in a competitive environment and function as a unity.
- > We have an extensive sales network, including 33 regional operation centers, 252 local service sites, and many outsourcing agents and sales channels. In addition, we provide to our customers business service desks, virtual service desks, Internet service desks, off-business-hour service desks and stay-in-the-car service desks.
- > We have a very healthy financial structure, excellent financial credibility and a bright and shining brand name.
- > We have deployed CRM and introduced One-Stop-Shopping, our service hotlines are available 24x7 to handle questions and customer complaints.
- > We have a very sophisticated marketing information system and integrated internal communications system, enabling us to face the many challenges of the newly developed digital and knowledge-base economy.

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## The Status and Prospects of Chunghwa Telecom



In our view, the consumer markets are rapidly changing and evolving and very difficult to predict in the long run. However, with the combined efforts of our market research teams, and state-of-the-art computer technologies such as data warehousing, data mining, and customer relationship management, we can better grasp more detail trends in the consumer market than our competitors. We see quite often that Chunghwa Telecom, despite our position as an incumbent and stereotype of a 100-year old telephone company to the public, we play an active role in leading the colorful markets for youngster consumer groups. We are optimistic that many innovative bandwagon services, such as "emome" and "HiMarket" be adopted into individual homes and become part of the lifestyle in the 21 century. Chunghwa Telecom will play a most important role in consumer markets.

### D. THE IT DEPLOYMENT AND e-CHT

At the end of the 20<sup>th</sup> century, the informational revolution has ushered in a new economy of Information Technology (IT), globalization and the concept of global village. The information and knowledge applications have become the key factors of success in this new era. Daily life and daily work have broken the constraints in time and location, a virtual society has gradually emerged. Our government has included "e-Taiwan" as one of the 10 key development plans in its "Challenge 2008--National Development Plan". As the leading telecom service provider in Taiwan, Chunghwa Telecom spares no efforts to pursue all market opportunities in e-Taiwan development. We also challenged ourselves to strengthen our competitive advantages by ways of digitization (e-CHT), in making a fully digitized Chunghwa Telecom the paradigm of a brand new type e-enterprise in Taiwan.

#### IT strategies

We will use more computers to mechanize the daily service operational routines using the internet, so our human resources and equipment can be better allocated, and our scope of services can be expanded "Anytime, Anywhere and Any Devices". All standard processes and operations will be handled by IT systems and centrally managed by fully automatic computer systems or by Internet in order to reduce human involvement, thereby cut down the operation costs and upgrade our work efficiency.

With a company-wide deployment of advanced IT applications, we have optimized and standardized internal working flows and further stimulate a large scale re-engineering process, which resulted in an adjustment in organizational structure and a transformation of corporate culture. The ultimate reward is our employees becoming more capable in handling their works, and more focused to meet customers' diversified needs, and more professional in discharging their duties.

Therefore it is quite clear that in the process of a company-wide IT deployment to become an e-CHT, not only will network service quality and business service efficiency be greatly improved, but operation costs can be significantly reduced. Once we have sharpened our competitiveness, we are better positioned to face challenges in the existing markets as well as other newly developed markets. Measures deployed to facilitate an e-CHT include the following IT undertakings:

- > To expand the capability of service desks on Internet webs: Customers can be serviced by visiting the CHT website. The service items include local telephone, mobile phone, data communications and international telephone. We provide customer services via Internet self-help and 7x24x365 fulltime inquiry and fees-collection. For this, "More works by Internet and less walks by legs" is our slogan to highlight our prompt services and availability at anytime and anywhere.
- > To enhance the virtual service desks: Currently we use Computer Telephone Integration (CTI) technology to allow many Call Centers to provide "One call, everything's OK" type customer hot-line service. By dialing the "123" hot-line, the customer call will be automatically answered by voice response equipment, and our customer service crews will follow-up on the inquiries to provide timely and amicable services to meet our customers' demands.
- > To launch mobile service desks: Currently we use ADSL and WLAN technologies to provide office features for our employees when they are not at the office. They have prompt and remote access to their files from the huge database located in the office, because saving process time means faster responses and less wait time for customers. As we place our customers in the highest priority in providing services that are "Available Anytime Anywhere".
- > To enhance IT security: We have separated our enterprise information network from our public telecom infrastructure, and strengthened the firewall capability and features to promptly detect outside invasion. We established security monitor centers to regularly monitor the weak points in security network. We also developed the users authority system, together with the PKI and authentication center to pursue high quality security in data application and information systems.
- > To integrate our company website **www.cht.com.tw** and build it into an omnipotent business portal of CHT. This website can provide total service with transaction capability. This will strengthen our employees' relationship with customers when they handle service sales or products promotion, either by group or by individual, as every employee in Chunghwa Telecom is a sales person and needs to develop closer ties with customers.
- > Conducted an in-depth comprehensive study on customer application analysis. We used data warehousing technology to improve the quality of stored data and provide timely and complete data access. We fully analyzed the consuming behavior of our customers to identify potential new customers and better ways to serve them. We regard this as the most effective way to achieve a higher level of customer satisfaction.

## IV. Independent Auditor's Report

### English Translation of a Report Originally Issued in Chinese Independent Auditors' Report

March 7, 2003

The Board of Directors and Stockholders  
Chunghwa Telecom Co., Ltd.

We have audited the accompanying balance sheets of Chunghwa Telecom Co., Ltd. as of December 31, 2002 and 2001, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, all expressed in New Taiwan dollars. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Regulations for Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those regulations and standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Company as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with relevant regulations, regulations governing the preparation of financial statements of public companies and accounting principles generally accepted in the Republic of China.

As stated in Notes 2 and 3 to the financial statements, the Company's accounts are subject to examination by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan and by the Ministry of Audit of the Control Yuan. The accounts as of and for the year ended December 31, 2001 have been examined by these government agencies, and adjustments from this examination have been recognized in the accompanying financial statements.



An Associate Member Firm of Deloitte Touche Tohmatsu  
Taipei, Taiwan  
The Republic of China

#### Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.



# Independent Auditor's Report

Amounts in New Taiwan Thousand Dollars, Except Par Value Data

## BALANCE SHEETS (December 31, 2002 and 2001)

Assets	2002		2001	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 7,652,160	2	\$ 4,643,161	1
Trade notes and accounts receivable - net of allowance for doubtful accounts of \$1,491,907 in 2002 and \$769,221 in 2001	15,758,335	3	18,685,762	4
Inventories - net	1,163,638	-	1,798,482	-
Deferred income taxes	12,449,441	3	75,727	-
Other current assets	2,414,981	1	3,229,675	1
<b>Total Current Assets</b>	<b>39,438,555</b>	<b>9</b>	<b>28,432,807</b>	<b>6</b>
<b>INVESTMENTS IN UNCONSOLIDATED COMPANIES AND FUNDS</b>	<b>5,727,204</b>	<b>1</b>	<b>3,959,612</b>	<b>1</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Cost</b>				
Land	101,578,675	22	101,141,956	22
Land improvements	1,331,175	-	1,267,346	-
Buildings	51,442,169	11	46,489,849	10
Machinery and equipment	21,038,736	5	20,074,322	5
Telecommunications network facilities	602,314,839	129	574,418,678	126
Miscellaneous equipment	2,105,199	1	2,108,155	1
<b>Total cost</b>	<b>779,810,793</b>	<b>168</b>	<b>745,500,306</b>	<b>164</b>
Revaluation increment on land	5,960,931	1	5,961,642	1
	785,771,724	169	751,461,948	165
Less: Accumulated depreciation	427,315,037	92	401,013,645	88
	358,456,687	77	350,448,303	77
Construction in progress and advances related to acquisitions of equipment	48,754,710	10	55,210,439	12
<b>Property, Plant and Equipment - Net</b>	<b>407,211,397</b>	<b>87</b>	<b>405,658,742</b>	<b>89</b>
<b>INTANGIBLE ASSETS</b>				
3G concession	10,179,000	2	-	-
Patents and computer software - net	211,506	-	159,349	-
<b>Total Intangible Assets</b>	<b>10,390,506</b>	<b>2</b>	<b>159,349</b>	<b>-</b>
<b>OTHER ASSETS</b>				
Overdue receivables - net of allowance for losses of \$6,012,517 in 2002 and \$4,238,782 in 2001	1,706,425	1	1,874,865	-
Deferred income taxes - non-current	22,841	-	12,934,681	3
Other	1,363,528	-	2,725,606	1
<b>Total Other Assets</b>	<b>3,092,794</b>	<b>1</b>	<b>17,535,152</b>	<b>4</b>
<b>TOTAL ASSETS</b>	<b>\$ 465,860,456</b>	<b>100</b>	<b>\$ 455,745,662</b>	<b>100</b>

Amounts in New Taiwan Thousand Dollars, Except Par Value Data

LIABILITIES AND STOCKHOLDERS' EQUITY	2002		2001	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Trade notes and accounts payable	\$ 11,217,375	2	\$ 15,000,123	3
Income tax payable	6,051,073	1	2,859,543	1
Accrued expenses	13,804,293	3	14,161,595	3
Accrued pension liabilities	2,305,671	1	-	-
Dividends payable	-	-	33,767,037	7
Other current liabilities	13,911,913	3	13,029,340	3
<b>Total Current Liabilities</b>	<b>47,290,325</b>	<b>10</b>	<b>78,817,638</b>	<b>17</b>
<b>LONG-TERM LIABILITIES</b>				
Reserve for land value incremental tax	211,182	-	211,182	-
Long-term loans	17,700,000	4	17,000,000	4
Deferred income	393,182	-	403,315	-
<b>Total Long-term Liabilities</b>	<b>18,304,364</b>	<b>4</b>	<b>17,614,497</b>	<b>4</b>
<b>OTHER LIABILITIES</b>				
Accrued pension liabilities	-	-	1,129,776	-
Customers' deposits	11,974,520	3	12,914,936	3
Other	153,291	-	335,614	-
<b>Total Other Liabilities</b>	<b>12,127,811</b>	<b>3</b>	<b>14,380,326</b>	<b>3</b>
<b>Total Liabilities</b>	<b>77,722,500</b>	<b>17</b>	<b>110,812,461</b>	<b>24</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock - \$10 par value; authorized, issued and outstanding - 9,647,725 thousand common shares	96,477,249	21	96,477,249	21
<b>Capital surplus:</b>				
Paid-in capital in excess of par value	214,546,263	46	214,546,263	47
Capital surplus from revaluation of land	5,749,909	1	5,750,491	2
Gain on sale of property, plant and equipment	-	-	75,176	-
Donations	13,170	-	13,170	-
<b>Total capital surplus</b>	<b>220,309,342</b>	<b>47</b>	<b>220,385,100</b>	<b>49</b>
<b>Retained earnings:</b>				
Legal reserve	25,105,829	5	25,105,829	5
Special reserve	2,675,419	1	2,675,419	1
Unappropriated earnings	43,569,817	9	289,604	-
<b>Total retained earnings</b>	<b>71,351,065</b>	<b>15</b>	<b>28,070,852</b>	<b>6</b>
Cumulative translation adjustments	300	-	-	-
<b>Total Stock holders' Equity</b>	<b>388,137,956</b>	<b>83</b>	<b>344,933,201</b>	<b>76</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 465,860,456</b>	<b>100</b>	<b>\$ 455,745,662</b>	<b>100</b>

The accompanying notes are an integral part of the financial statements.  
(With T N Soong & Co report dated March 7, 2003)

# Independent Auditor's Report

Amounts in New Taiwan Thousand Dollars, Except Basic Net Income Per Share Data

## STATEMENTS OF OPERATIONS (For the Years Ended December 31, 2002 and 2001)

Year	2002		2001		
	Amount	%	Amount	%	
SERVICE REVENUES	\$ 176,089,011	100	\$ 182,154,717	100	
COSTS OF SERVICES	90,407,298	51	100,865,880	56	
GROSS PROFIT	85,681,713	49	81,288,837	44	
OPERATING EXPENSES					
Marketing	24,312,797	14	26,436,031	14	
General and administrative	2,878,322	1	3,484,190	2	
Research and development	3,102,725	2	3,351,959	2	
Total Operating Expenses	30,293,844	17	33,272,180	18	
INCOME FROM OPERATIONS	55,387,869	32	48,016,657	26	
OTHER INCOME					
Penalties	1,480,114	1	1,645,282	1	
Interest	187,007	-	648,799	-	
Income from sale of scraps	194,822	-	134,208	-	
Dividends	103,396	-	209,408	-	
Equity in net income of unconsolidated companies	-	-	189,101	-	
Other income	532,938	-	881,560	1	
Total Other Income	2,498,277	1	3,708,358	2	
OTHER EXPENSES					
Losses arising from natural calamities	208,144	-	393,039	-	
Foreign exchange loss - net	224,414	-	206,000	-	
Interest	170,621	-	391,510	-	
Losses on disposal of property, plant and equipment	255,096	-	1,046,918	1	
Equity in net loss of unconsolidated companies	232,551	-	-	-	
Other expense	1,079,330	1	2,779,167	1	
Total Other Expenses	2,170,126	1	4,816,634	2	
INCOME BEFORE INCOME TAX	\$ 55,716,020	32	\$ 46,908,381	26	
INCOME TAX	12,510,983	7	9,636,961	6	
NET INCOME	\$ 43,205,037	25	\$ 37,271,420	20	
Income Before Income	Tax Expense	Net Income	Tax Expense	Net Income	
BASIC NET INCOME PER SHARE	\$ 5.78	\$ 4.48	\$ 4.86	\$ 3.86	

The accompanying notes are an integral part of the financial statements.  
(With T N Soong & Co report dated March 7, 2003)





# Independent Auditor's Report

Amounts in New Taiwan Thousand Dollars

## STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (For the Years Ended December 31, 2002 and 2001)

	COMMON CAPITAL STOCK		Paid-in Capital in Excess of Par Value	Capital Surplus from Revaluation of Land	CAPITAL SURPLUS		Total
	Shares (Thousands)	Amount			Gain on Disposal of Property, Plant and Equipment	Donations	
<b>BALANCE, JANUARY 1, 2001</b> (ASADJUSTED)	9,647,725	\$ 96,477,249	\$ 214,766,939	\$ -	\$ 75,176	\$ 13,170	\$ 214,855,285
Land revaluation increment	-	-	-	5,774,892	-	-	5,774,892
Net transfer of property, plant and equipment to National Properties Bureau and other government agencies	-	-	( 220,676)	( 24,401)	-	-	( 245,077)
Net income in 2001	-	-	-	-	-	-	-
Appropriation of 2001 earnings	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
<b>BALANCE, DECEMBER 31, 2001</b>	9,647,725	96,477,249	214,546,263	5,750,491	75,176	13,170	220,385,100
Reclassification of gain on disposal of property, plant and equipment	-	-	-	-	( 75,176)	-	( 75,176)
Reclassification of capital surplus from revaluation upon disposal of land to other income	-	-	-	( 582)	-	-	( 582)
Net income in the 2002	-	-	-	-	-	-	-
Cumulative translation adjustment for foreign- currency investments in unconsolidated companies	-	-	-	-	-	-	-
<b>BALANCE, DECEMBER 31, 2002</b>	<u>9,647,725</u>	<u>\$ 96,477,249</u>	<u>\$ 214,546,263</u>	<u>\$ 5,749,909</u>	<u>\$ -</u>	<u>\$ 13,170</u>	<u>\$ 220,309,342</u>

The accompanying notes are an integral part of the financial statements.  
(With T N Soong & Co report dated March 7, 2003)

Amounts in New Taiwan Thousand Dollars

RETAINED EARNINGS				CUMULATIVE TRANSLATION ADJUSTMENTS	TOTAL STOCKHOLDERS' EQUITY	
Legal Reserve	Special Reserve	Unappropriated Earnings	Total			
\$ 21,378,687	\$ 2,675,419	\$ 512,363	\$ 24,566,469	\$ -	\$ 335,899,003	
-	-	-	-	-	5,774,892	
-	-	-	-	-	( 245,077)	
-	-	37,271,420	37,271,420	-	37,271,420	
3,727,142	-	( 3,727,142)	-	-	-	
-	-	( 33,767,037)	( 33,767,037)	-	( 33,767,037)	
25,105,829	2,675,419	289,604	28,070,852	-	344,933,201	
-	-	75,176	75,176	-	-	
-	-	-	-	-	( 582)	
-	-	43,205,037	43,205,037	-	43,205,037	
-	-	-	-	300	300	
<u>\$ 25,105,829</u>	<u>\$ 2,675,419</u>	<u>\$ 43,569,817</u>	<u>\$ 71,351,065</u>	<u>\$ 300</u>	<u>\$ 388,137,956</u>	

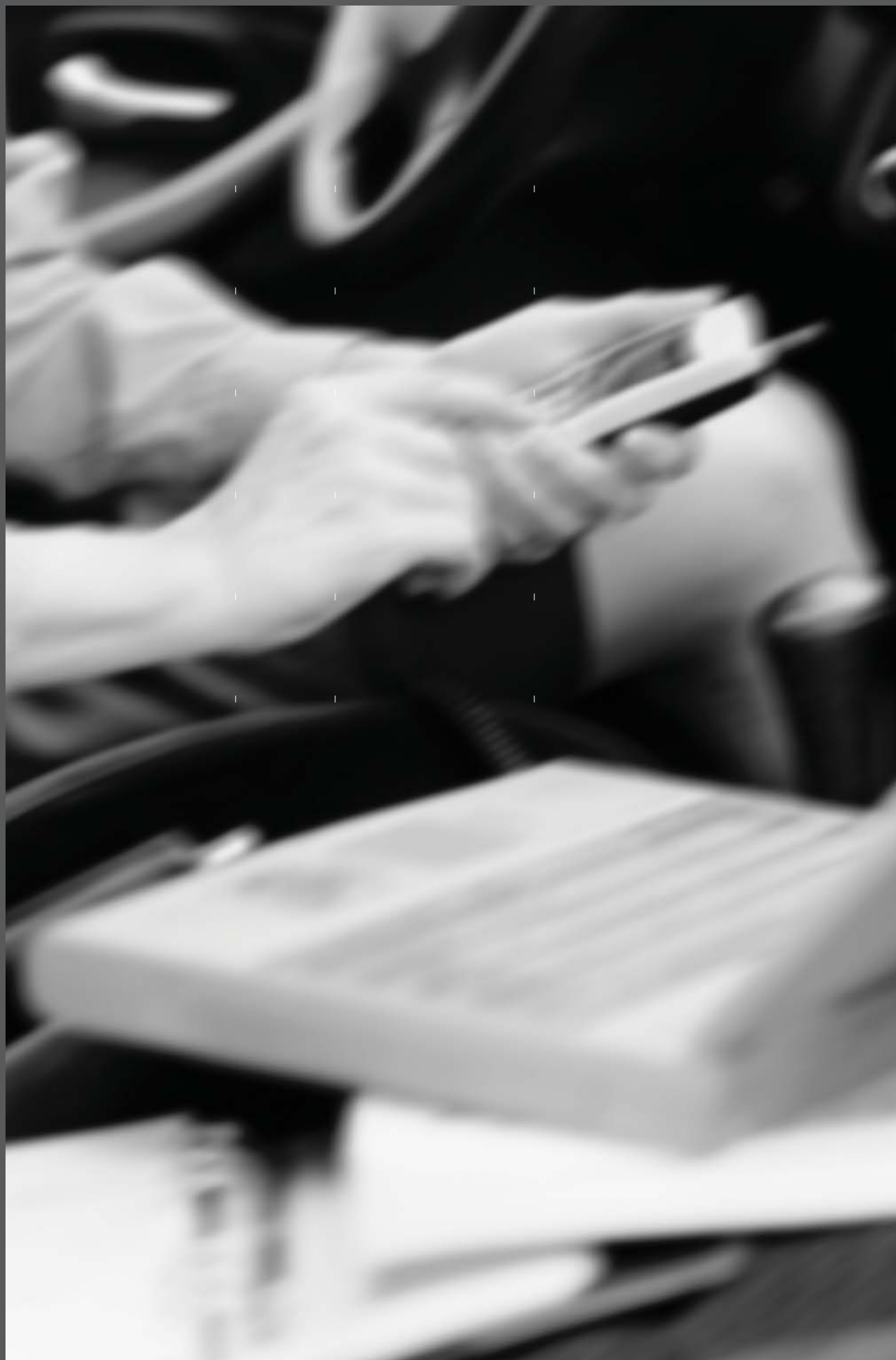
# Independent Auditor's Report

Amounts in New Taiwan Thousand Dollars

## STATEMENTS OF CASH FLOWS (For the Years Ended December 31, 2002 and 2001)

Year	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 43,205,037	\$ 37,271,420
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for doubtful accounts	4,930,849	3,848,787
Depreciation and amortization	40,896,748	39,385,281
Cash dividends received from unconsolidated companies	-	94,318
Reversal of allowance for losses on inventories	( 18,040)	( 83,127)
Net loss on disposal of property, plant and equipment	212,613	955,924
Equity in net loss (net income) of unconsolidated companies	232,551	( 189,101)
Deferred income taxes	538,126	( 1,728,696)
Accrued pension liabilities	1,175,895	( 639,242)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Trade notes and accounts receivable	2,203,957	( 606,602)
Inventories	( 463,536)	3,719,498
Other current assets	814,469	( 715,998)
Overdue receivables	( 4,038,714)	( 2,953,000)
Increase (decrease) in:		
Trade notes and accounts payable	( 2,666,327)	3,582,895
Income tax payable	3,191,530	( 4,542,838)
Accrued expenses	( 357,302)	( 849,487)
Other current liabilities	1,583,673	1,239,695
Deferred income	( 10,133)	12,197
<b>Net Cash Provided by Operating Activities</b>	<b>91,431,396</b>	<b>77,801,924</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	293,745	294,020
Acquisitions of property, plant and equipment	( 43,259,505)	( 53,562,951)
Payment on 3G concession, patents and computer software and other assets	( 9,267,018)	( 2,410,967)
Net increase in investments in unconsolidated companies	( 1,999,843)	( 922,250)
<b>Net Cash Used in Investing Activities</b>	<b>( 54,232,621)</b>	<b>( 56,602,148)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of long-term loans	\$ 38,700,000	\$ 30,000,000
Payment on principal of long-term loans	( 38,000,000)	( 13,000,000)
Decrease in customers' deposits	( 940,416)	( 1,459,483)
Decrease in other liabilities	( 182,323)	( 273,226)
Cash dividends paid	( 33,767,037)	( 55,956,805)
<b>Net Cash Used in Financing Activities</b>	<b>( 34,189,776)</b>	<b>( 40,689,514)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASHEQUIVALENTS</b>	<b>3,008,999</b>	<b>( 19,489,738)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>4,643,161</b>	<b>24,132,899</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 7,652,160</b>	<b>\$ 4,643,161</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	\$ 473,003	\$ 521,551
Less: Capitalized interest	302,382	130,041
<b>Interest paid, excluding capitalized interest</b>	<b>\$ 170,621</b>	<b>\$ 391,510</b>
<b>Income tax paid</b>	<b>\$ 8,781,327</b>	<b>\$ 15,908,499</b>

The accompanying notes are an integral part of the financial statements.  
(With T N Soong & Co report dated March 7, 2003)



# Independent Auditor's Report

## BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT

### Senior Executives

Name	Title	Remarks
Tan Ho Chen	Chairman, Board of Directors	On board: 9.2.01.30 Reappoint: 9.2.01.30
Chi-Kuo Mao	Chairman, Board of Directors	
Shyue-ching Lu	President & CEO	
Cheng-Chang Chen	Senior Vice President & Concurrently Secretary General	
Chun-Ming Hsieh	Senior Vice President	
Feng-Hsiung Chang	Senior Vice President	
John C.C. Hsueh	Executive VP & Concurrently President of the Northern Taiwan Business Group	
Jui-Hsiung Chen	Executive VP & Concurrently President of the Central Taiwan Business Group	
Cheng-Tsun Chiang	Executive VP & Concurrently President of the Southern Taiwan Business Group	
Chin-Yi Yue	Executive VP & Concurrently President of the Mobile Business Group	
Shaio-Tung Chang	Executive VP & Concurrently President of the International Business Group	
Yen-Sung Lee	Executive VP & Concurrently President of the Data Communication Business Group	
Lung-Sing Liang	Executive VP / President	
Lang-Chee Chang	Chunghwa Telecom Laboratories	
	Executive VP / President	
	Chunghwa Telecom Training Institute	

### Directors and Supervisors

Title	Name	Date of Accession	Terms	Institutional Shareholder	Shareholder Shares hold by mate, minor children & one's self
Chairman	Tan Ho Chen	2003.01.30	2005.07.12	MOTC	2,039
Director	Shyue-Ching Lu	2002.07.13	2005.07.12	MOTC	8,847
Director	Joseph J. C. Lyu	2002.10.30	2005.07.12	MOTC	540
Director	Oliver F.L. Yu	2002.07.13	2005.07.12	MOTC	Nil
Director	Lai-Hsi Lee	2002.11.15	2005.07.12	MOTC	Nil
Director	Ching-Tern Huang	2003.02.12	2005.07.12	MOTC	Nil
Director	Yu-Huei Jea	2002.07.13	2005.07.12	MOTC	Nil
Director	Yauh Hong, Lin	2003.03.10	2005.07.12	MOTC	4,935
Director	Yi Maw, Lin	2003.03.10	2005.07.12	MOTC	1,000
Director	Jing-Twen Chen	2002.07.13	2005.07.12	MOTC	3,000
Director	Tse-Ming Chang	2002.10.21	2005.07.12	MOTC	Nil
Director	Zsehong Tsai	2002.07.13	2005.07.12	MOTC	Nil
Director	Chung-Hsiung Wang	2003.02.12	2005.07.12	MOTC	Nil
Director	Shih-Peng Tsai	2003.03.10	2005.07.12	MOTC	1,132
Director	Peter C. Lin	2002.07.13	2005.07.12	MOTC	Nil
Supervisor	Judy Fu-meei Ju	2002.07.13	2005.07.12	MOTC	Nil
Supervisor	Ching-Nain, Tsai	2003.03.19	2005.07.12	MOTC	1,001
Supervisor	Jui-Min Chen	2002.07.13	2005.07.12	MOTC	Nil
Supervisor	Yeong-Chwan Hwang	2002.07.13	2005.07.12	MOTC	Nil

## **Chunghwa Telecom Co., Ltd. Overseas Offices**

### **Chunghwa Telecom Co., Ltd. - Silicon Valley Office**

Address: 5201 Great America Parkway, Suite 320  
Santa Clara, CA 95054 USA  
General Manager: Mr. Liang-wei Wang  
Telephone: 002-1-408-216-4745  
Mobile: 002-1-408-499-2328  
Fax: 002-1-408-216-4746  
E-mail: lwwang@ms3.hinet.net

Senior Manager: Mr. Benjamin Liu  
Telephone: 002-1-408-216-4822  
Mobile: 002-1-408-499-4903  
Fax: 002-1-408-216-4746  
E-mail: dslui@cht.com.tw  
bencht@ms1.hinet.net

### **Chunghwa Telecom (Hong Kong) Limited**

Address: Suite 704, 7F, Central Plaza 18 Harbour Road,  
Wanchai, Hong Kong  
General Manager: Mr. Michael Bai  
Assistance: Mr. Wai-Leung Mak  
Telephone: 002-852-2598-8116  
Mobile: 002-852-9199-8328  
Fax: 002-852-2598-8016  
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