Chunghwa Telecom Co., Ltd. and Subsidiaries

GAAP Reconciliations of Consolidated Financial Statements for the Three Months Ended March 31, 2010 and 2011

1. SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ACCOUNTING POLICIES FOLLOWED BY THE COMPANY AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES OF AMERICA (UNAUDITED) (AMOUNTS IN MILLIONS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

The following is a reconciliation of consolidated net income and stockholders' equity under ROC GAAP as reported in the unaudited consolidated financial statements to unaudited consolidated net income and stockholders' equity determined under US GAAP. For the descriptions of principal differences between ROC GAAP and US GAAP, please refer to Form 20-F filed with the Securities and Exchange Commission of the United States (the "SEC") on April 20, 2011 (File No. 001-31731).

1) Net Income Reconciliation

	Three Months Ended March 31	
	2010	2011
	NT$	NT$
Consolidated net income based on ROC GAAP	$ 12,272	$ 12,117
Adjustment:		
a. Property, plant and equipment		
1. Adjustments of gains and losses on disposal of property, plant and equipment	-	207
2. Adjustments for depreciation expenses	31	28
b. 10% tax on unappropriated earnings	(1,114)	(1,209)
d. Revenues recognized from deferred income of prepaid phone cards	18	-
e. Revenues recognized from deferred one-time connection fees	315	244
f. Share-based compensation	(1)	-
g. Defined benefit pension plan	-	1
i. Income tax effect of US GAAP adjustments	(93)	(60)
j. Noncontrolling interests of acquired subsidiary	1	(2)
Other minor GAAP differences not listed above	(9)	(16)
Net adjustment	(852)	(807)
Consolidated net income based on US GAAP	$ 11,420	$ 11,310
Attributable to		
Stockholders of the parent	$ 11,228	$ 11,104
Noncontrolling interests	192	206
	$ 11,420	$ 11,310
Basic earnings per common share	$ 1.16	$ 1.41
Diluted earnings per common share	$ 1.15	$ 1.40

(Continued)

	Three Months Ended March 31	
	2010	2011
	NT$	NT$
Weighted-average number of common shares outstanding (in 1,000 shares)		
Basic	9,696,808	7,886,737
Diluted	9,731,188	7,914,120
Net income per pro forma equivalent ADSs		
Basic	$ 11.58	$ 14.08
Diluted	$ 11.54	$ 14.01
Weighted-average number of pro forma equivalent ADSs (in 1,000 shares)		
Basic	969,681	788,674
Diluted	973,119	791,412

(Concluded)

2) Stockholders' Equity Reconciliation

	March 31	
	2010	2011
	NT$	NT$
Total stockholders' equity based on ROC GAAP	$ 391,081	$ 380,834
Adjustment:		
a. Property, plant and equipment		
1. Capital surplus reduction	(60,168)	(60,168)
2. Adjustment on depreciation expenses, and disposal gains and losses	4,172	4,523
3. Adjustments of revaluation of land	(5,803)	(5,765)
b. 10% tax on unappropriated earnings	(5,151)	(5,626)
d. Deferred income of prepaid phone cards		
1. Capital surplus reduction	(2,798)	(2,798)
2. Adjustment on deferred income recognition	2,558	2,798
e. Revenues recognized from deferred one-time connection fees		
1. Capital surplus reduction	(18,487)	(18,487)
2. Adjustment on deferred income recognition	14,897	15,944
f. Share-based compensation		
1. Adjustment on capital surplus	15,701	15,705
2. Adjustment on retained earnings	(15,701)	(15,705)
g. 1. Accrual for accumulative other comprehensive income under pension guidance	(2)	(609)
2. Accrual for pension cost	(26)	(27)
h. Adjustment for pension plan upon privatization		
1. Adjustment on capital surplus	1,782	1,782
2. Adjustment on retained earnings	(9,665)	(9,665)

(Continued)

	March 31	
	2010	2011
	NT$	NT$
i. Income tax effect of US GAAP adjustments	$ 5,145	$ 4,716
j. Noncontrolling interests of acquired		
Subsidiary	29	17
Other GAAP differences not listed above	173	134
Net adjustment	(73,344)	(73,231)
Total equity based on US GAAP	$ 317,737	$ 307,603
Attributable to		
Stockholders of the parent	$ 313,895	$ 303,348
Noncontrolling interests	3,842	4,255
	$ 317,737	$ 307,603

(Concluded)

3) Cash Flows Differences

The Company applies ROC SFAS No. 17, "Statement of Cash Flows". Its objectives and principles are similar to those set out in U.S. standards. The principal differences between the two standards relate to classification. Cash flows from investing activities for changes in other assets, and cash flows from financing activities for changes in customers' deposits and other liabilities are reclassified to operating activities under U.S. standards. In addition, the effect of change on consolidated subsidiaries, which was shown as a separate item under ROC standards, is reclassified to investing activities under U.S. standards.

Note 1: There is a significant difference in the classification of items on the statements of income under ROC GAAP and US GAAP. Those items include:

(1) Gains (losses) on disposal of property, plant and equipment and other assets, and impairment loss on property, plant and equipment and other assets, and other assets and loss arising from natural calamities:

- Under ROC GAAP: Such accounts are included in non-operating income (expenses).
- Under US GAAP: Such accounts are included in cost of revenues.