

CHUNGHWA TELECOM CO LTD  
Form 6-K  
October 31, 2005

1934 Act Registration No. 1-31731

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# SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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## FORM 6-K

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REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

Dated October 31, 2005

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**Chunghwa Telecom Co., Ltd.**

(Translation of Registrant's Name into English)

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21-3 Hsinyi Road Sec. 1,

Taipei, Taiwan, 100 R.O.C.

(Address of Principal Executive Office)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If Yes is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable )

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant Chunghwa Telecom Co., Ltd. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: 2005/10/31

Chunghwa Telecom Co., Ltd.

By: */s/ Tan HoChen*

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Name: Tan HoChen

Title: Chairman & CEO

Exhibit

<u>Exhibit</u>	<u>Description</u>
1.	Financial Statements for the Nine Months Ended September 30, 2005 and 2004 and Independent Accountants Review Report- ROC GAAP
2.	Financial Statements as of December 31, 2004 and September 30, 2005 (Unaudited) and for Three Months and Nine Months Ended September 30, 2004 and 2005 (Unaudited)- US GAAP
3.	Press Release on 2005/10/31

**Chunghwa Telecom Co., Ltd.**

**Financial Statements for the**

**Nine Months Ended September 30, 2005 and 2004 and**

**Independent Accountants' Review Report**

**INDEPENDENT ACCOUNTANTS REVIEW REPORT**

The Board of Directors and Stockholders

Chunghwa Telecom Co., Ltd.

We have reviewed the accompanying balance sheets of Chunghwa Telecom Co., Ltd. as of September 30, 2005 and 2004, and the related statements of operations and cash flows for the nine months then ended, all expressed in New Taiwan dollars. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

Except for the matters described in the next paragraph, we conducted our reviews in accordance with Statement on of Auditing Standards No. 36 Review of Financial Statements issued by the Auditing Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 9 to the financial statements, we did not review the financial statements of equity-accounted investments, the investments in which are reflected in the accompanying financial statements using the equity method of accounting. The aggregate carrying values of the equity-accounted investments were NT\$1,427,693 thousand and NT\$1,396,750 thousand as of September 30, 2005 and 2004 and the equity in their net gains were NT\$65,500 thousand and NT\$33,268 thousand for the nine months then ended.

Based on our reviews, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with relevant regulations (applied before August 12, 2005), 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 completed privatization on August 12, 2005 and the accounts before privatization 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, 2004 have been examined by these government agencies, and adjustments from this examinations have been recognized in the accompanying financial statements.

October 19, 2005

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.*

*For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.*

**CHUNGHWA TELECOM CO., LTD.****BALANCE SHEETS****SEPTEMBER 30, 2005 AND 2004****(Amounts in New Taiwan Thousand Dollars, Except Par Value Data)****(Reviewed, Not Audited)**

	2005		2004	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 2 and 4)	\$ 17,154,268	4	\$ 9,981,407	2
Short-term investments (Notes 2 and 5)	16,097,828	4	3,700,000	1
Trade notes and accounts receivable, net of allowance for doubtful accounts of \$2,543,439 thousand in 2005 and \$2,418,807 thousand in 2004 (Notes 2 and 6)	12,772,978	3	15,695,252	4
Other current monetary assets	2,357,538		2,073,435	
Inventories (Notes 2 and 7)	1,890,964		1,409,707	
Deferred income taxes (Notes 2 and 16)	2,940,154	1	11,999,110	3
Other current assets (Note 8)	10,142,667	2	3,337,168	1
<b>Total current assets</b>	<b>63,356,397</b>	<b>14</b>	<b>48,196,079</b>	<b>11</b>
<b>INVESTMENTS IN UNCONSOLIDATED COMPANIES AND FUNDS (Notes 2, 9 and 20)</b>				
Funds	2,000,000		2,000,000	
Investments accounted for using the equity method	1,427,693		1,396,750	
Investments accounted for using the cost method	2,605,956	1	2,553,016	1
<b>Investment in unconsolidated companies and funds</b>	<b>6,033,649</b>	<b>1</b>	<b>5,949,766</b>	<b>1</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Notes 2, 10 and 19)</b>				
<b>Cost</b>				
Land	101,901,489	23	101,832,412	23
Land improvements	1,462,153		1,447,342	
Buildings	56,765,074	13	54,615,356	12
Machinery and equipment	21,796,868	5	21,893,015	5
Telecommunications network facilities	625,308,501	141	613,666,790	138
Miscellaneous equipment	2,061,694		2,113,978	1
<b>Total cost</b>	<b>809,295,779</b>	<b>182</b>	<b>795,568,893</b>	<b>179</b>
Revaluation increment on land	5,951,339	2	5,951,368	1
	815,247,118	184	801,520,261	180
<b>Less: Accumulated depreciation</b>	<b>478,530,307</b>	<b>108</b>	<b>458,771,013</b>	<b>103</b>
	336,716,811	76	342,749,248	77
<b>Construction in progress and advances related to acquisitions of equipment</b>	<b>25,611,084</b>	<b>6</b>	<b>36,176,409</b>	<b>8</b>



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Property, plant and equipment, net	362,327,895	82	378,925,657	85
<b>INTANGIBLE ASSETS</b>				
3G concession (Note 2)	9,919,067	2	10,179,000	2
Deferred pension cost (Notes 2 and 18)			205,261	
Patents and computer software, net (Note 2)	176,633		206,090	
Total intangible assets	10,095,700	2	10,590,351	2
<b>OTHER ASSETS</b>				
Refundable deposits	1,474,113	1	1,220,402	1
Overdue receivables, net of allowance for doubtful accounts of \$1,151,931 thousand in 2005 and \$2,708,406 thousand in 2004 (Notes 2 and 6)	333,508		647,460	
Deferred income taxes - non-current (Notes 2 and 16)	85,866		14,256	
Other	343,814		442,905	
Total other assets	2,237,301	1	2,325,023	1
<b>TOTAL</b>	<b>\$ 444,050,942</b>	<b>100</b>	<b>\$ 445,986,876</b>	<b>100</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade notes and accounts payable (Note 19)	\$ 12,083,002	3	\$ 12,105,238	3
Income tax payable (Notes 2 and 16)	16,550		2,585,080	1
Accrued expenses (Notes 11 and 19)	9,609,465	2	10,269,416	2
Accrued pension liabilities (Notes 2 and 18)			1,278,534	
Long-term loans payable - current portion (Note 13)	200,000		200,000	
Other current liabilities (Notes 12 and 19)	16,599,596	4	18,349,115	4
Total current liabilities	38,508,613	9	44,787,383	10
<b>LONG-TERM LIABILITIES</b>				
Long-term loans (Note 13)	300,000		500,000	
Deferred income	324,029		369,396	
Total long-term liabilities	624,029		869,396	
RESERVE FOR LAND VALUE INCREMENTAL TAX (Note 10)	94,986		211,182	
<b>OTHER LIABILITIES</b>				
Customers deposits	7,079,438	1	6,014,518	2
Other	319,654		182,903	
Total other liabilities	7,399,092	1	6,197,421	2
Total liabilities	46,626,720	10	52,065,382	12
<b>STOCKHOLDERS EQUITY (Notes 2, 10 and 14)</b>				
Common capital stock - \$10 par value; authorized, issued and outstanding - 9,647,725 thousand shares	96,477,249	22	96,477,249	22
Capital surplus:				
Paid-in capital in excess of par value	214,529,603	48	214,538,597	48

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Capital surplus from revaluation of land	5,856,353	2	5,740,185	1
Donations	13,170		13,170	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital surplus	220,399,126	50	220,291,952	49
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Retained earnings:				
Legal reserve	39,272,477	9	34,286,147	8
Special reserve	2,680,184		2,675,941	
Unappropriated earnings	38,600,793	9	40,190,727	9
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total retained earnings	80,553,454	18	77,152,815	17
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Other adjustment				
Cumulative translation adjustments	(5,607)		(522)	
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total stockholders' equity	397,424,222	90	393,921,494	88
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<b>\$ 444,050,942</b>	<b>100</b>	<b>\$ 445,986,876</b>	<b>100</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>