

The Ministry of Transportation and Communications owned 4,096,765,224, or 35.29%, 3,764,363,593, or 35.29% and 3,422,148,720, or 35.29%, of our outstanding common shares as of December 31, 2008, 2009 and 2010 respectively.

As of April 18, 2011, 29 record holders held 60,718,694 ADSs (each representing 10 ordinary shares), which represents approximately 7.8% of our total outstanding ordinary shares. Because many of these ADSs were held by brokers or other nominees, we cannot ascertain the exact number of beneficial shareholders with addresses in the United States.

B. Related Party Transactions

We have not extended any loans or credit to any of our directors, supervisors or executive officers, and we have not provided guarantees for borrowings by any of these persons. We have not entered into any fee-paying contract with any of these persons for them to provide services not within his or her capacity as a director, supervisor or executive officer of our company, except that three of our directors who are also our employees receive salaries from our company in their capacity as our employees.

Please refer to “Item 4. Information on the Company—A. History and Development of the Company” for a discussion of our alliances, acquisitions and investments. Please refer to notes 1, 13 and 29 to our consolidated financial statements included elsewhere in this annual report for descriptions of Chunghwa’s subsidiaries, investments accounted for using equity method, and related party transactions.

On April 1, 2007, Chunghwa entered into an agreement with Senao making Senao the exclusive distributor of mobile handsets to Chunghwa’s retail outlets. Under the terms of the agreement, Senao also provides mobile handset sales services in Chunghwa’s retail outlets, exclusively sells Chunghwa’s SIM cards in Senao’s own retail stores, and gets commission, subsidies of handset sold and warranties from Chunghwa. For the year ended December 31, 2010, Senao received NT\$5.3 billion (US\$180.2 million) from Chunghwa. Chunghwa also sells mobile handsets and data cards to Senao. For the year ended December 31, 2010, Chunghwa sold mobile handsets and data cards to Senao that amounted to NT\$1.4 billion (US\$47.6 million).

Chunghwa acquired network equipment and related supplies from Chunghwa System Integration for approximately NT\$1.5 billion (US\$53.1 million) in 2010.

Chunghwa purchased telecommunications exchange facilities and related supplies and replacement parts from Taiwan International Standard Electronics for approximately NT\$0.7 billion (US\$23.5 million) in 2010.

On July 28, 2009, we provided a loan to our related party, ST-2 Satellite Ventures Pte., Ltd., in the amount of SG\$23.9 million at an interest rate of 6.38% per annum. The outstanding balance of the loan and interest accrued was paid in full on April 1, 2010.

The foregoing transactions with related parties were determined in accordance with mutual agreements.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18 for a list of all consolidated financial statements filed as part of this annual report on Form 20-F.