

The record of FET' Shareholders' meeting of 2009

The speech of Chairman Douglas Hsu

1. The numbers of FET shareholders have amounted to 18,000, increasing by 5,500 from last year. We will introduce more by slides to shareholders about FET 2008 business status.
2. Last year, the growth of mobile users achieved 5%, but the industry experienced an overall decline of 1.1 % in total revenue, out of which mobile communications declined by 0.5% and fixed, long distance and international calls declined by 2.4%.
3. In 2008, FET consolidated total revenue was NT\$62.5billion, service EBITDA margin was 46.2%, net income after tax was NT\$10.16 billion and EPS was NT\$3.09 per share.
4. FET's achievements were recognized by garnering awards such as "Best Corporate Governance in Taiwan" by FinanceAsia and number 1 in the telecommunications category in a public survey of Top 10 Services by Global Views Magazine. In addition, we are proud to be awarded the ISO20000 standard by the International Technology Services Marketing Association.
5. Regarding the strategic alliance agreement with China Mobile, as both parties are publicly listed companies regulated by security exchange laws, it is mandatory for both to announce the agreement to the public after the approval of the board of director meeting and before the next trading day. This was what we had done accordingly. Telecommunication per se should be boundary-less; the strategic alliance between FET and China Mobile should be deemed as a normal practice under the natural evolution of the industry. It follows rationally from our cooperation with AT&T, NTT DoCoMo and now China Mobile. We wish to materialize China Mobile's investment legitimately.
6. The strategic alliance with China Mobile will offer several benefits, for example lowered procurement costs and fortified product and service development. In addition, with the JV to be formed in the future, we will bring along a market of larger scale, from a 23 million population to 1.3 billion across the strait, to Taiwan's hardware, software, service, and entertainment industries. For this reason, we sincerely hope that government authorities can approve this investment project.
7. The company embracing your support and investment is one with outstanding performance and most importantly a promising future.

The content of presentation slides

1. Company Introduction
2. Industry Overview
3. Operational Performance
4. Future Outlook
5. Conclusion

The content of discussion

FET important resolutions of the Year 2009 shareholders' meeting :

1. Matters to be reported
 - (1) Business report of 2008 (Acknowledged by all attending shareholders)
 - (2) Financial report of 2008 (Acknowledged by all attending shareholders)
 - (3) Review of the 2008 closing report by the Supervisors (Acknowledged by all attending

shareholders)

2. Matters to be ratified

(1) Approval of 2008 financial statements

Resolution: Approved by all present shareholders with unanimous consent.

(2) Approval of proposal for 2008 retained earnings distribution (NT\$2.8 cash dividend is proposed to be distributed)

Resolution: Approved by all present shareholders with unanimous consent.

3. Matters to be discussed and election

(1) Discuss and approve the amendment to “Procedure for Making Endorsements and Guarantees” of the Company.

Resolution: Approved by all present shareholders with unanimous consent.

(2) Discuss and approve the amendment to “Procedure for loaning capital to others” of the Company.

Resolution: Approved by all present shareholders with unanimous consent.

(3) Discuss and approve the issuance of common shares by private placement.

Resolution: Approved by all present shareholders with unanimous consent.

(4) Election of new Directors and Supervisors of the Corporation (Nine Directors and three Supervisors including two Independent Directors adopting candidate nominating system)

Newly Elected Directors :

Name	Representative
Douglas Hsu	Representative of Yuang Ding Investment Co., Ltd.
Jan Nilsson	Representative of Yuang Ding Investment Co., Ltd.
Lawrence Juen-Yee LAU	Independent Director
Kurt Roland Hellström	Independent Director
Champion Lee	Representative of Yuang Ding Investment Co., Ltd.
Peter Hsu	Representative of Yuan Ding Co., Ltd.
Johnny Shih	Representative of Yuan Ding Co., Ltd.
Kazuhiro Toda	Representative of Yue Ding Industry Co., Ltd.
Toon Lim	Representative of Yue Ding Industry Co., Ltd.

Newly Elected Supervisors :

Name	Representative
Chen-en Ko	Independent Supervisor
Eli Hong	Representative of Far Eastern International Leasing Corp.
Morton Huang	Representative of Asia Investment Co., Ltd.

(5) Release of the non-competition restriction on Directors in accordance with Article 209 of the Company Act.

Title	Name	Act as directors / managerial in same business	The business item of the Company
Director	Yuang Ding Investment Co., Ltd. (Representative Douglas Hsu)	Chairman of KG Telecommunications Co., Ltd.	Type I & II Telecommunication Enterprise
		Chairman of New Century Infocom Tech Co., Ltd.	Type I & II Telecommunication Enterprise

Director	Yuang Ding Investment Co., Ltd. (Representative Jan Nilsson)	Director & President of KG Telecommunications Co., Ltd.	Type I & II Telecommunication Enterprise
		Vice Chairman of New Century Infocom Tech Co., Ltd.	Type I & II Telecommunication Enterprise
		Director of KGEx	Type II Telecommunication Enterprise
Director	Yuang Ding Investment Co., Ltd. (Representative Champion Lee)	Director of KG Telecommunications Co., Ltd.	Type I & II Telecommunication Enterprise
Director	Yuan Ding Co., Ltd. (Representative Peter Hsu)	Director of New Century Infocom Tech Co., Ltd.	Type I & II Telecommunication Enterprise
Director	Yue Ding Industry Co., Ltd. (Representative Kazuhiro Toda)	Managerial officer of NTT DoCoMo	Type I Telecommunication Enterprise
Independent Director	Kurt Roland Hellström	Independence Director of Bharti Aritel Limited (India)	Type I Telecommunication Enterprise

Resolution: Approved by all present shareholders with unanimous consent.

4. Extempore Motion : No