

## **The record of FET' Shareholders' meeting of 2010**

### **The speech of Chairman Douglas Hsu**

1. The number of FET shareholders has amounted to 22,700, increasing by 5,000 since last year. Today, we prepare couple sophisticated slides to introduce FET 2009 business status to shareholders.
2. Hit by financial tsunami in 2008 Q4, the Telecom industry experienced an overall decline of 1.1 % in total revenue, out of which the mobile communications declined by 0.8% and other revenues, including fixed line, long distance and international calls, declined by 4.3%.
3. In 2009, FET consolidated total revenue exceeded NT\$60billion, service EBITDA margin reached 45.2%, and net income after tax came to NT\$9.23 billion with earning per share of NT\$2.83.
4. FET achievements in operation and management aspects were well recognized by garnering awards, such as "Taiwan's Best Corporate Social Responsibility" and "Best at Investor Relations" by FinanceAsia, and successively being nominated as the Number 1 in the public survey of Top 10 Telecom Services by Global Views Magazine.
5. To play our best part in social responsibility, FET and the Far Eastern Group were to help fund the students from 5 schools in Kaohsiung County in August 2010.
6. FET will continue the co-operation with China Mobile, under legal constraints, to promote value-added services in China so as to strengthen the competitiveness, expand our involvement in cross-strait market and attract more QFII.

### **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 2010 shareholders' meeting :

1. Matters to be reported
  - (1) Business report of 2009 (Acknowledged by all attending shareholders)
  - (2) Financial report of 2009 (Acknowledged by all attending shareholders)
  - (3) Review of the 2009 closing report by the Supervisors (Acknowledged by all attending shareholders)
  - (4) To report FET's merger with its 100% owned subsidiary – KGT(Acknowledged by all attending shareholders)
  - (5) Review of the amendment to "Rules Governing the Conduct of Board Meeting" (Acknowledged by all attending shareholders)
2. Matters to be approved
  - (1) Approval of Year 2009 financial statements(including business report of Year 2009)  
Resolution: Approved by all present shareholders with unanimous consent.

(2) Approval of the proposal for Year 2009 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) Review and approval of the amendment to “the Articles of Incorporation” of the Company

Resolution: Approved by all present shareholders with unanimous consent.

(2) Review and approval of the amendment to “Procedures for Making Endorsements and Guarantees”

Resolution: Approved by all present shareholders with unanimous consent.

(3) Review and approval of the amendment to “Procedures for Loaning Capital to Others”

Resolution: Approved by all present shareholders with unanimous consent.

(4) Review and approval of the issuance of common shares by private placement

Resolution: Approved by all present shareholders with unanimous consent.

4. Extempore Motion : No