

2013 Annual General Shareholders' Meeting

Meeting Handbook (Abstract)

The Board of Directors of Far Eastern New Century Corporation(FENC) has proposed the following agenda.

Reporting Items:

1. 2012 business operations
2. 2012 financial statements
3. Supervisors' review report of 2012 business operations and financial statements
4. Information of the corporate bonds issued in 2012
5. The amendments of "Meeting Rules of Board of Directors of Far Eastern New Century Corporation"
6. The adjusted amount made to the Company's retained earnings available for distribution and appropriation of its special reserve due to the first-time adoption of International Financial Reporting Standards.

Approval items

1. To accept 2012 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2012 business report and financial statements.

Explanatory Notes:

- i. FENC's 2012 business report and financial statements, including balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, have been audited by independent auditors, Mr. Cho Ming Hsing and Mr. Huang Shu-Chieh of Deloitte & Touche, and have been examined by and determined to be correct and accurate by Supervisors of FENC. We thereby submit this report.
- ii. The 2012 business report, independent auditors' audit report, Supervisors' report, and the aforesaid financial statements can be referred in the Meeting Handbook.
- iii. Please accept the aforesaid business report and financial statements

2. To approve the proposal for distribution of 2012 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2012 profits.

Explanatory Notes:

- i. Cash dividends to common share holders: Totaling NT\$6,557,374,043. Each common share holder will be entitled to receive a cash dividend of NT\$1.3 per share.
- ii. Stock dividends to common share holders: Totaling NT\$1,008,826,780. Each common share holder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- iii. After being approved at the Annual General Shareholders' Meeting, the cash and stock dividends to common share holders will be distributed on a record date to be determined by the Board of Directors.
- iv. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total number of common shares outstanding may change, and the ultimate cash and stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash and stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of earnings resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- v. The 2012 profit allocation proposal attached as Attachment.
- vi. Please approve the aforesaid proposal for the distribution of 2012 profits.

Discussion Items

1. To approve the capitalization of 2012 stock dividends

The Board of Directors proposes and recommends that each shareholder vote FOR the capitalization of 2012 stock dividends.

Explanatory Notes:

- i. For the purpose of improving the financial and capital structure, it is proposed that FENC's paid-in capital be increased by capitalizing the stock dividends to common share holders of NT\$1,008,826,780. A total number of 100,882,678 common shares, at par value of NT\$10 each share, shall be issued for such capital increase. Each common share holder will be entitled to receive a stock dividend of 20 common shares for each 1,000 common shares held by such shareholder.
- ii. After being approved at the Annual General Shareholders' Meeting and accepted by the regulatory authority in charge, the new shares will be distributed on a record date to be determined by the Board of Directors.
- iii. Should FENC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the ROC Securities and Exchange Law and other relevant regulations, the total number of common shares outstanding may change, and the ultimate numbers of stock to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the numbers of stock to be distributed to each common share based on the total amount of profits resolved to be distributed, the amount of earnings resolved to be capitalized, and the number of actual common shares outstanding on the record date for distribution.
- iv. In accordance with Article 240 of the Company Law, if the stock dividends include any fractional shares which are less than one full share, the distribution will be made in the form of cash rounded to the nearest dollar amount calculated at par value. Such fractional shares will be purchased by the Employee Stock Ownership Trust (ESOT) of FENC.
- v. The shareholders' rights and obligations of the new shares are the same as those of the existing shares.
- vi. The present total authorized capital of FENC is NT\$ 60,000,000,000, divided into 6,000,000,000 shares of NT\$10 each. Until the end of 2012, the total paid-in capital amounted to NT\$50,441,338,790, divided into 5,044,133,879 shares of NT\$10 each. The un-issued capital was NT\$9,558,661,210, divided into 955,866,121 shares of NT\$10 each.
- vii. After the capitalization of 2012 stock dividends, the total number of issued common shares will be 5,145,016,557 shares, at par value of NT\$10 each share. The paid-in capital will amount to NT\$51,450,165,570.
- viii. Please approve the proposal for the capitalization of 2012 stock dividends.

2. To approve the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the Articles of Incorporation.

Explanatory Notes:

- i. It is proposed that Article 13, Article 16, Article 22 and Article 29 of the "Articles of Incorporation of Far Eastern New Century Corporation" be amended.
- ii. The overview table for the "Articles of Incorporation of Far Eastern New Century Corporation" Before and After amendments can be referred in the Meeting Handbook.
- iii. Please approve the proposal for the amendments of the "Articles of Incorporation of Far Eastern New Century Corporation".

Corporation”.

3. To approve amending the company bylaw of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” and “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”.

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. Pursuant to amendments of articles of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” from the letter (Letter No. FSC Fa-Tse 1010029874) issued on 6 July 2012 by the ROC Financial Supervisory Commission (FSC), it stipulates that companies shall amend Article 2, Article 3, Article 4, Article 6 and Article 8 of “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” and Article 2, Article 3, Article 4, Article 5 and Article 8 of “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation”. Amendments of articles can be referred in the Meeting Handbook.
- ii. The overview table for the “Procedures for Endorsements and Guarantees of Far Eastern New Century Corporation” Before and After amendments can be referred in the Meeting Handbook.
- iii. The overview table for the “Procedures for Lending of Capital to Others of Far Eastern New Century Corporation” Before and After amendments can be referred in the Meeting Handbook.
- iv. Please approve the proposal for the amendments of the aforesaid bylaws.

4. To approve amending the company bylaw of “Election procedures of Directors and Supervisors of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. It is proposed that Article 3 of “Election procedures of Directors and Supervisors of Far Eastern New Century Corporation” be amended.
- ii. The overview table for the “Election procedures of Directors and Supervisors of Far Eastern New Century Corporation” Before and After amendments can be referred in the Meeting Handbook.
- iii. Please approve the proposal for the amendments of the aforesaid bylaw.

5. To approve amending the company bylaw of “Meeting Rules of Stockholders of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments of the company bylaw.

Explanatory Notes:

- i. In order to improve the efficiency of shareholders meetings and protect the rights of shareholders, the Taiwan Stock Exchange Corporation issued an official letter (Letter no 1020003468) on 27 February 2013. It amended the articles of “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” to smooth the procedure and reduce the possible arguments during a shareholders’ meeting.

- ii. In order to improve the corporate governance of the Company and enhance the shareholders' rights, it is proposed that Article 2 and Article 11 of the company bylaw of "Meeting Rules of Stockholders of Far Eastern New Century Corporation" be amended.
- iii. The overview table of "Meeting Rules of Stockholders of Far Eastern New Century Corporation" Before and After amendments can be referred in the Meeting Handbook.
- iv. Please approve the proposal for the amendments of the aforesaid bylaw.

The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

The meeting handbook, including meeting notice, agenda, and proposed resolutions, for the upcoming 2013 annual general shareholders' meeting will be available at <http://www.fenc.com/en/ir/index.aspx?c=66> on 24 May 2013.

If you would like to obtain a hard copy of the meeting handbook, please email to ir@fenc.com, or write to

Attn: IR team

Far Eastern New Century Corporation

34Fl, No. 207, Tun-Hwa South Road, Section 2, Taipei 106, Taiwan

(+886-2-2733-8000 ext.8537 / 8470)

Attachment

Far Eastern New Century Corporation Profit Allocation Proposal

Unit: NT\$

Net income of 2012 (A)	8,713,177,089
Adjustments due to changes in investees' equity in equity-method investments (B)	45,287,514
Subtotal (A-B)	8,667,889,575
Less	
10% legal reserve	866,788,958
Plus	
Unappropriated retained earnings of previous years	2,804,993,324
Earnings available for distribution as of 31 December 2012	10,606,093,941
Distribution items:	
Cash dividends to common share holders (NT\$ 1.3 per share)	6,557,374,043
Stock dividends to common share holders (NT\$ 0.2 per share at par value, i.e., 20 shares for each 1,000 shares owned)	1,008,826,780
Total distribution	7,566,200,823
Unappropriated earnings	3,039,893,118

Note:

Year 2012 profits are distributed according to the Article 26 and Article 27 of the Articles of Incorporation of Far Eastern New Century Corporation. Bonus of employees of NT\$ 325,427,992 and compensation for Directors and Supervisors of NT\$ 244,070,994 are booked as company expenses and excluded from the net income.