

Notice of Annual General Shareholders' Meeting of Far Eastern New Century Corporation (formerly Far Eastern Textile Limited)

Date: Tuesday, 22 June 2010

Time: 9:00 a.m. Taipei time

Place: Auditorium in the Taipei Hero House
No. 20, Changsha Street, Section 1, Taipei, Taiwan

Purpose:

1. To accept 2009 business report and financial statements
2. To approve proposed resolutions

Proposed resolutions:

1. To accept 2009 business report and financial statements
2. To approve the proposal for distribution of 2009 profits
3. To approve the revisions to the Articles of Incorporation
4. To approve the capitalization of 2009 stock dividends
5. To approve amending the company bylaws

Attachments:

- I. 2009 business report
- II. Independent auditors' audit report by Deloitte & Touche
- III. Supervisors' report
- IV. 2009 financial statements
- V. 2009 profit allocation proposal
- VI. Overview of Articles of Incorporation amendments
- VII. Overview of "Procedures for Endorsements and Guarantees" amendments
- VIII. Overview of "Procedures for Lending of Capital to Others" amendments
- IX. Information about the issuance of corporate bonds in year 2009
- X. Current shareholding of Directors and Supervisors
- XI. Information about the bonus of employees and compensation of Directors and Supervisors

General Information

- I. Articles of Incorporation of Far Eastern New Century Corporation; also available for viewing on the internet at http://www.fenc.com/en/company/company_process.aspx
- II. Meeting rules of stockholders for Far Eastern New Century Corporation; also available for viewing on the internet at http://www.fenc.com/en/adm/download/download/shmr_EN_200703.pdf
- III. The full English-version audited report on 2009 financial statements, translated and prepared by the independent auditor Deloitte & Touche is available for viewing on the

internet at http://www.fenc.com/en/investor/finance_data.aspx?DC_ID=8

IV. The notice, agenda, and the handbook for the upcoming 2010 annual general shareholders' meeting will be available for viewing on the internet at http://www.fenc.com/en/investor/finance_data.aspx?DC_ID=17 on or about 21 May 2010.

If you do not have access to the internet and would like to obtain a hard copy of the meeting notice, the meeting agenda, and 2009 financial report, please write to:

Attention: IR team, 2010 AGM agenda
Far Eastern New Century Corporation
34Fl, No. 207, Tun-Hwa South Road, Section 2
Taipei 106, Taiwan

Or, you may also request for a hardcopy of the meeting notice, the meeting agenda, and 2009 financial report by contacting the following:

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Far Eastern New Century Corporation

**Meeting Agenda
for
Annual General Shareholders' Meeting
of
Far Eastern New Century Corporation
(formerly Far Eastern Textile Limited)**

- 1. Call the meeting to order**
- 2. Chairperson takes chair**
- 3. Chairperson remarks**
- 4. To report:**
 - a. 2009 business operations
 - b. 2009 financial statements
 - c. Supervisors' review report of 2009 business operations and financial statements
 - d. Information of the issuance of corporate bonds in 2009
- 5. To discuss and approve proposed resolutions**
 - e. To accept 2009 business report and financial statements
 - f. To approve the proposal for distribution of 2009 profits
 - g. To approve the revisions to the Articles of Incorporation
 - h. To approve the capitalization of 2009 stock dividends
 - i. To approve amending the company bylaws on "Procedures for Lending of Capital to Others" and "Procedures for Endorsements and Guarantees"
- 6. Extemporary motion**
- 7. Meeting adjourned**

Proposed resolutions

1. To accept 2009 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2009 business report and financial statements.

Explanatory Notes:

- i. FENC's 2009 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. Shih Ching-Pin 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 2009 business report, independent auditors' audit report, Supervisors' report, and the aforesaid financial statements are attached as Attachments I, II, III, and IV.
- iii. Please accept the aforesaid business report and financial statements.

2. To approve the proposal for distribution of 2009 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2009 profits.

Explanatory Notes:

- i. Cash dividends to common share holders: Totaling NT\$6,059,758,772. 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\$932,270,580. 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 2009 profit allocation proposal is attached as Attachment V.
- vi. Please approve the aforesaid proposal for the distribution of 2009 profits.

3. 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 2, Article 19, and Article 29 of the Far Eastern New Century Corporation Articles of Incorporation be amended.
- ii. The overview table for the Articles of Incorporation Before and After amendments is attached as Attachment VI.
- iii. Please approve the proposal for the amendments of the Articles of Incorporation.

4. To approve the capitalization of 2009 stock dividends

The Board of Directors proposes and recommends that each shareholder vote FOR the capitalization of 2009 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\$932,270,580.
- ii. A total number of 93,227,058 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.
- iii. 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 Far Eastern Recreation Center Employee's Welfare Committee of FENC.
- iv. 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.
- v. The shareholders' rights and obligations of the new shares are the same as those of the existing shares.
- vi. After the capitalization of 2009 stock dividends, the total number of issued common shares will be 4,754,579,959 shares, at par value of NT\$10 each share. The paid-in capital will amount to NT\$47,545,799,590.
- vii. Please approve the proposal for the capitalization of 2009 stock dividends.

5. To approve amending the Far Eastern New Century Corporation Bylaws on "Procedures for Endorsements and Guarantees" and "Procedures for Lending of Capital to Others"

The Board of Directors proposes and recommends that each shareholder vote FOR the

amendments.

Explanatory Notes:

- i. Pursuant to the newly promulgated regulations (Letter No. FSC-0990011375) by the ROC Financial Supervisory Commission announced on 19 March 2010, it is proposed to amend Article 2, Article 3, Article 4 of the company bylaw on “Procedures for Endorsements and Guarantees”, and to amend the Article 4 of the company bylaw on “Procedures for Lending of Capital to Others”.
- ii. Within the amendments, it is proposed that an additional term be added to the Article 3 of the “Procedures for Endorsements and Guarantees”. This term specifies the ceiling on the amount the Company is permitted to make in endorsements/guarantees, and the said term is “the aggregate amount of endorsements and guarantees issued by the Company and its subsidiaries shall be no more than the Company’s net worth at the time the endorsements and guarantees are issued.” As the ceiling set at this term exceeds 50% of the Company’s net worth, pursuant to the Article 12-3 in the aforesaid newly promulgated regulations, it is required to report in the shareholders’ meeting the necessity and rationale of the endorsements/guarantees.
- iii. The ceiling specifies in the additional term is reasonable and necessary, as it allows FENC and its subsidiaries to receive higher credit lines, negotiate better commercial terms, and lower financing costs. Besides, the total amount for FENC alone to make in endorsements and guarantees is set at the Company’s net worth, in accordance with the Company’s original bylaw. The ceiling set in the said additional term, therefore, is in compliance with the Company’s original procedure and the aforesaid newly promulgated regulations.
- iv. The overview table for the “Procedures for Endorsements and Guarantees” Before and After amendments is attached as Attachment VII.
- v. The overview table for the “Procedures for Lending of Capital to Others” Before and After amendments is attached as Attachment VIII.
- vi. Please approve the proposal for the amendments of the aforesaid bylaws.

Attachment II

Independent auditors' audit report



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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
Far Eastern New Century Corporation

We have audited the accompanying balance sheets of Far Eastern New Century Corporation (the "Company") (formerly Far Eastern Textile Ltd.) as of December 31, 2009 and 2008 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. However, we did not audit the financial statements of certain investees as of and for the years ended December 31, 2009 and 2008. The direct and indirect stock investments in these companies were all accounted for by the equity method. The carrying values of these investments, included in the accompanying balance sheets, were 1.41% (NT\$2,063,325 thousand) and 1.38% (NT\$1,941,501 thousand) of the Company's total assets as of December 31, 2009 and 2008, respectively. As shown in the accompanying statements of income, the Company's equity in net gain of NT\$160,792 thousand and gain of NT\$181,150 thousand of the foregoing investees were 1.98% and 3.93%, respectively, of the Company's income before income tax in 2009 and 2008, respectively. The financial statements of these investees were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts pertaining to the above investments, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the Company's financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Far Eastern New Century Corporation as of December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the financial statements, starting on January 1, 2009, the Company adopted the newly revised ROC Statement of Financial Accounting Standard No. 10 - "Inventories". This accounting change resulted in decreases of NT\$110,756 thousand in net income and a decrease of NT\$0.02 in after income tax basic earnings per share in 2009. In March 2007, the Accounting Research and Development Foundation of the Republic of China issued Interpretation No. 2007-052, which requires companies to recognize bonuses paid to employees and remuneration paid to directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses and remuneration were previously recorded as appropriations from earnings. This accounting change resulted in decreases of NT\$343,975 thousand in net income and in after income tax basic earnings per share of NT\$0.08 in 2008.

Note 23 describes a case related to the Department of Commerce's nullification of Pacific Liu Tung Investment Corporation's registration of capital increase and other relevant registrations and the impact of this case on Far Eastern New Century Corporation's controlling interest and several recapitalizations done by the Company and its subsidiaries, which are the investors of Pacific Liu Tung Investment Corporation ("PLT"), will depend on the final judgment of the court.

We have also audited the consolidated financial statements of Far Eastern New Century Corporation and subsidiaries for the years ended December 31, 2009 and 2008 (not presented herewith) and have expressed a modified unqualified opinion thereon in our report dated March 5, 2010 on the basis of our audits and the reports of the other auditors.

Deloitte & Touche

March 5, 2010

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.

Attachment III

Supervisors' report

To the 2010 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 219 of the Company Law, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, and Financial Statements submitted by the Board of Directors for the year ending 2009 which had been audited by Deloitte & Touche, and found them in order.

T. H. Chang



Ching-Ing Hou



Alice Hsu



April 26th, 2010

Attachment IV

FAR EASTERN NEW CENTURY CORPORATION (Formerly Far Eastern Textile Ltd.)

BALANCE SHEETS
DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2009		2008		LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash	\$ 5,928,545	4	\$ 5,275,744	4	Short-term bank loans	\$ 3,422,461	2	\$ 6,608,803	5
Financial assets at fair value through profit or loss - current	53,228	-	79,441	-	Financial liabilities at fair value through profit or loss - current	20,750	-	102,862	-
Notes receivable	505,389	1	426,799	-	Derivative financial liabilities for hedging - current	-	-	7,656	-
Accounts receivable - less allowance for bad debts of \$100,099 thousand, net	6,214,196	4	6,712,735	5	Notes payable	1,871	-	1,767	-
Other financial assets - current	488,030	-	472,777	1	Accounts payable	3,253,585	2	1,973,753	1
Inventories, net	4,436,524	3	5,626,040	4	Accrued expenses	2,578,141	2	2,176,594	2
Prepaid expenses	631,524	1	246,525	-	Receipts in advance	270,576	-	235,226	-
Deferred income taxes assets - current	98,038	-	168,560	-	Current portion of long-term liabilities	5,592,343	4	1,877,320	1
Other current assets	223,278	-	177,729	-	Other current liabilities	599,298	1	802,020	1
Total current assets	18,578,752	13	19,186,350	14	Total current liabilities	15,739,025	11	13,786,001	10
MUTUAL FUNDS AND INVESTMENTS					LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
Financial assets available for sale - noncurrent	722,890	-	-	-	Bonds payable	7,800,000	5	9,884,012	7
Financial assets carried at cost - noncurrent	53,667	-	53,667	-	Long-term debts	28,370,340	19	29,818,170	21
Equity-method investments	112,289,875	77	105,870,248	75	Total long-term liabilities	36,170,340	24	39,702,182	28
Total mutual funds and investments	113,066,432	77	105,923,915	75	RESERVE FOR LAND VALUE INCREMENT TAX	1,018,899	1	1,018,899	1
PROPERTIES					OTHER LIABILITIES				
Cost					Accrued pension cost	1,050,392	1	1,933,915	1
Land	1,076,981	1	1,076,981	1	Deferred income	52,773	-	52,773	-
Buildings and equipment	5,869,427	4	6,015,401	4	Guarantee deposits received	615	-	615	-
Machinery and equipment	40,207,902	27	39,946,885	28	Total other liabilities	1,103,780	1	1,987,303	1
Furniture and miscellaneous equipment	2,568,146	2	2,479,573	2	Total liabilities	54,032,044	37	56,494,385	40
Total cost	49,722,456	34	49,518,840	35	STOCKHOLDERS' EQUITY				
Appreciation	3,016,844	2	3,022,867	2	Capital stock - NT\$10.00 par value				
Total cost and appreciation	52,739,300	36	52,541,707	37	Authorized - 4,950,000 thousand shares				
Less: Accumulated depreciation	40,550,392	28	39,813,686	28	Issued and outstanding - 4,661,353 thousand shares in 2009 and 4,569,954 thousand shares in 2008	46,613,529	32	45,699,538	32
Constructions in progress	12,188,908	8	12,728,021	9	Capital surplus				
Prepayments for equipment	1,006,817	1	1,383,424	1	Additional paid-in capital from share issuance in excess of par	932,814	1	932,814	1
Net properties	165,639	-	173,994	-	From long-term investments	9,240,917	6	9,120,172	6
					Others	7,672	-	7,672	-
					Total capital surplus	10,181,403	7	10,060,658	7
					Retained earnings				
					Legal reserve	8,602,110	6	8,196,285	6
					Special reserve	3,034,766	2	3,034,766	2
					Unappropriated earnings	9,672,105	6	6,535,276	5
					Total retained earnings	21,308,981	14	17,766,327	13
					Other stockholders' equity				
					Unrealized gain on financial instruments	3,276,309	2	(866,020)	(1)
					Cumulative translation adjustments	2,490,010	2	3,696,557	3
					Unrealized revaluation increment	8,721,219	6	8,843,128	6
					Net loss not recognized as pension cost	(80,263)	-	(656,261)	-
					Total other stockholders' equity	14,407,275	10	11,017,404	8
					Net stockholders' equity	92,511,188	63	84,543,927	60
TOTAL	\$ 146,543,232	100	\$ 141,038,312	100	TOTAL	\$ 146,543,232	100	\$ 141,038,312	100

(With Deloitte & Touche audit report dated March 5, 2010)

FAR EASTERN NEW CENTURY CORPORATION
(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2009		2008	
	Amount	%	Amount	%
REVENUES				
Sales	\$ 42,509,515	101	\$ 51,298,290	101
Less: Sales returns and allowances	<u>581,061</u>	<u>1</u>	<u>641,427</u>	<u>1</u>
Net sales	41,928,454	100	50,656,863	100
Processing service income	<u>11,624</u>	<u>-</u>	<u>18,032</u>	<u>-</u>
Total revenues	<u>41,940,078</u>	<u>100</u>	<u>50,674,895</u>	<u>100</u>
COSTS OF REVENUES				
Cost of sales	38,479,133	92	45,622,552	90
Cost of processing services	<u>11,277</u>	<u>-</u>	<u>21,409</u>	<u>-</u>
Total costs of revenues	<u>38,490,410</u>	<u>92</u>	<u>45,643,961</u>	<u>90</u>
GROSS PROFIT	<u>3,449,668</u>	<u>8</u>	<u>5,030,934</u>	<u>10</u>
OPERATING EXPENSES				
Marketing	2,538,187	6	3,284,796	7
General and administrative	1,176,875	3	989,483	2
Research and development	<u>567,390</u>	<u>1</u>	<u>568,913</u>	<u>1</u>
Total operating expenses	<u>4,282,452</u>	<u>10</u>	<u>4,843,192</u>	<u>10</u>
OPERATING (LOSS) GAIN	<u>(832,784)</u>	<u>(2)</u>	<u>187,742</u>	<u>-</u>
NONOPERATING INCOME AND GAINS				
Interest	16,019	-	177,137	-
Equity in net income of investees, net	9,211,453	22	5,542,190	11
Cash dividends	-	-	5,432	-
Gain on disposal of properties	1,924	-	19,912	-
Gain on sale of investments, net	854,467	2	9,726	-
Foreign exchange gain, net	-	-	42,796	-
Rental	11,452	-	11,227	-
Valuation gain on financial liabilities, net	93,123	-	465,708	1
Valuation gain on financial assets, net	53,353	-	-	-
Others	<u>154,284</u>	<u>1</u>	<u>233,967</u>	<u>1</u>
Total nonoperating income and gains	<u>10,396,075</u>	<u>25</u>	<u>6,508,095</u>	<u>13</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION
(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2009		2008	
	Amount	%	Amount	%
NONOPERATING EXPENSES AND LOSSES				
Interest	599,907	2	1,217,020	2
Exchange loss, net	216,950	1	-	-
Impairment losses on nonoperating properties	131,833	-	29,713	-
Valuation loss on financial assets, net	-	-	32,898	-
Others	<u>478,894</u>	<u>1</u>	<u>801,702</u>	<u>2</u>
Total nonoperating expenses and losses	<u>1,427,584</u>	<u>4</u>	<u>2,081,333</u>	<u>4</u>
INCOME BEFORE INCOME TAX	8,135,707	19	4,614,504	9
INCOME TAX EXPENSE (BENEFIT)	<u>47,011</u>	<u>-</u>	<u>(7,440)</u>	<u>-</u>
NET INCOME	<u>\$ 8,088,696</u>	<u>19</u>	<u>\$ 4,621,944</u>	<u>9</u>
	2009		2008	
	Income Before Income Tax	Net Income	Income Before Income Tax	Net Income
EARNINGS PER SHARE (New Taiwan dollars)				
Basic	<u>\$ 1.75</u>	<u>\$ 1.74</u>	<u>\$ 0.99</u>	<u>\$ 0.99</u>
Diluted	<u>\$ 1.74</u>	<u>\$ 1.73</u>	<u>\$ 0.99</u>	<u>\$ 0.99</u>

(With Deloitte & Touche audit report dated March 5, 2010)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION
(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock Issued and Outstanding		Capital Surplus	Retained Earnings				Other Equity				
	Shares in Thousands	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Instruments	Cumulative Translation Adjustments	Unrealized Revaluation Increment on Properties	Net Loss not Recognized as Pension Cost	Total Stockholders' Equity
							Total					
BALANCE, JANUARY 1, 2008	4,480,347	\$ 44,803,469	\$ 9,327,997	\$ 7,061,162	\$ 3,034,766	\$ 13,247,308	\$ 23,343,236	\$ 4,268,337	\$ 1,706,254	\$ 8,566,640	\$ (69,966)	\$ 91,945,967
Appropriation of the 2007 earnings												
Legal reserve	-	-	-	1,135,123	-	(1,135,123)	-	-	-	-	-	-
Stock dividends - NT\$0.2 per share	89,607	896,069	-	-	-	(896,069)	(896,069)	-	-	-	-	-
Cash dividends - NT\$1.8 per share	-	-	-	-	-	(8,064,624)	(8,064,624)	-	-	-	-	(8,064,624)
Remuneration to directors and supervisors and bonus to employees	-	-	-	-	-	(674,461)	(674,461)	-	-	-	-	(674,461)
Balance after appropriations	4,569,954	45,699,538	9,327,997	8,196,285	3,034,766	2,477,031	13,708,082	4,268,337	1,706,254	8,566,640	(69,966)	83,206,882
Net income in 2008	-	-	-	-	-	4,621,944	4,621,944	-	-	-	-	4,621,944
Adjustments due to changes in investees' equity in long-term investments	-	-	696,871	-	-	(323,039)	(323,039)	(5,191,265)	1,761,305	276,491	(1,086)	(2,780,723)
Adjustment on investees' equity not recognized in percentage of ownership in investees	-	-	(9,971)	-	-	(240,880)	(240,880)	-	-	-	-	(250,851)
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	229,496	-	-	229,496
Change in net loss not recognized as pension cost	-	-	-	-	-	-	-	-	-	-	(585,239)	(585,239)
Unrealized loss on cash flow hedge	-	-	-	-	-	-	-	56,160	-	-	-	56,160
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	45,761	-	-	220	220	748	(498)	(3)	30	46,258
BALANCE, DECEMBER 31, 2008	4,569,954	45,699,538	10,060,658	8,196,285	3,034,766	6,535,276	17,766,327	(866,020)	3,696,557	8,843,128	(656,261)	84,543,927
Appropriation of the 2008 earnings (Note)												
Legal reserve	-	-	-	405,825	-	(405,825)	-	-	-	-	-	-
Stock dividends - NT\$0.2 per share	91,399	913,991	-	-	-	(913,991)	(913,991)	-	-	-	-	-
Cash dividends - NT\$0.8 per share	-	-	-	-	-	(3,655,963)	(3,655,963)	-	-	-	-	(3,655,963)
Balance after appropriations	4,661,353	46,613,529	10,060,658	8,602,110	3,034,766	1,559,497	13,196,373	(866,020)	3,696,557	8,843,128	(656,261)	80,887,964
Net income in 2009	-	-	-	-	-	8,088,696	8,088,696	-	-	-	-	8,088,696
Adjustments due to changes in investees' equity in long-term investments	-	-	194,351	-	-	18,862	18,862	4,000,948	(789,566)	(121,909)	(13,090)	3,289,596
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	146,473	-	-	-	146,473
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	(332,652)	-	-	(332,652)
Reversal of net loss not recognized as pension cost	-	-	-	-	-	-	-	-	-	-	585,239	585,239
Unrealized loss on cash flow hedge	-	-	-	-	-	-	-	7,656	-	-	-	7,656
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	(73,606)	-	-	5,050	5,050	(12,748)	(84,329)	-	3,849	(161,784)
BALANCE, DECEMBER 31, 2009	4,661,353	\$ 46,613,529	\$ 10,181,403	\$ 8,602,110	\$ 3,034,766	\$ 9,672,105	\$ 21,308,981	\$ 3,276,309	\$ 2,490,010	\$ 8,721,219	\$ (80,263)	\$ 92,511,188

Note: Remuneration to directors and supervisors NT\$147,418 thousand and bonus to employees NT\$196,557 thousand had been deducted from the income statement of 2008.

(With Deloitte & Touche audit report dated March 5, 2010)

FAR EASTERN NEW CENTURY CORPORATION
(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 8,088,696	\$ 4,621,944
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,882,377	1,983,949
Amortization	84,360	66,943
(Reversal of allowance) allowance for losses on inventories	(482,902)	273,094
Amortization on discount of exchangeable bonds	58,332	58,332
Investment net income recognized under the equity method	(9,211,453)	(5,542,190)
Cash dividends received on equity-method investments	5,092,054	10,019,746
Accrued pension costs	(231,998)	14,301
Net gain on disposal of properties	(1,924)	(19,912)
Impairment losses on idle properties	131,833	29,713
Gain on sale of investments, net	(854,467)	(9,726)
Deferred income tax	107,960	-
Net changes in operating assets and liabilities		
Financial assets held for trading	26,213	64,014
Financial liabilities held for trading	(82,112)	(288,919)
Notes receivable	(78,590)	429,206
Accounts receivable	498,539	59,565
Other financial assets - current	(119,878)	25,877
Inventories	1,672,418	559,899
Prepaid expenses	(384,999)	294,152
Other current assets	(45,549)	75,467
Notes payable	104	(7,061)
Accounts payable	1,279,832	(1,491,882)
Accrued expenses	401,547	478,931
Receipts in advance	35,350	(62,715)
Other current liabilities	<u>(81,656)</u>	<u>19,496</u>
Net cash provided by operating activities	<u>7,784,087</u>	<u>11,652,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of the disposal of long-term equity investments	1,581,150	287,739
Increase in long-term equity investments	(703,545)	(6,989,371)
Acquisition of properties	(1,169,063)	(1,600,471)
Proceeds of the disposal of properties	60,421	63,771
Increase in other intangible assets	(9,940)	(1,768)
Increase in other assets	<u>(51,788)</u>	<u>(22,615)</u>
Net cash used in investing activities	<u>(292,765)</u>	<u>(8,262,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		

(Continued)

FAR EASTERN NEW CENTURY CORPORATION
(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

	2009	2008
(Decrease) increase in short-term bank loans	(3,186,342)	3,753,326
Payments of cash dividends, remuneration to directors and supervisors and bonus to employees	(3,777,029)	(8,596,379)
Decrease in long-term liabilities	(1,375,150)	(1,161,310)
Issuance of bonds	<u>1,500,000</u>	<u>800,000</u>
Net cash used in financing activities	<u>(6,838,521)</u>	<u>(5,204,363)</u>
NET INCREASE (DECREASE) IN CASH	652,801	(1,814,854)
CASH, BEGINNING OF YEAR	<u>5,275,744</u>	<u>7,090,598</u>
CASH, END OF YEAR	<u>\$ 5,928,545</u>	<u>\$ 5,275,744</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 605,693	\$ 1,157,996
Deduct: Capitalized interest	<u>21,725</u>	<u>54,439</u>
Interest paid (excluding capitalized interest)	<u>\$ 583,968</u>	<u>\$ 1,103,557</u>
Income tax paid	<u>\$ 1,549</u>	<u>\$ 61,981</u>
CASH PAID FOR ACQUISITION OF PROPERTIES		
Increase in properties	\$ 1,522,045	\$ 1,993,770
Add: Payables for acquisition of properties, beginning of year	32,322	38,994
Advances to suppliers of machine and equipment, end of year	165,639	173,994
Constructions in progress, end of year	1,006,817	1,383,424
Deduct: Advances to suppliers of machine and equipment, beginning of year	(173,994)	(87,320)
Constructions in progress, beginning of year	(1,383,424)	(1,870,069)
Payables for acquisition of properties, end of year	<u>(342)</u>	<u>(32,322)</u>
Cash paid for acquisition of properties	<u>\$ 1,169,063</u>	<u>\$ 1,600,471</u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 5,592,343</u>	<u>\$ 1,877,320</u>

(With Deloitte & Touche audit report dated March 5, 2010)

(Concluded)

Attachment VI

Overview of Articles of Incorporation amendments

Section	Current Articles	Proposed Changes	Reasons
Article 2	<p>The Company's businesses are as follows :</p> <ol style="list-style-type: none"> 1. C301010 Yarn spinning mills 2. C302010 Knit fabric mills 3. C303010 Non woven fabric mills 4. C305010 Printing dyeing and finishing mills 5. C306010 Outerwear knitting mills 6. C307010 Apparel, clothing accessories and other textile product manufacturing 7. C399990 Other textile products 8. C801120 Manmade fiber manufacturing 9. C801990 Other chemical material manufacturing 10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures 12. F106020 Wholesale of articles for daily use 13. F107990 Wholesale of other chemical products 14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures 16. F206020 Retail sale of articles for daily use 17. F207990 Retail sale of other chemical products 18. F301010 Department stores 19. F401010 International trade 20. F501060 Restaurants 21. J701020 Amusement parks 22. J801030 Athletics and recreational sport stadium 23. H701010 Residence and buildings lease construction and development 24. H701020 Industrial factory buildings lease construction and development 	<p>The Company's businesses are as follows :</p> <ol style="list-style-type: none"> 1. C301010 Yarn spinning mills 2. C302010 Knit fabric mills 3. C303010 Non woven fabric mills 4. C305010 Printing dyeing and finishing mills 5. C306010 Outerwear knitting mills 6. C307010 Apparel, clothing accessories and other textile product manufacturing 7. C399990 Other textile products 8. C801120 Manmade fiber manufacturing 9. C801990 Other chemical material manufacturing 10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures 12. F106020 Wholesale of articles for daily use 13. F107990 Wholesale of other chemical products 14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products 15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures 16. F206020 Retail sale of articles for daily use 17. F207990 Retail sale of other chemical products 18. F301010 Department stores 19. F401010 International trade 20. F501060 Restaurants 21. J701020 Amusement parks 22. J801030 Athletics and recreational sport stadium 23. H701010 Residence and buildings lease construction and development 24. H701020 Industrial factory buildings lease construction and development 	<p>Delete Item No. 29 J901011 International and general tourist hotels and Item No. 31 G101061 Truck freight transportation, as both are classified by the regulatory authorities as licensed industries, and thus need approvals to enter. The company does not apply for and receive such approvals.</p>

	<p>25. H701040 Specialized field construction and development</p> <p>26. H701050 Public works construction and investment</p> <p>27. G202010 Parking garage business</p> <p>28. G801010 Warehousing and storage</p> <p>29. <u>J901011 International and general tourist hotels</u></p> <p>30. IZ06010 Cargos packaging</p> <p>31. <u>G101061 Truck freight transportation</u></p> <p>32. C802120 Industrial catalyst manufacturing</p> <p>33. F102040 Wholesale of nonalcoholic beverages</p> <p>34. F107030 Wholesale of cleaning preparations</p> <p>35. F113070 Wholesale of telecom instruments</p> <p>36. F213060 Retail sale of telecom instruments</p> <p>37. CC01080 Electronic part and component manufacturing</p> <p>38. CF01011 Medical materials and equipment manufacturing</p> <p>39. F108031 Wholesale of drugs and medical goods</p> <p>40. F208031 Retail sale of medical equipments</p> <p>41. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations</p>	<p>25. H701040 Specialized field construction and development</p> <p>26. H701050 Public works construction and investment</p> <p>27. G202010 Parking garage business</p> <p>28. G801010 Warehousing and storage</p> <p>29. IZ06010 Cargos packaging</p> <p>30. C802120 Industrial catalyst manufacturing</p> <p>31. F102040 Wholesale of nonalcoholic beverages</p> <p>32. F107030 Wholesale of cleaning preparations</p> <p>33. F113070 Wholesale of telecom instruments</p> <p>34. F213060 Retail sale of telecom instruments</p> <p>35. CC01080 Electronic part and component manufacturing</p> <p>36. CF01011 Medical materials and equipment manufacturing</p> <p>37. F108031 Wholesale of drugs and medical goods</p> <p>38. F208031 Retail sale of medical equipments</p> <p>39. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations</p>	
Article 19	<p>Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Law, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. The Chairman may <u>when necessary</u> convene meetings of the Board at any time.</p> <p>When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.</p>	<p>Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Law, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. The Chairman may <u>when urgent matters occur</u> convene meetings of the Board at any time.</p> <p>When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.</p>	Pursuant to the Article 204 of Company Law and opinions of regulatory authorities, wordings are revised.
Article 29	These Articles of Incorporation were drafted	These Articles of Incorporation were drafted	To record the

	<p>on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p>First amendment on July 1, 1953; Second amendment on January 22, 1954; Third amendment on September 1, 1956; Fourth amendment on January 15, 1957; Fifth amendment on June 13, 1959; Sixth amendment on August 25, 1959; Seventh amendment on March 31, 1960; Eighth amendment on October 26, 1960; Ninth amendment on February 25, 1961; Tenth amendment on May 25, 1961; Eleventh amendment on May 2, 1962; Twelfth amendment on August 7, 1964; Thirteenth amendment on December 19, 1964; Fourteenth amendment on January 20, 1966; Fifteenth amendment on June 22, 1966; Sixteenth amendment on June 24, 1967; Seventeenth amendment on December 23, 1967; Eighteenth amendment on June 8, 1968; Nineteenth amendment on May 31, 1969; Twentieth amendment on June 17, 1970; Twenty-first amendment on January 25, 1972; Twenty-second amendment on June 20, 1972; Twenty-third amendment on April 30, 1973; Twenty-fourth amendment on October 17, 1973; Twenty-fifth amendment on May 8, 1974; Twenty-sixth amendment on May 19, 1975; Twenty-seventh amendment on April 14, 1976; Twenty-eighth amendment on September 15, 1976; Twenty-ninth amendment on April 6, 1977; Thirtieth amendment on April 18, 1978; Thirty-first amendment on February 9, 1979; Thirty-second amendment on April 14, 1979; Thirty-third amendment on April 28, 1980; Thirty-fourth amendment on April 15, 1981;</p>	<p>on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p>First amendment on July 1, 1953; Second amendment on January 22, 1954; Third amendment on September 1, 1956; Fourth amendment on January 15, 1957; Fifth amendment on June 13, 1959; Sixth amendment on August 25, 1959; Seventh amendment on March 31, 1960; Eighth amendment on October 26, 1960; Ninth amendment on February 25, 1961; Tenth amendment on May 25, 1961; Eleventh amendment on May 2, 1962; Twelfth amendment on August 7, 1964; Thirteenth amendment on December 19, 1964; Fourteenth amendment on January 20, 1966; Fifteenth amendment on June 22, 1966; Sixteenth amendment on June 24, 1967; Seventeenth amendment on December 23, 1967; Eighteenth amendment on June 8, 1968; Nineteenth amendment on May 31, 1969; Twentieth amendment on June 17, 1970; Twenty-first amendment on January 25, 1972; Twenty-second amendment on June 20, 1972; Twenty-third amendment on April 30, 1973; Twenty-fourth amendment on October 17, 1973; Twenty-fifth amendment on May 8, 1974; Twenty-sixth amendment on May 19, 1975; Twenty-seventh amendment on April 14, 1976; Twenty-eighth amendment on September 15, 1976; Twenty-ninth amendment on April 6, 1977; Thirtieth amendment on April 18, 1978; Thirty-first amendment on February 9, 1979; Thirty-second amendment on April 14, 1979; Thirty-third amendment on April 28, 1980; Thirty-fourth amendment on April 15, 1981;</p>	<p>latest amendment.</p>
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	<p>Thirty-fifth amendment on April 21, 1982; Thirty-sixth amendment on April 21, 1982; Thirty-seventh amendment on May 5, 1983; Thirty-eighth amendment on May 2, 1984; Thirty-ninth amendment on May 10, 1985; Fortieth amendment on April 23, 1987; Forty-first amendment on April 20, 1988; Forty-second amendment on April 20, 1989; Forty-third amendment on April 23, 1990; Forty-fourth amendment on April 26, 1991; Forty-fifth amendment on May 12, 1992; Forty-sixth amendment on May 14, 1993; Forty-seventh amendment on May 9, 1994; Forty-eighth amendment on May 4, 1995; Forty-ninth amendment on May 27, 1996; Fiftieth amendment on May 23, 1997; Fifty-first amendment on May 22, 1998; Fifty-second amendment on May 21, 1999; Fifty-third amendment on May 15, 2000; Fifty-fourth amendment on May 18, 2001; Fifty-fifth amendment on June 12, 2002; Fifty-sixth amendment on June 9, 2003; Fifty-seventh amendment on June 4, 2004; Fifty-eighth amendment on June 14, 2005, Fifty-ninth amendment on June 13, 2006, Sixtieth amendment on October 13, 2009</p>	<p>Thirty-fifth amendment on April 21, 1982; Thirty-sixth amendment on April 21, 1982; Thirty-seventh amendment on May 5, 1983; Thirty-eighth amendment on May 2, 1984; Thirty-ninth amendment on May 10, 1985; Fortieth amendment on April 23, 1987; Forty-first amendment on April 20, 1988; Forty-second amendment on April 20, 1989; Forty-third amendment on April 23, 1990; Forty-fourth amendment on April 26, 1991; Forty-fifth amendment on May 12, 1992; Forty-sixth amendment on May 14, 1993; Forty-seventh amendment on May 9, 1994; Forty-eighth amendment on May 4, 1995; Forty-ninth amendment on May 27, 1996; Fiftieth amendment on May 23, 1997; Fifty-first amendment on May 22, 1998; Fifty-second amendment on May 21, 1999; Fifty-third amendment on May 15, 2000; Fifty-fourth amendment on May 18, 2001; Fifty-fifth amendment on June 12, 2002; Fifty-sixth amendment on June 9, 2003; Fifty-seventh amendment on June 4, 2004; Fifty-eighth amendment on June 14, 2005, Fifty-ninth amendment on June 13, 2006, Sixtieth amendment on October 13, 2009 <u>Sixty-first amendment on June 22, 2010</u></p>	
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*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

General information

I. Articles of Incorporation of Far Eastern New Century Corporation

Chapter 1 General Provisions

Article 1 The Company is duly incorporated under the provisions of the Company Law of the Republic of China, and shall be called: Far Eastern New Century Corporation

Article 2 The Company's businesses are as follows :

1. C301010 Yarn spinning mills
2. C302010 Knit fabric mills
3. C303010 Non woven fabric mills
4. C305010 Printing dyeing and finishing mills
5. C306010 Outerwear knitting mills
6. C307010 Apparel, clothing accessories and other textile product manufacturing
7. C399990 Other textile products
8. C801120 Manmade fiber manufacturing
9. C801990 Other chemical material manufacturing
10. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
11. F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures
12. F106020 Wholesale of articles for daily use
13. F107990 Wholesale of other chemical products
14. F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
15. F205040 Retail sale of furniture, bedclothes, kitchen equipment and fixtures
16. F206020 Retail sale of articles for daily use
17. F207990 Retail sale of other chemical products
18. F301010 Department stores
19. F401010 International trade
20. F501060 Restaurants
21. J701020 Amusement parks
22. J801030 Athletics and recreational sport stadium
23. H701010 Residence and buildings lease construction and development
24. H701020 Industrial factory buildings lease construction and development
25. H701040 Specialized field construction and development
26. H701050 Public works construction and investment
27. G202010 Parking garage business
28. G801010 Warehousing and storage
29. J901011 International and general tourist hotels
30. IZ06010 Cargos packaging
31. G101061 Truck freight transportation

32. C802120 Industrial catalyst manufacturing
33. F102040 Wholesale of nonalcoholic beverages.
34. F107030 Wholesale of cleaning preparations.
35. F113070 Wholesale of telecom instruments
36. F213060 Retail sale of telecom instruments
37. CC01080 Electronic part and component manufacturing
38. CF01011 Medical materials and equipment manufacturing
39. F108031 Wholesale of drugs and medical goods
40. F208031 Retail sale of medical equipments
41. ZZ99999 Except where permits are required, to run operations not forbidden or limited by laws and regulations.

Article 3 The Company may, where its businesses require, provide guarantee.

Article 4 Where the Company invests in other companies and becomes a shareholder with limited liability; its total investment may exceed 40% of its paid-up capital as stipulated under Article 13 of the Company Law, subject to approval of the Board of Directors.

Article 5 The Company is incorporated in Taipei, the Republic of China; the Board of Directors may by resolution approve the establishment of domestic and international branches where it deems necessary.

Chapter 2 Share Capital

Article 6 The Company's total capital shall be Forty-Nine Billion and Five Hundred Million New Taiwan Dollar (NT\$49,500,000,000) divided into 4,950,000,000 shares of NT\$10 each. The Board of Directors is authorized to issue the un-issued shares in separate trenches. Out of the above total capital amount, One Hundred Million New Taiwan Dollar (NT\$100,000,000) shall be divided into 10,000,000 shares of NT\$10 each, to be issued as warrants for employees to subscribe.

Article 7 The Company's shares shall be numbered and issued following the signatures or seals by 3 Directors or more and the authentication by the relevant authorities or the registration organizations as approved by the authorities in compliance with law.

Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises. New shares issued by the Company may also be consolidated for the purposes of production of share certificates, subject to them being deposited at the Securities Central Depository Enterprises.

The Company may issue shares in large denominations upon demand by Securities Central Depository Enterprises.

The Company can issue special shares.

In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.

Article 8 Matters relating to the Company's shares shall be dealt with according to the provisions of "Regulations Governing Handling of Stock Affairs by Public Companies" and the relevant laws and regulations.

Article 9 Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or with 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

Chapter 3 Shareholders' Meeting

Article 10 The Shareholders' Meetings shall be General or Extraordinary Shareholders' Meetings:
General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year.

Extraordinary Shareholders' Meeting shall be convened by the Board of Directors where it thinks necessary or by way of written request by shareholders who have held continuously the Company's total issued shares for more than 1 year and whose shareholdings are greater than 3% of the Company's issued shares.

Other than where the Board of Directors has not convened or is unable to convene shareholders' meeting, the Supervisor may also convene shareholders' meeting for the benefit of the Company.

Article 11 Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.

Article 12 Unless otherwise stipulated by the Company Law, a quorum shall be present at the shareholders' meeting if shareholders representing more than half of the shares issued by the Company are in attendance and resolutions at the said assembly shall be passed if approved by a majority of the shareholders in attendance.

Article 13 Shareholders may by way of power of attorney stamped with the seal of the Company appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when

one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.

Unless otherwise stipulated by the Company Law, attendance of shareholder's proxies shall be in accordance with the provisions of "Regulation Governing the Use of Proxies For Attendance of Shareholders' Meeting of Public Companies".

Article 14 Unless otherwise stipulated by the Company Law and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for shareholders' meeting.

Article 15 Minutes and resolutions of shareholders' meeting shall be recorded and signed by or affixed with the seal of the chairman of the meeting. The said minutes and resolutions shall specify the date and place of the shareholders' meeting, number of shares represented by the shareholders (or proxies) present at the meeting; number of voting rights represented; name of the chairman of the shareholders' meeting; resolutions and the manner in which they are passed. The said minutes and resolutions shall be kept, together with the register of shareholders' attendance and the proxies' powers of attorney, in compliance with the law.

Chapter 4 Directors, Supervisors and Managers

Article 16 There shall be 11 Directors and 3 Supervisors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors and Supervisors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies".

Article 17 The respective appointments of Directors and Supervisors are for a period of 3 years. They may be reappointed following their re-election.

Article 18 The Board of Directors of the Company shall comprise the directors. A Chairman and a Vice Chairman shall be elected from among the Directors to represent the Company. Where the Chairman has taken leave or is unable to perform his duties for any reasons, the Vice Chairman shall act in his place. Where the Vice Chairman is also unavailable, the Chairman shall appoint a Director to act on his behalf, failing which the Board of Directors shall nominate from among them a person to act on behalf of the Chairman of the Company.

Article 19 Meetings of the Board of Directors, which shall be held quarterly, shall be convened by the Chairman. Unless otherwise stipulated by the Company Law, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and

a resolution passed if approved by a majority of the Directors in attendance. The Chairman may where necessary convene meetings of the Board at any time. When a Director is unable to personally attend the meeting of the Board of Directors, he may entrust another Director to represent him in accordance with law.

Article 20 The Supervisors shall perform their supervising duties in accordance with law; furthermore Supervisors may attend meetings of the Board of Directors and present their views, but may not have voting rights. Supervisors may elect from among them a Resident Supervisor to perform the daily supervisory duty.

Article 21 The remuneration of Directors and Supervisors shall be decided by the shareholders' meeting.

Article 22 The Company shall have a General Manager and a number of deputy general managers, a Chief Auditor and a Deputy Chief Auditor, a number of assistant managers, managers and factory managers.

The appointment and dismissal of the above staff shall be by way of a majority at the meetings of the Board of Directors, subject to more than half of the Directors are in attendance of the said meetings.

Article 23 The Chairman, the Vice Chairman and the General Manager shall handle the daily affairs of the Company in compliance with the resolution of the Board of the Directors.

Chapter 5 Accounting

Article 24 The Company's fiscal year shall commence on the First of January of each year, and ends on the Thirty-first of December of the same year. The final accounts are settled at the end of the Company's fiscal year.

Article 25 The Board of Directors shall in accordance with law furnish various documents and statements and forward the same to the Supervisors for review 30 days prior to the General Shareholders' Meeting, following which the said statements reviewed by the Supervisors and their reports shall be submitted for approval at the General Shareholders' Meeting. The appointment, dismissal and remuneration of the accountants auditing and reviewing the above documents and statements shall be resolved at the meeting of the Board of the Directors.

Article 26 The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure,

reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than 10% of the aggregate sum of dividends and bonus distributed in the same year.

Article 27 Apart from paying all its income taxes in the case where there are profits at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve. Subject to certain business conditions under which the Company may retain a portion, the Company may distribute to the shareholders the remainder after deducting special reserve as required by law together with undistributed profits from previous years in the following manner :

1. 60% as share interest, to be distributed based on shareholdings. However in the case of increase in the Company's share capital, unless otherwise stipulated by law, the share interest to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;
2. 33% as shareholders' bonuses to be distributed based on shareholdings. However in the case of increase in the Company's share capital, the shareholders' bonus to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting;
3. 4% as employees' bonuses
4. 3% as remuneration for Directors and Supervisors, the manner in which it is to be distributed shall be decided by the Board of Directors.

In the case of employees' bonuses in the form of stock dividends, the manner in which it is to be distributed shall be decided by the Board of Directors.

Article 28 All matters not covered herein shall be undertaken in accordance with the Company Law of the Republic of China and the other relevant law and regulations.

Article 29 These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.

First amendment on July 1, 1953;

Second amendment on January 22, 1954;

Third amendment on September 1, 1956;

Fourth amendment on January 15, 1957;

Fifth amendment on June 13, 1959;

Sixth amendment on August 25, 1959;

Seventh amendment on March 31, 1960;

Eighth amendment on October 26, 1960;

Ninth amendment on February 25, 1961;
Tenth amendment on May 25, 1961;
Eleventh amendment on May 2, 1962;
Twelfth amendment on August 7, 1964;
Thirteenth amendment on December 19, 1964;
Fourteenth amendment on January 20, 1966;
Fifteenth amendment on June 22, 1966;
Sixteenth amendment on June 24, 1967;
Seventeenth amendment on December 23, 1967;
Eighteenth amendment on June 8, 1968;
Nineteenth amendment on May 31, 1969;
Twentieth amendment on June 17, 1970;
Twenty-first amendment on January 25, 1972;
Twenty-second amendment on June 20, 1972;
Twenty-third amendment on April 30, 1973;
Twenty-fourth amendment on October 17, 1973;
Twenty-fifth amendment on May 8, 1974;
Twenty-sixth amendment on May 19, 1975;
Twenty-seventh amendment on April 14, 1976;
Twenty-eighth amendment on September 15, 1976;
Twenty-ninth amendment on April 6, 1977;
Thirtieth amendment on April 18, 1978;
Thirty-first amendment on February 9, 1979;
Thirty-second amendment on April 14, 1979;
Thirty-third amendment on April 28, 1980;
Thirty-fourth amendment on April 15, 1981;
Thirty-fifth amendment on April 21, 1982;
Thirty-sixth amendment on April 21, 1982;
Thirty-seventh amendment on May 5, 1983;
Thirty-eighth amendment on May 2, 1984;
Thirty-ninth amendment on May 10, 1985;
Fortieth amendment on April 23, 1987;
Forty-first amendment on April 20, 1988;
Forty-second amendment on April 20, 1989;
Forty-third amendment on April 23, 1990;
Forty-fourth amendment on April 26, 1991;
Forty-fifth amendment on May 12, 1992;
Forty-sixth amendment on May 14, 1993;
Forty-seventh amendment on May 9, 1994;
Forty-eighth amendment on May 4, 1995;
Forty-ninth amendment on May 27, 1996;
Fiftieth amendment on May 23, 1997;
Fifty-first amendment on May 22, 1998;

Fifty-second amendment on May 21, 1999;
Fifty-third amendment on May 15, 2000;
Fifty-fourth amendment on May 18, 2001;
Fifty-fifth amendment on June 12, 2002;
Fifty-sixth amendment on June 9, 2003;
Fifty-seventh amendment on June 4, 2004;
Fifty-eighth amendment on June 14, 2005;
Fifty-ninth amendment on June 13, 2006;
Sixtieth amendment on October 13, 2009.

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II. Meeting rules of stockholders for Far Eastern New Century Corporation

As last amended on June 12, 2002

Article 1 The stockholders' meeting of the Company shall be held according to the rules herein.

Article 2 The location for stockholders' meeting shall be the Company's place of business or a place convenient for attendance by stockholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM. The stockholders (or proxies) when attending the meeting shall wear admission badge and hand in signed attendance form to be used to calculate the number of attending shares.

The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.

The personnel in charge of handling the affairs of the meeting shall wear identification badge or armband.

For a stockholders' meeting convened by the board of directors, the chairman of the board of directors shall preside at the meeting. If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairman of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairman of the meeting shall be elected by the board of directors from among themselves. For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The complete processes of the meeting shall be recorded by voice or video recorders and all the records shall be kept by the Company for a minimum period of at least one year.

Article 3 The chairperson shall announce starting of the meeting when the attending stockholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending stockholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present.

After proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending stockholders (or proxies) reached the legal quorum.

Article 4 If the stockholders' meeting is convened by the board of directors, the agenda shall be designated by the board of directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the board of directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis.

Except with stockholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the chairperson declares adjournment of the meeting in violation of the preceding rule, a new chairperson may be elected by a resolution passed by majority of the attending stockholders to continue the meeting.

When the meeting is adjourned by resolution, the stockholders shall not elect another chairperson to continue the meeting at the same location or another venue.

Article 5 The stockholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the stockholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

Article 6 Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the stockholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other stockholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.

Article 7 The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the chairperson's permission.

The chairperson may restrain stockholders (or proxies) from speaking if that stockholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a stockholder (or proxy) is speaking, other stockholder (or proxy) shall not interrupt without consent of the chairperson and the speaking stockholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson. Article 15 of this meeting rule shall apply if the disobedient do not follow the chairperson's instructions.

Article 8 For the same proposal, each person shall not speak more than 2 times.

When a juristic person is a stockholder, only one representative shall be appointed to attend the meeting.

If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.

Article 9 After speaking by the attending stockholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.

Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.

Article 10 For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.

No discussion or voting shall proceed for matters unrelated to the proposal.

The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson with the consent of the stockholders (or proxies). The person responsible for vote overseeing shall be of the stockholder status.

Article 11 In regards to the resolution of proposals, unless otherwise provided for in the relevant law and regulation or Company's articles of incorporation, resolution shall be passed by a majority of the voting rights represented by the stockholders (or proxies) attending the meeting. The proposal for a resolution shall be deemed approved if the chairperson inquires and receives no objection. The validity of such approval has the same effect as if the resolution has been put to vote.

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.

The results of voting shall be reported on the spot and kept for records.

Article 12 During the meeting, the chairperson may at his/her discretion declare time for break.

Article 13 The meeting shall be adjourned if encountering an air-raid alarm during the meeting. The meeting shall resume one hour after the alarm is lifted.

Article 14 The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.

Article 15 The stockholders (or proxies) shall obey the instructions of the chairperson and security guards in terms of maintaining the order. The chairperson or security guards may exclude the persons disturbing the stockholders' meeting from the meeting.

Article 16 For matters not governed by the rules specified herein, shall be governed according to Company Law, Stock Exchange Law and the other related laws and regulations.

Article 17 The rules herein take effect after approval at the stockholders' meeting, the same apply for any amendments.

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