

**Far Eastern New Century Corporation and
Subsidiaries**
(Formerly Far Eastern Textile Ltd.)

**Consolidated Financial Statements for the
Years Ended December 31, 2009 and 2008 and
Independent Auditors' Report**

REPRESENTATION LETTER

The affiliates of Far Eastern New Century Corporation (FENC) that should be included in the combined financial statements of FENC and its affiliates as of and for the year ended December 31, 2009 in accordance with the “Regulations Governing the Preparation of Combined Financial Statements of Public Companies and their Affiliates” in the Republic of China (ROC) are the same as those already included in the consolidated financial statements of FENC and its subsidiaries as of and for the year ended December 31, 2009. The consolidated financial statements have been prepared under the ROC Statement of Financial Accounting Standards No. 7 - “Consolidated Financial Statements.” The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial statements. Thus, preparing separate combined financial statements of FENC and its affiliates for the same period is not needed.

Very truly yours,

FAR EASTERN NEW CENTURY CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 5, 2010

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (formerly Far Eastern Textile Ltd.) and subsidiaries as of December 31, 2009 and 2008 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. However, we did not audit the financial statements of certain consolidated subsidiaries. These subsidiaries' total assets, as shown in their financial statements, were 0.62% (NT\$1,665,591 thousand) and 0.44% (NT\$1,184,885 thousand) of the consolidated total assets as of December 31, 2009 and 2008, respectively. Their total net operating revenues were 1.17% (NT\$1,945,364 thousand) and 0.80% (NT\$1,386,838 thousand) of the consolidated net operating revenues in 2009 and 2008, respectively. We also did not audit the financial statements of certain equity-method investees, as shown in the accompanying consolidated financial statements. The carrying values of these investments were 0.63% (NT\$1,679,783 thousand) and 0.61% (NT\$1,638,901 thousand) of the consolidated total assets as of December 31, 2009 and 2008, respectively. The Company's equity in their net income was 0.95% (NT\$172,676 thousand) and the equity in their net income was 1.18% (NT\$155,901 thousand) of the consolidated income before income tax in 2009 and 2008, respectively. The financial statements of the foregoing consolidated subsidiaries and equity-method investees were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the consolidated subsidiaries and other equity-method investees, 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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 the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Far Eastern New Century Corporation and subsidiaries as of December 31, 2009 and 2008 and the results of their operations and their cash flows for the years then ended, in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As disclosed in Note 4 to the consolidated financial statements, 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\$132,664 thousand in consolidated net income to stockholders belongs of parent company and of NT\$0.03 in the after income tax basic earnings per share in 2009. In March 2007, the Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. This accounting change resulted in decreases of NT\$431,123 thousand in net consolidated income to stockholders belongs of parent company and of NT\$0.09 in after income tax basic earnings per share in 2008.

Note 32 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.

March 5, 2010

Notice to Readers

The accompanying consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

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

CONSOLIDATED 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 and cash equivalents (Notes 2 and 5)	\$ 21,141,998	8	\$ 22,946,534	8	Short-term bank loans (Notes 19 and 30)	\$ 24,146,138	9	\$ 27,698,393	10
Financial assets at fair value through profit or loss (Notes 2 and 6)	1,791,338	1	507,594	-	Short-term bills payable (Notes 20 and 30)	5,099,750	2	5,233,968	2
Hedging derivative assets - current (Notes 2 and 22)	2,750	-	8,070	-	Financial liabilities at fair value through profit or loss - current (Notes 2 and 6)	20,750	-	105,353	-
Available-for-sale financial assets - current (Notes 2, 7 and 30)	2,815,770	1	1,988,763	1	Hedging derivative liabilities - current (Notes 2 and 22)	-	-	7,656	-
Bond investments with no active market - current (Notes 2 and 8)	-	-	3,000	-	Accounts payable and notes payable, net (Note 23)	11,167,451	4	11,322,395	4
Accounts and notes receivable, net (Notes 2 and 23)	21,805,366	8	23,639,761	9	Accounts payable and notes payable to affiliates (Notes 23 and 29)	1,171,896	-	1,690,702	1
Accounts and notes receivable from affiliates (Notes 2, 23 and 29)	1,264,013	1	1,356,264	1	Income tax payable (Notes 2 and 25)	1,398,249	1	2,497,375	1
Inventories, net (Notes 2, 4 and 9)	12,073,494	5	13,695,819	5	Accrued expenses (Note 29)	7,360,097	3	7,813,933	3
Available-for-sale - building and land, net (Notes 2 and 23)	30,339	-	30,339	-	Guarantee deposits received - current	561,727	-	713,367	-
Available for construction - land (Notes 2, 10, 23 and 30)	620,013	-	620,013	-	Payables for acquisition of properties	1,696,017	1	1,989,528	1
Construction-in-progress (net of billings on construction-in-progress) (Notes 2, 11, 23, 29 and 30)	5,137,539	2	2,986,412	1	Advance sales receipts	706,034	-	694,820	-
Other receivables	1,030,483	-	1,548,275	1	Advances on real estate receipts (Notes 2, 11 and 23)	988,818	-	10,371	-
Long-term equity investments for disposal (Note 12)	241,519	-	-	-	Unearned revenue (Note 2)	1,207,211	-	1,154,126	-
Deferred income taxes - current (Notes 2 and 25)	606,274	-	915,583	-	Progressive billings in excess of construction-in-progress (net of construction-in-progress) (Notes 2, 21, 23 and 30)	291,098	-	30,151	-
Restricted assets	1,902,048	1	381,566	-	Current portion of long-term liabilities (Notes 22 and 30)	11,961,296	5	9,175,340	3
Prepayments and other current assets (Notes 2, 11, 23 and 30)	3,399,888	1	2,492,180	1	Other current liabilities (Note 2)	2,184,488	1	1,232,019	1
Total current assets	73,862,832	28	73,120,173	27	Total current liabilities	69,961,020	26	71,369,497	26
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 12, 13, 14 and 30)					LONG-TERM LIABILITIES, NET OF CURRENT PORTION (Notes 2, 22, 29 and 30)				
Investments accounted for by the equity method	49,975,648	19	48,681,533	18	Long-term debt	35,999,796	13	41,733,220	16
Available-for-sale financial assets - noncurrent	2,593,229	1	56,682	-	Bonds payable	9,788,724	4	13,881,849	5
Held-to-maturity financial assets - noncurrent	199,567	-	-	-	Lease payable - noncurrent	-	-	12,618	-
Financial assets carried at cost - noncurrent	2,974,623	1	1,822,973	1	Total long-term liabilities	45,788,520	17	55,627,687	21
Bond investments with no active market - noncurrent	293,454	-	-	-	RESERVE FOR LAND VALUE INCREMENT TAX (Note 15)	6,310,976	2	6,510,782	2
Total funds and investments	56,036,521	21	50,561,188	19	OTHER LIABILITIES				
PROPERTIES (Notes 2, 15, 26, and 30)					Accrued pension cost (Notes 2 and 28)	1,731,977	1	2,570,012	1
Cost					Guarantee deposits received - noncurrent	470,784	-	318,539	-
Land	5,138,368	2	5,173,998	2	Deferred income (Notes 2, 15 and 29)	1,024,856	1	1,078,588	1
Buildings and equipment	17,845,711	7	17,813,835	7	Miscellaneous (Note 2)	623,764	-	532,713	-
Machinery and equipment	93,496,605	35	90,275,865	33	Total other liabilities	3,851,381	2	4,499,852	2
Telecommunications equipment	110,140,318	41	106,295,730	39	Total liabilities	125,911,897	47	138,007,818	51
Computer equipment	17,335,723	6	16,010,904	6	STOCKHOLDERS' EQUITY OF PARENT COMPANY				
Leasehold improvements	1,998,292	1	1,737,877	1	Capital stock - NTS10.00 par value				
Other equipments	6,480,577	2	6,358,794	2	Authorized - 4,950,000 thousand shares				
Total cost	252,435,594	94	243,667,003	90	Issued and outstanding - 4,661,353 thousand shares in 2009 and 4,569,954 thousand shares in 2008	46,613,529	18	45,699,538	17
Revaluation increment	19,023,754	7	19,706,480	7	Capital surplus				
Total cost and revaluation increment	271,459,348	101	263,373,483	97	Premium on capital stock	932,814	-	932,814	-
Less: Accumulated depreciation	166,779,427	62	153,762,709	57	Equity in capital surplus reported by investees	9,240,917	4	9,120,172	4
	104,679,921	39	109,610,774	40	Others	7,672	-	7,672	-
Construction in progress and prepayments for equipment	6,803,984	3	10,891,635	4	Total capital surplus	10,181,403	4	10,060,658	4
Net properties	111,483,905	42	120,502,409	44	Retained earnings				
INTANGIBLE ASSETS					Legal reserve	8,602,110	3	8,196,285	3
Deferred pension cost (Notes 2 and 28)	17,061	-	90,592	-	Special reserve	3,034,766	1	3,034,766	1
Goodwill (Notes 2 and 16)	11,721,599	4	11,084,911	4	Unappropriated earnings	9,672,105	4	6,535,276	2
3G license fee (Notes 1, 2 and 17)	6,576,358	3	7,307,065	3	Total retained earnings	21,308,981	8	17,766,327	6
Land leasehold rights, net (Notes 2 and 30)	1,108,875	-	1,128,796	-	Other stockholders' equity				
Other intangible assets (Notes 2 and 26)	88,813	-	148,982	-	Unrealized gains (loss) on financial instruments	3,276,309	1	(866,020)	-
Total intangible assets	19,512,706	7	19,760,346	7	Cumulative translation adjustments	2,490,010	1	3,696,557	1
OTHER ASSETS					Unrealized revaluation increment	8,721,219	3	8,843,128	3
Nonoperating properties, net (Notes 2, 15 and 30)	3,718,091	2	3,796,652	2	Net loss not recognized as pension cost	(80,263)	-	(656,261)	-
Deferred income tax assets, net (Notes 2 and 25)	647,261	-	1,165,110	1	Total other stockholders' equity	14,407,275	5	11,017,404	4
Refundable deposits (Notes 23 and 29)	471,180	-	484,400	-	Total stockholders' equity of parent company	92,511,188	35	84,543,927	31
Deferred charges, net (Notes 2 and 26)	636,370	-	750,994	-	MINORITY INTEREST	48,996,582	18	48,270,193	18
Restricted assets	423,003	-	16,572	-	Total stockholders' equity	141,507,770	53	132,814,120	49
Farmland (Note 18)	276,661	-	276,661	-	TOTAL	\$ 267,419,667	100	\$ 270,821,938	100
Miscellaneous (Notes 2, 30 and 31)	351,137	-	387,433	-					
Total other assets	6,523,703	2	6,877,822	3					
TOTAL	\$ 267,419,667	100	\$ 270,821,938	100					

The accompanying notes are an integral part of the consolidated financial statements.

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

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

CONSOLIDATED 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 (Notes 2 and 29)				
Net sales	\$ 102,976,116	62	\$ 107,700,012	62
Telecommunications service income	54,362,420	32	56,955,864	33
Gain on sale of investments, net	1,549,493	1	3,077,251	2
Construction revenues, net	6,289,737	4	4,107,440	2
Other operating revenues	<u>1,795,601</u>	<u>1</u>	<u>1,159,181</u>	<u>1</u>
Total operating revenues	<u>166,973,367</u>	<u>100</u>	<u>172,999,748</u>	<u>100</u>
OPERATING COSTS (Notes 2, 4, 9, 26 and 29)				
Cost of goods sold	94,094,317	56	102,098,293	59
Cost of telecommunications services	27,027,541	16	27,233,385	16
Construction cost	5,691,470	4	3,869,300	2
Other operating cost	<u>1,166,689</u>	<u>1</u>	<u>708,485</u>	<u>-</u>
Total operating costs	<u>127,980,017</u>	<u>77</u>	<u>133,909,463</u>	<u>77</u>
GROSS PROFIT EXCLUDING REALIZED CONSTRUCTION INCOME	38,993,350	23	39,090,285	23
REALIZED CONSTRUCTION INCOME (Notes 2 and 29)	<u>556</u>	<u>-</u>	<u>556</u>	<u>-</u>
GROSS PROFIT	<u>38,993,906</u>	<u>23</u>	<u>39,090,841</u>	<u>23</u>
OPERATING EXPENSES (Notes 2, 4, 26 and 29)				
Selling expenses	15,017,745	9	15,501,519	9
General and administrative expenses	7,651,061	5	8,038,210	5
Research and development expenses	<u>683,311</u>	<u>-</u>	<u>722,921</u>	<u>-</u>
Total operating expenses	<u>23,352,117</u>	<u>14</u>	<u>24,262,650</u>	<u>14</u>
OPERATING INCOME	<u>15,641,789</u>	<u>9</u>	<u>14,828,191</u>	<u>9</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 29)	211,470	-	549,257	-
Investment income recognized under the equity method (Notes 2 and 13)	3,921,059	3	-	-
Dividend income	209,016	-	267,783	-
Exchange gain, net (Note 2)	-	-	662,838	1

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

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

	2009		2008	
	Amount	%	Amount	%
Rental revenue (Note 29)	\$ 62,140	-	\$ 47,173	-
Valuation gain on financial assets, net (Notes 2 and 6)	283,981	-	-	-
Valuation gain on financial liabilities, net (Notes 2 and 6)	93,123	-	411,653	-
Miscellaneous gains (Notes 2 and 29)	848,295	1	1,603,961	1
Total nonoperating income and gains	<u>5,629,084</u>	<u>4</u>	<u>3,542,665</u>	<u>2</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense (Notes 11 and 15)	1,449,745	1	2,791,776	2
Investment loss recognized under the equity method, net (Notes 2 and 13)	-	-	168,042	-
Impairment loss on assets (Notes 2, 12, 15 and 16)	419,762	-	90,620	-
Loss on disposal of properties, net (Note 25)	310,597	-	422,782	-
Exchange loss, net (Note 2)	207,020	-	-	-
Valuation loss on financial assets, net (Notes 2 and 6)	-	-	389,929	-
Miscellaneous expenses	797,565	1	1,317,614	1
Total nonoperating expenses and losses	<u>3,184,689</u>	<u>2</u>	<u>5,180,763</u>	<u>3</u>
INCOME BEFORE INCOME TAX	18,086,184	11	13,190,093	8
INCOME TAX EXPENSE (Notes 2 and 25)	<u>3,462,415</u>	<u>2</u>	<u>2,926,224</u>	<u>2</u>
INCOME BEFORE EXTRAORDINARY GAIN	14,623,769	9	10,263,869	6
EXTRAORDINARY GAIN (NET, AFTER DEDUCTING INCOME TAX OF \$5,970 THOUSAND) (Note 25)	<u>-</u>	<u>-</u>	<u>53,730</u>	<u>-</u>
CONSOLIDATED NET INCOME	<u>\$ 14,623,769</u>	<u>9</u>	<u>\$ 10,317,599</u>	<u>6</u>
BELONG TO:				
Stockholders of parent company	\$ 8,088,696	5	\$ 4,621,944	3
Minority interest	6,535,073	4	5,695,655	3
	<u>\$ 14,623,769</u>	<u>9</u>	<u>\$ 10,317,599</u>	<u>6</u>

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

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

	2009		2008	
	Income Before Income Tax	Net Income	Income Before Income Tax	Net Income
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Notes 4 and 27)				
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>

The accompanying notes are an integral part of the consolidated financial statements.

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

(Concluded)

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

CONSOLIDATED 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 (Note 24)		Capital Surplus (Notes 2 and 24)	Retained Earnings (Notes 2, 24 and 25)				Other Stockholders' Equity					
	Shares in Thousands	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Unrealized Gain (Loss) on Financial Instruments (Note 2)	Cumulative Translation Adjustments (Note 2)	Unrealized Revaluation Increment on Properties (Notes 2 and 15)	Net Loss not Recognized as Pension Cost (Note 2)	Minority Interests	Total Stockholders' Equity
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)	\$ 50,985,134	\$ 142,931,101
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)	50,985,134	134,192,016
Consolidated net income in 2008	-	-	-	-	-	4,621,944	4,621,944	-	-	-	-	5,695,655	10,317,599
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)
Effect of changes in ownership percentage due to investees' issuance of capital stock for cash	-	-	(9,971)	-	-	(240,880)	(240,880)	-	-	-	-	-	(250,851)
Translation adjustment on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	229,496	-	-	-	229,496
Change in net loss not recognized as pension cost	-	-	-	-	-	-	-	-	-	-	(585,239)	-	(585,239)
Change in unrealized gain (loss) on cash flow hedging financial instruments	-	-	-	-	-	-	-	56,160	-	-	-	-	56,160
Adjustments on stockholders' equity for sale of long-term equity investments	-	-	45,761	-	-	220	220	748	(498)	(3)	30	-	46,258
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	(8,410,596)	(8,410,596)
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)	48,270,193	132,814,120
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)	48,270,193	129,158,157
Consolidated net income in 2009	-	-	-	-	-	8,088,696	8,088,696	-	-	-	-	6,535,073	14,623,769
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 adjustment on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	(332,652)	-	-	-	(332,652)
Reversal of net loss not recognized as pension cost	-	-	-	-	-	-	-	-	-	-	585,239	-	585,239
Change in unrealized gain (loss) on cash flow hedging financial instruments	-	-	-	-	-	-	-	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)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	(5,808,684)	(5,808,684)
BALANCE, DECEMBER 31, 2009	<u>4,661,353</u>	<u>\$ 46,613,529</u>	<u>\$ 10,181,403</u>	<u>\$ 8,602,110</u>	<u>\$ 3,034,766</u>	<u>\$ 9,672,105</u>	<u>\$ 21,308,981</u>	<u>\$ 3,276,309</u>	<u>\$ 2,490,010</u>	<u>\$ 8,721,219</u>	<u>\$ (80,263)</u>	<u>\$ 48,996,582</u>	<u>\$ 141,507,770</u>

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

The accompanying notes are an integral part of the consolidated financial statements.

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

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

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

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 14,623,769	\$ 10,317,599
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of 3G concession	730,707	730,707
Depreciation and amortization	16,554,839	15,695,497
(Reversal of provision) provision for losses on inventories	(1,068,719)	720,032
Gain on sale of investments in share of stock, net	(1,559,860)	(3,084,891)
Provision for doubtful accounts	491,945	681,084
Gain on acquisition of donated equity investment	-	(591,120)
Extraordinary gain	-	(59,700)
Cash dividends received from equity-method investments	2,244,511	3,321,006
Impairment loss on assets	419,762	90,620
Deferred income of hedging derivative assets	6,050	-
Investment (income) loss recognized under equity method, net	(3,921,059)	168,042
Loss on disposal of properties, net	310,597	422,782
Realized deferred rental income	(53,176)	(53,177)
Accrued pension liabilities	(181,898)	51,172
Deferred income tax	827,158	(991,684)
Realized construction revenue	(556)	(556)
Net changes in operating assets and liabilities		
Financial assets held for trading	(1,283,744)	393,785
Financial liabilities held for trading	(84,603)	296,315
Accounts and notes receivable	1,346,569	(1,275,936)
Accounts and notes receivable from affiliates	(153,551)	38,183
Inventories	2,691,356	2,197,848
Buildings and land held for sale	-	(10,269)
Construction in progress, net	(2,151,127)	(182,096)
Other receivables	517,792	(383,106)
Prepayments and other current assets	(917,774)	222,789
Accounts and notes payable	(159,873)	(721,252)
Accounts and notes payable to affiliates	159,466	(1,141,493)
Income taxes payable	(1,099,126)	835,776
Accrued expenses	(460,187)	444,423
Advance sales receipts	11,214	78,701
Advance on real estate receipts	978,447	(112,430)
Unearned revenue	53,085	154,765
Progressive billings in excess of construction in progress, net	260,947	9,710
Other current liabilities	<u>951,120</u>	<u>(527,020)</u>
Net cash provided by operating activities	<u>30,084,081</u>	<u>27,736,106</u>

(Continued)

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

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

	2009	2008
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in receivables from affiliates	\$ 245,802	\$ (73,081)
Proceeds of sale of investments accounted for by equity method	3,157,154	5,364,899
Acquisition of investments accounted for by equity method	(1,358,863)	(2,093,653)
Proceeds of the sale of available-for-sale financial assets - current	2,396,055	3,504,786
Increase in available-for-sale financial assets - current	(2,830,183)	(3,970,886)
Purchase of held-to-maturity financial assets	(199,540)	-
Proceeds of the sale of financial assets carried at cost	-	87,509
Increase in financial assets carried at cost	(233,060)	-
Proceeds of sale of bond investments with no active market	3,000	-
Purchase of bond investments with no active market	(293,454)	-
Proceeds of disposal of properties	380,622	107,350
Acquisition of properties	(9,905,590)	(12,375,042)
Increase in intangible assets	(47,913)	(1,858)
(Increase) decrease in restricted assets	(1,926,913)	58,414
Decrease in refundable deposits	33,287	22,489
Increase in deferred charges	(154,770)	(113,379)
Increase in other assets	<u>(66,552)</u>	<u>(161,882)</u>
Net cash used in investing activities	<u>(10,800,918)</u>	<u>(9,644,334)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(3,552,255)	9,240,659
(Decrease) increase in short-term bills payable	(134,218)	2,173,338
Decrease in payable to affiliates	(678,272)	(529,071)
Decrease in long-term liabilities	(7,040,593)	(11,840,860)
Increase (decrease) in guarantee deposits	605	(59,566)
Payments of cash dividends, remuneration to directors and supervisors and bonus to employees	(9,232,830)	(15,003,837)
Cash received from issuing common stock	163,785	620,000
Cash paid due to subsidiaries' capital decrease	-	(4,562,000)
Decrease in minority interest	(1,396,916)	(9,674)
(Decrease) increase in other liabilities	<u>(16,373)</u>	<u>147,442</u>
Net cash used in financing activities	<u>(21,887,067)</u>	<u>(19,823,569)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>732,874</u>	<u>328,514</u>

(Continued)

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

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

	2009	2008
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (1,871,030)	\$ (1,403,283)
EFFECT OF LOSING CONTROL OVER CERTAIN SUBSIDIARIES	-	(460)
EFFECT OF INCREASE IN CONSOLIDATED SUBSIDIARIES	66,494	144,043
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>22,946,534</u>	<u>24,206,234</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 21,141,998</u>	<u>\$ 22,946,534</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 1,477,623	\$ 3,065,975
Less: Capitalized interest	<u>53,930</u>	<u>185,201</u>
Interest paid (excluding capitalized interest)	<u>\$ 1,423,693</u>	<u>\$ 2,880,774</u>
Income tax paid	<u>\$ 4,025,521</u>	<u>\$ 3,377,840</u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 11,961,296</u>	<u>\$ 9,175,340</u>

SUPPLEMENTARY INFORMATION ON SUBSIDIARIES ACQUIRED

- a. In the first quarter of 2009, a Company subsidiary, Yuan Tong Investment Co., Ltd., acquired 70% equity in Martens Beers Trading (Shanghai) Co.

The fair values of Martens Beers Trading (Shanghai) Co.'s total assets and total liabilities at the time of acquisition were as follows:

	Amount
Cash and cash equivalents	\$ 66,494
Accounts receivable	4,117
Inventories	312
Other current assets	10,001
Properties, net	1,797
Accounts payable	(4,929)
Accrued expenses	(2,323)
Other current liabilities	<u>(1,349)</u>
Total	74,120
Percentage of ownership acquired	<u>70%</u>
Common equity acquired, net	51,884
Goodwill	<u>26,382</u>
Total acquisition cost of Martens Beers Trading (Shanghai) Co.	<u>\$ 78,266</u>
Total acquisition cost of Martens Beers Trading (Shanghai) Co.	
Cash payment	<u>\$ 78,266</u>

(Continued)

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

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

- b. In 2008, a Company subsidiary, Yuan Ding Investment Co., Ltd., acquired about 42% equity in Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC). As a result, the Group's equity in OPTC became about 60%, including the Company's own holding of 18%.

The fair values of OPTC's total assets and total liabilities at the time of acquisition were as follows:

	Amount
Cash and cash equivalents	\$ 8,818
Accounts and notes receivable, net	385,035
Prepaid expenses	1,426,956
Inventories	350,602
Other current assets	2,358
Properties, net	6,878,697
Refundable deposits	4,714
Other assets	5,085
Notes payable and accounts payable	(1,227,668)
Accrued expenses	(327,626)
Current portion of long-term liabilities	(4,416,434)
Other current liabilities	(62,622)
Long-term liabilities	(2,255,000)
Accrued pension liabilities	<u>(203,677)</u>
Total	569,238
Percentage of ownership acquired	<u>42%</u>
Common equity acquired, net	239,080
The difference between fair value of net assets and acquisition cost	<u>(13,757)</u>
Total acquisition cost of OPTC	<u>\$ 225,323</u>
Total acquisition cost of OPTC	
Gain on grant of equity investment	<u>\$ 225,323</u>

(Continued)

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

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

- c. In 2008, Yuan Ding Investment Co., Ltd acquired 50% equity in Far Eastern Fibertech Co., Ltd. (FEFC). The fair values of FEFC's total assets and liabilities at the time of acquisition were as follows:

	Amount
Cash and cash equivalents	\$ 113,580
Accounts and notes receivable, net	203,629
Prepaid expenses	15,630
Inventories	180,532
Other current assets	7,369
Properties, net	1,576,354
Other assets	1,563
Notes payable and accounts payable, net	(266,168)
Accrued expenses	(37,728)
Short-term liabilities	(960,000)
Long-term liabilities	(100,000)
Accrued pension liabilities	<u>(3,168)</u>
Total	731,593
Percentage of ownership acquired	<u>50%</u>
Common equity acquired, net	<u>365,797</u>
Total acquisition cost of Far Eastern Fibertech Co., Ltd.	<u>\$ 365,797</u>
Total acquisition cost of Far Eastern Fibertech Co., Ltd.	
Gain on grant of equity investment	<u>\$ 365,797</u>

(Continued)

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

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

- d. In the year ended December 31, 2008, the subsidiaries of Far EasTone and Far EasTron Holding Ltd. swapped their holdings of Far EasTron's common shares for ADCast Interactive Marketing Co., Ltd.'s ("ADCast") common shares. KG Telecom also bought ADCast's common shares by cash. As a result, the Group acquired about 69.08% of ADCast's common stock; the fair value of ADCast's total assets and total liabilities at the time of acquisition was as follows:

	Amount
Cash and cash equivalents	\$ 22,434
Accounts and notes receivable, net	32,673
Prepaid expenses	2,306
Other current assets	4,054
Properties, net	1,725
Goodwill	3,417
Refundable deposits	907
Deferred charges, net	30
Other assets	1,307
Notes payable and accounts payable	(10,902)
Accrued expenses	(12,038)
Unearned revenues	(865)
Other current liabilities	(1,091)
Guarantee deposits received	(171)
Total	<u>43,786</u>
Percentage of ownership acquired	<u>69.08%</u>
Common equity acquired, net	30,248
Goodwill	1,717
Total acquisition cost of ADCast	<u>\$ 31,965</u>
Total acquisition cost of ADCast	
Carrying value of swapped equity-method investments	\$ 28,313
Cash payment	<u>3,652</u>
	<u>\$ 31,965</u>

The accompanying notes are an integral part of the consolidated financial statements.

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars, Except Amounts Per Share)

1. ORGANIZATION AND OPERATIONS

Far Eastern New Century Corporation (formerly Far Eastern Textile Ltd.) (FENC or the “Company”), established in 1954, manufactures and sells polyester materials, semifinished products and finished goods such as cotton, synthetic or blended fabrics, towels and bedsheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and PET sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing as well as manufactures wide-view film, antiglare film, antireflection film and other optical films.

The Company’s stock is listed on the Taiwan Stock Exchange. On October 19, 1999, the Company issued global depositary receipts (GDRs), which became listed on the Luxembourg Stock Exchange. On October 13, 2009, the stockholders resolved to change their company’s name of Far Eastern Textile Ltd. to Far Eastern New Century Corporation; thus, the original stock symbol of FETL was changed to FENC.

Following are FENC’s consolidated subsidiaries:

Far EasTone Telecommunications Co., Ltd. (“Far EasTone”) was incorporated in the Republic of China on April 11, 1997 and began commercial operations on January 20, 1998. Far EasTone’s shares began to be traded on the ROC Over-the-Counter Securities Exchange (known as Gre Tai Securities Market) on December 10, 2001. Later, Far EasTone’s shares ceased to be traded on the OTC exchange and became listed on the ROC Taiwan Stock Exchange on August 24, 2005. Far EasTone provides wireless communications, leased circuit, Internet and international simple resale (ISR) services and also sells cellular phone equipment and accessories.

Far EasTone provides 2G (second-generation wireless communications services) by geographical sector under two type I licenses -- GSM900 for the northern region of Taiwan and GSM1800 island-wide (“GSM” means “global system for mobile communications”) -- issued by the Directorate General of Telecommunications (DGT) of the ROC. These licenses allow Far EasTone to provide services for 15 years from 1997, with an annual license fee of 2% of total 2G wireless communications service revenues.

The DGT also issued to Far EasTone a type II license, allowing it to provide Internet and ISR services until December 2012 and requiring it to pay annual license fees based on the regulations for each service. Far EasTone is also licensed to provide local/domestic long-distance land cable leased circuit services for 15 years from January 2003 for an annual license fee of 1% of leased circuit service revenues.

On December 28, 2009, the National Communications Commission (NCC) awarded Far EasTone a six-year WiMAX (worldwide interoperability for microwave access) license in the southern region of Taiwan, and Far EasTone began its commercial operation of WiMAX service. Far EasTone has to pay an annual license fee that is equal to WiMAX service revenues multiplied by the bidding percentage (4.18%), but the annual license fee should not be less than a specified minimum amount.

Far EasTone merged with Yuan-Ze Telecommunications Co., Ltd. (“Yuan-Ze Telecom”) on May 2, 2005. Earlier, in 2002, Yuan-Ze Telecom received from the DGT the 3G (third-generation wireless communications system) concession, with a bidding price of \$10,169,000 thousand, included in intangible assets - 3G concession. On January 24, 2005, the DGT issued to Yuan-Ze Telecom a 3G license, which is valid through December 31, 2018. Through the completion of the merger with Yuan-Ze Telecom, Far EasTone became licensed to provide 3G wireless communications service and began commercial operations on July 13, 2005.

To enhance the return of stockholders' equities, Far EasTone's board of directors proposed on April 30, 2007 to reduce capital by returning \$7,745,326 thousand in cash to stockholders and decreasing common stock by 774,532 thousand shares. The capital reduction was approved by the stockholders' meeting on June 12, 2007. The capital reduction ratio was 19.204715% and the cash return per share was around NT\$1.9204715. Paid-in capital after the capital reduction was \$32,585,008 thousand. Far EasTone's board of directors resolved January 15, 2008 as the record date of the capital reduction. On January 22, 2008, this capital reduction was registered with the Ministry of Economic Affairs (MOEA). The authority also approved March 17, 2008 as the share exchange date of the capital reduction. The foregoing payable amounts due to the capital reduction were fully paid.

On June 16, 2009, the stockholders resolved that Far EasTone will issue up to 444,341 thousand common shares by private placement, with a total issuance amount of up to \$17,773,641 thousand, to catch up on industry development trends and to meet Far EasTone's future operating needs. The subscriber for these privately placed shares is China Mobile Limited's 100% indirect subsidiary incorporated in the ROC. On June 26, 2009, Far EasTone's board of directors resolved to set the private placement price at NT\$40.00 per share. However, based on certain agreements, if the volume weighted-average price of the common shares of Far EasTone within 14 consecutive trading days on or before the date on which either China Mobile Limited or Far EasTone sends the notice to the other party of the settlement date of the private placement falls below NT\$35.00 or exceeds NT\$50.00, Far EasTone's board of directors has the authorization of the stockholders' meeting to discuss in good faith and set a new private placement price per share of Far EasTone, but any upward or downward adjustment should not be more than NT\$5.00 of the market price per share of Far EasTone's share. The private placement will proceed after obtaining the authorities' approval under the related regulation.

KG Telecom, formerly Yuan Ho Telecommunications Co., Ltd., was incorporated in the ROC on September 25, 2003. It is a wholly owned subsidiary of Far EasTone. On January 1, 2004, KG Telecom merged with the former KG Telecommunications Co., Ltd. (the "former KGT") through a two-step merger agreement. The merger was completed on May 20, 2004 after the registration with the MOEA.

The former KGT provides 2G wireless communications services under a type I license - GSM1800 for the northern region of Taiwan issued by the DGT. The license allows the former KGT to provide services for 15 years from 1997, with an annual license fee at 2% of total 2G wireless communications service revenues. Moreover, the merger of former KGT with TUNTEX (with a license of 2G to provide wireless communications service under a type I license - GSM1800 for the central and southern region of Taiwan issued by the DGT) is effective from January 1, 2000. Thus, the former KGT provided island-wide 2G wireless communications services under a type I license - GSM1800. The DGT also issued the former KGT a type I license, allowing it to provide local/domestic long distance land cable leased circuit services for 15 years from September 2000, with an annual license fee of 1% of leased circuit service revenues.

To integrate the resources and enhance the operating efficiency of Far EasTone and KG Telecom, the boards of directors of both companies resolved their merger on February 26, 2009, with Far EasTone as the survivor entity. On August 28, 2009, the National Communications Commission approved this merger, and the record date of this merger was January 1, 2010. The merger was completed on January 18, 2010 after the registration with the MOEA.

Q-ware Com. was incorporated on February 13, 2007. It mainly provides Type II telecommunications services. On February 14, 2007, the board of directors of Far EasTone approved a cooperation plan with Q-ware System Inc. ("Q-ware") to operate WiFly and other businesses agreed upon by both Far EasTone and Q-ware. After obtaining the authorities' approval of this agreement, Far EasTone, as a specific person, subscribed for 36,460 thousand newly issued shares (NT\$13.60 per share) of Q-ware Com. for \$495,855 thousand on July 2, 2007. On July 3, 2007, Q-ware spun off its WiFly business, with a net worth of \$349,301 thousand, to Q-ware Com. and received 34,930 thousand new shares of Q-ware Com. for this spin-off. Q-ware Com. got the right to provide WiFly business in Taipei City through this spin-off until September 7, 2013, with an annual fee at 3% of total WiFly revenues. Moreover, the NCC issued to Q-ware Com. a Type II license, allowing it to provide Internet services for three years from 2007 for a fixed annual license fee based on Q-ware Com.'s paid-in capital. After the completion of this spin-off, Far EasTone owned approximately 51% of Q-ware Com.'s common stock and thus became its parent company. Q-ware's revenues and expenses were included in the consolidated financial statements since the acquisition date.

Far EasTron was incorporated in the R.O.C. on August 12, 2005. Far EasTron mainly provides Internet content providing services.

To enhance the Group's (Company and consolidated subsidiaries) market share of Internet advertisements and integrate the Group's resources, the stockholders of Far EasTron resolved on April 21, 2008 for Far EasTron to have a share swap with ADCast Interactive Marketing Co., Ltd. ("ADCast"), a subsidiary of New Century Info Comm Tech Co., Ltd., with ADCast as the survivor entity. After ADCast's capital reduction, Far EasTron's stockholders will receive 1 share of ADCast for every 4.8526 shares of Far EasTron. However, in their special meeting on August 29, 2008, Far EasTron's stockholders revised the share swap ratio to 5.4490:1. In addition, Far EasTron's board of directors resolved to have September 3, 2008 as the merger date. The share swap was completed on September 30, 2008 after the related registration with the Taipei City Government. After the share swap, Far EasTone, Far EasTron Holding and KG Telecom owned 69.08% of ADCast's common stock; thus, Far EasTone became ADCast's parent company. ADCast's revenues and expenses were included in the consolidated financial statements since the merger date and Far EasTron's revenues and expenses before the merger date were also included in the consolidated statements.

On May 7, 2008, KGTI's stockholders approved the board of directors' proposal to dissolve KGTI, and on May 27, 2008, the authorities of the British Virgin Islands approved this dissolution. The dissolution was also approved by ROC Investment Commission of the MOEA on August 21, 2008. In addition, KG Telecom recognized this equity-method investment using KGTI's liquidation value.

ARCOA was incorporated in the ROC on May 4, 1981. ARCOA sells cellular phone units and other telecommunications equipment or accessories and provides related maintenance services. The DGT issued to ARCOA a Type II license, allowing it to provide mobile virtual network operator services for three years from July 2006 for a fixed annual fee based on ARCOA's paid-in capital. The validity of Arcoa's Type II license was approved to be extended until July 12, 2013. Far EasTone became ARCOA's parent company in February 2005. As of December 31, 2009, Far EasTone owned 61.07% of ARCOA's common stock.

On August 22, 2007, Far Eastern Electronic Toll Collection Co. (FEETC), which is owned by Yuan Tong Investment Co., Ltd. and Far EasTone Telecommunications Corp., and the Taiwan Area National Freeway Bureau signed the Electronic Toll Collection BOT Project contract, which allows FEETC to run this project for 18 years and 4 months.

The Company issued new shares to acquire 100% equity in Far Eastern Resources Development Co., Ltd. (FERD), a spin-off of the Company's real estate development business, including some fixed assets, nonoperating assets and farmland for investment purposes. FERD aims to carry out the following projects:

- a. Taipei Far Eastern Telecom Park Project: FERD has an approximately 73.7 thousand pings land located in Banciao. To use this property productively, FERD signed a public construction BOO (build-own-operate) contract with the Ministry of Economic Affairs of the ROC. It is the first private-development BOO project in the telecom field in northern Taiwan. The Taipei Far Eastern Telecom Park plans to recruit tenants of new generation CPE (customer premises equipment), broadband service and equipment providers, digital content service providers, and broadband equipment providers. This project has been approved by the Urban Planning Commission of the Ministry of the Interior of the ROC and is now developing. The first building is expected to operate in the second quarter of 2010.
- b. The Yilan Jiaosi Resort hotel project: This project involves land rezoning so that industrial/commercial areas can be established. After a land rezoning process, the construction was cleared to start in 2009.

In May 2008 and July 2008, the Company bought 51,124 thousand common shares for NT\$444,888 thousand and 198,816 thousand common shares for NT\$1,703,800 thousand, respectively, which were newly issued by F.E.P.I. at US\$0.28 per share. In September 2009, the Company bought 42,155 thousand common shares newly issued by F.E.P.I. at US\$0.27 per share for NT\$373,364 thousand. As a result, the the Company's interest in F.E.P.I. increased from 57.65% to 59.81%.

When Far Eastern Polytex (Holding) Limited issued new shares, the Company bought 2.5 thousand shares of the new at the par value of US\$2 thousand (NT\$151,675 thousand) in April 2008 and also bought 5 thousand new shares at the par value of US\$2 thousand (NT\$330,150 thousand) in July 2009.

In July 2008, the Company bought 117 thousand shares of PET Far Eastern (Holding) Ltd. at US\$423.98 per share, or a total amount of NT\$1,509,008 thousand, representing 49.42% equity interest.

In January 2008, the Company sold to Yuan Ding Investment Co., Ltd. its holding in Yuan Faun Ltd. of 200 thousand shares for NT\$3,660 thousand.

To simplify investment structure, integrate investment resources and management, and control the subsidiaries in China, the board of directors of the Company made the resolution on December 21, 2007 to acquire the shares of the existing off-shore investment companies through subsidiaries and Oriental Union Chemical Corporation. Related proposal is as follows:

- a. Acquired 63 thousand shares of Far Eastern Apparel (Holding) Ltd. from Yuan Ding Investment Corp. totaling US\$34,513 thousand with each share priced at US\$546.09.
- b. Acquired 487 thousand shares of F.E.D.P (Holding) Ltd. totaling US\$49,961 thousand from Yuan Tong Investment Corp., Far Eastern Polychem Industries Ltd., and Far Eastern Polytex (Holding) Ltd. with each share priced at US\$102.65.
- c. Acquired 119 thousand shares of PET Far Eastern (Holding) Ltd. totaling US\$50,945 thousand from Ding Yuan International Investment Corp., Far Eastern Polychem Industries Ltd., and affiliate Oriental Union Chemical Corporation with each share priced at US\$426.6.

The above transactions will have to be approved by Investment Commission (MOEA) and the actual transaction amount, however, will be adjusted by the present net value of the shares of the acquiring or the acquired companies.

FENC and its consolidated subsidiaries (collectively, the “Group”) had 20,834 and 21,170 employees as of December 31, 2009 and 2008, respectively.

The intercompany relationships, percentages of ownership and major operations of subsidiaries as of December 31, 2009 are shown in Schedules A and B.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China. In preparing consolidated financial statements in conformity with these guidelines and principles, the Group is required to make certain estimates and assumptions that could affect the allowance for doubtful accounts, provision for loss on decline in value of inventories, depreciation of fixed asset and rental properties, impairment loss on asset, duty on decommissioned asset, warranty reserve income tax, pension cost, employee bonus, remuneration to directors and supervisors and so on. Actual results could differ from these estimates.

For the convenience of readers, the accompanying consolidated 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 financial statements shall prevail.

The Group’s significant accounting policies are summarized as follows:

Consolidation

FENC’s direct and indirect subsidiaries (i.e., investees with more than 50% of their voting shares owned by FENC) are included in the consolidated financial statements. For subsidiaries acquired during the reporting period, their revenues and expenses generated before the acquisition date need not be consolidated. If FENC loses control over its subsidiaries during the reporting period, their revenues and expenses generated after the control lose date need not be consolidated.

All significant intercompany transactions and balances were excluded from the consolidation.

In February 2009, an FENC subsidiary, Sino Belgium (Holding) Ltd., acquired 30% ownership of Martens Beer Trading (Shanghai) Co. (“Martens Shanghai”) from another subsidiary, Far Eastern Industries (Wuxi) Ltd., and then bought the rest of the 70% ownership from the original stockholder, Martens HK Ltd. Thus, the interest of the Company and the subsidiary in Martens Shanghai increased from 30% to 100% and this investee began to be treated as a consolidated entity in March 2009.

Yuan Cing Infocomm Tech Co., Ltd. was incorporated on December 30, 2009. It is wholly owned by Far Eastone. Yuan Cing Infocomm Tech Co., Ltd. provides production and sales of communications products.

An FENC subsidiary, Sino Belgium (Holding) Ltd., issued 2,415 new shares at the par value of US\$2 thousand amounting to NT\$4,830 thousand and another subsidiary, Yuan Tong Investment Co., Ltd., didn’t buy any shares. Thus, Yuan Tong Investment’s holding in Sino Belgium (Holding) Ltd. decreased from 100% to 87.5%.

On July 31, 2009, the board of an FENC subsidiary, Far Eastern Industries (Juijiang) Ltd. (FEIJ), decided to liquidate FEIJ, and the government of the People’s Republic of China approved this liquidation on December 14, 2009. As of December 31, 2009, the liquidation amounts had been returned to the original stockholders.

The Company and its subsidiaries lost control on Pacific Petrochemical (Holding) Ltd. and the percentage of ownership had decreased from 39.40% to 24.63% since they did not purchased any common share newly issued in 2008.

The Company and the related party of Invista S.à r.l. established a joint venture, Invista-Far Eastern Petrochemicals Co., Ltd. (“Invista”), to produce purified terephthalic acid (PTA). In March 2008, the Company sold to Yue Ding Industry Co., Ltd. 14,235 thousand shares, part of its holding in Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC, the former Invista) for NT\$135,532 thousand. However, PTA production was no longer the strategic core business of Invista in Taiwan, so, on October 6, 2008, Invista sold its remaining 70% equity in Invista for US\$1.00 to Yuan Ding Investment Co., Ltd. (60%), Yue Ding Industry Co., Ltd. (10%), and Oriental Union Chemical Corporation (30%). On October 6, 2008, Yuan Ding Investment Co., Ltd. then acquired 42% equity interest for NT\$19 and Invista was later renamed Oriental Petrochemical (Taiwan) Co., Ltd. As of October 6, 2008, The Company and its subsidiaries had totally 60% of OPTC’s ownership and started to include it in the consolidation financial report. After the entire equity of Invista S.à r.l. was sold off, Invista S.à r.l. continued giving its technical support to OPTC. On October 21, 2008, OPTC’s stockholders resolved to reduce its capital to reverse its loss of NT\$4,208,367 thousand and then raise cash capital by NT\$3,800,000 thousand. Thus, the Company’s holding of OPTC shares declined by 252,501 thousand shares, but the Company’s purchase of 318,000 thousand shares of OPTC’s newly issued common stock for NT\$3,180,000 thousand resulted in an increase in the Company’s equity in OPTC from 60% to 80.76%.

At the same time, a related party of Invista sold its 50% equity interest in Far Eastern-Invista Co., Ltd. (“Far Eastern-Invista,” a manufacturer of Nylon-66) to Yuan Ding Investment Co., Ltd. for US\$1.00. Therefore, Yuan Ding Investment Co., Ltd. acquired 50% equity interest in Far Eastern-Invista Co., Ltd. for NT\$31.00 and then Far Eastern-Invista was renamed Far Eastern Fibertech Co., Ltd. The percentage of Yuan Ding Investment’s ownership of Far Eastern Fibertech Co., Ltd., increased from 50% to 100%, and this investee was thus included in the consolidated financial report as of October 6, 2008.

In the consolidation, the financial statements of the foreign subsidiaries are translated from their respective functional currencies into New Taiwan dollars as follows:

- a. All assets and liabilities at the exchange rates prevailing on the balance sheet date.
- b. Share capital, retained earnings and/or accumulated deficit at their historical exchange rates.
- c. All items in the statement of income at the average exchange rates for the periods.

The entities in the “Consolidated Financial Statements of Affiliates” are the same as those in the consolidated financial statements as required under ROC SFAS No. 7 - “Consolidated Financial Statements”; thus, no consolidated financial statements of affiliates will be compiled. That is, the information needed in the combined financial statements of affiliates is enclosed in the consolidated financial statements.

Current and Noncurrent Assets and Liabilities

Current assets are unrestricted cash or cash equivalents, assets held mainly for trading and other assets to be converted into cash or consumed within 12 months after the balance sheet date. All other assets such as properties and intangible assets are classified as noncurrent. Current liabilities are obligations to be settled within 12 months after the balance sheet date. All other assets and liabilities are classified as noncurrent.

Far Eastern Construction Co., Ltd. (FECC) authorizes constructors to build houses for sale or rent. Far Eastern General Contractor Inc. engages in civil engineering construction. The terms of the two corporations’ contracts are typically over one year. Thus, the contract-related assets and liabilities are classified as current or noncurrent depending on the terms of the contracts.

Cash Equivalents

Commercial paper and bonds purchased under resell agreements with original maturities of no more than three months are classified as cash equivalents.

Financial Instruments at Fair Value through Profit or Loss

Financial instruments at fair value through profit or loss include financial assets or liabilities held for trading and those designated on initial recognition as measured at fair value with fair value changes in profit or loss.

The Company recognizes a financial asset or a financial liability on its balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Company has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

On initial recognition, the financial instruments are measured at fair value and transaction costs are recognized as current expenses. Subsequent changes in fair value are recognized as current gain or loss. Cash dividends received within a year from the investment acquisition date and received in subsequent years are all accounted for as investment income. When the financial instruments are sold, the difference between selling price and book value is recognized as current gain or loss. The regular purchase or sale of financial instruments is recognized or de-recognized using trade date accounting.

If derivative financial instruments do not meet the criteria for hedge accounting, they were classified as financial assets or liabilities held for trading purposes. They were classified as financial assets when the fair value was positive; otherwise they were classified as financial liabilities. The regular purchase or sale of financial instruments is recognized or de-recognized using trade date accounting.

The fair values of cotton futures contracts, currency option contracts and forward exchange contracts are determined at their market quotation on the balance sheet date. The fair values of financial instruments with no quoted market prices are determined at estimated prices.

Available-for-sale Financial Assets

On initial recognition, available-for-sale financial assets are recorded at fair values plus transaction costs directly attributable to the acquisition of the assets. Gain or loss due to changes in fair value is recognized as adjustments to stockholders' equity, and the related cumulative gain or loss should be recognized in the current period when the financial asset is de-recognized. The regular purchase or sale of financial assets is recognized or de-recognized using trade date accounting.

The fair values of listed securities and mutual funds are determined at their closing prices and net asset values, respectively, as of the balance sheet date.

Any cash dividends received are recognized as income on the date of the stockholders' meeting or on the ex-dividend date, but dividends declared from earnings before investment acquisition are recognized as a reduction of the carrying value of the investments. Stock dividends received are accounted for only as an increase in the number of shares held but are not recognized as investment income. The carrying amount of shares held is recalculated on the basis of the total number of shares held after stock dividends are received.

An impairment loss should be recognized if there is objective evidence showing that an available-for-sale financial asset is impaired. This impairment loss can be reversed to the extent of the original carrying value and recognized as an adjustment to stockholders' equity.

Bond Investments with No Active Market

Bonds with fixed or determinable payments that are not quoted in an active market are carried at amortized cost using the effective interest method. Bonds are initially measured fair value plus transaction costs directly attributable to bond acquisition. Gains or losses are recognized when the bonds are derecognized, impaired or amortized. All regular purchases or sales of bonds are recognized and derecognized on a trade date basis.

An impairment loss should be recognized if there is objective evidence that bonds are impaired. The impairment loss is reversed if an increase in the bonds' recoverable amount is due to an event which occurred after the impairment loss was recognized; however, the adjusted carrying amount of the bonds may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the bonds in prior years.

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

Revenue is recognized when the earnings process is completed or virtually completed and the revenue is realizable and measurable. The costs of providing services are recognized as incurred. Usage revenues (equal to the excess of minutes of traffic included in the fixed monthly service fees) from wireless services and mobile virtual network operator services, international simple resale services, internet access services and interconnection calls, net of any applicable discount, are billed according to customers' usage and are recognized on the basis of minutes of traffic processed. Other revenues are recognized as follows: (a) fixed monthly service fees and leased-circuit service revenues are accrued each month; (b) prepaid call and recharge call services are recognized as income based upon customer usage; (c) one-time commission and subsidy revenue of a bundled contract (which covers both the purchase price of a cellular phone unit and a mobile phone number) or merely sales of mobile phone number as an agent for the telecommunications providers are accrued as activated; and (d) commission revenues are accrued monthly on the basis of related airtime revenue. The revenues from and cost for the sale of cellular phone equipment and accessories are recognized when the products are delivered to and accepted by the customers. This sale is considered a separate earnings process from the sale of wireless services.

Operating revenues are measured at fair values based on the prices negotiated between the Group and the customers. Since the future values of operating revenues resulting from receivables within one year approximate the fair values of these receivables, the fair values are not recalculated using the pro forma interest rate method.

Rent revenue is or has been realized and then recognized after the service has been provided.

The Company and Far Eastern Apparel Co. do not recognize as sales those transactions involving the delivery of materials to subcontractors for further processing since these transactions do not involve a transfer of ownership of materials.

An allowance for doubtful accounts is provided on the basis of the a review of the collectibility of accounts receivable. The Group assesses the probability of collections of accounts receivable by examining the aging analysis of the outstanding receivables and assessing the value of the collateral provided by customers.

Promotion Expenses

Commissions and cellular phone equipment subsidy costs related to the Group's promotions are treated as marketing expenses or cost of telecommunications service in the year when the service to a subscriber is activated.

Inventories

Inventory including raw materials, materials, finished products, work-in-process and commodities was generally priced by lower-of-cost-or-market method, and the market prices of materials and raw materials and of finished products and work-in-process were valued at their replacement costs and net realizable values, respectively. However, as described in Note 4, inventory is now stated at the lower of cost or net realizable value beginning January 1, 2009. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

Government Grant

When received, the government grant is included in the restricted assets and in deferred revenue at the same time. The restricted asset is recognized as cash or cash equivalent when Far EastOne uses the grant under the terms of the related agreement. The deferred revenue is recognized as follows: (1) if the grant is related to depreciable assets, it should be recognized as revenue over the asset economic lives in proportion to the depreciation expenses for these assets; or (2) if the grant is related to income, the grant amount should be deducted from the related expense when the revenue is realized.

Financial Assets Carried at Cost

Investments in equity instruments without quoted market prices in an active market, including investments in unlisted stocks and emerging stocks, are measured at cost upon initial recognition. Any cash dividends received are recognized as income on the date of the meeting of stockholders or on the ex-dividend date, but dividends declared from earnings before investment acquisition are recognized as a reduction of the carrying value of the investments. Stock dividends received are accounted for only as an increase in the number of shares held but are not recognized as investment income. The carrying amount of shares held is recalculated on the basis of the total number of shares held after stock dividends are received. An impairment loss should be recognized as a charge to current income if there is objective evidence that a financial asset is impaired. This loss cannot be reversed.

Real Estate

FENC's subsidiary, FECC, uses the completed-contract method for its construction projects. Pre-sold real estate is recognized as advances on land and building. After completion of the construction, the ownership is transferred to a proprietor or owner, and the proceeds of this transfer are recognized as current revenues. The calculation of the construction cost is based on the size of the land used, the actual size of the house and the construction cost incurred. House ownership fully or partly transferred to customers is recognized as current construction cost; any remaining construction costs are recognized as available for sale - building and land.

Pre-sold property under the percentage-of-completion method of FECC is recognized in the balance sheet and is calculated on an accrual basis. If the accumulated construction gain exceeds total construction gain, the excess will be recognized as current revenues; otherwise, current loss is recognized. If the construction is estimated to result in a loss, the full loss has to be recognized immediately. But, if the estimated loss decreases, the cumulative loss recognized in excess of the estimated loss will be recognized as revenues.

For subsidiary, FECC, construction is recognized by the percentage-of-completion method, the construction account is calculated depending on the construction cost actually incurred (such as construction land, costs and capitalized interests) plus or minus the estimated construction revenues or losses. After each construction completion, the sold parts of construction and related advances on land and building are netted out; the net amount is recognized as operating revenue. The parts unsold under the current construction program will be recognized as real estate ready for sale.

FECC classified its property as available for sale - building and land or available for construction - land and is calculated at the lower of cost or market.

FECC treated its marketing expenses for pre-sold real estate as deferred marketing expenses first and recognized as current expenses when the construction is completed if the real estate ownership has not yet been transferred to customers.

Long-term Construction Contracts

Revenues and costs of long-term construction contracts of FECC are recognized by the percentage-of-completion method. Under this method, the stage of completion of each contract is measured as a ratio of cumulative construction costs to total estimated contract costs. If contract price or construction contract costs cannot be reasonably estimated, the completed method is required.

Construction revenues and costs for the current year of FECC are the cumulative construction revenue and costs, determined using the percentage-of-completion method, in excess of the cumulative construction revenue and costs recognized in prior years. An estimated loss on a construction contract is recognized currently; any adjustment of this loss is recognized as either income or loss in the year of adjustment. The adjustment of the construction contract price of the prior year's completed construction is added to or deducted from the construction profit or loss of the current year. Under the completed-contract method, when construction is completed, the balance of billings on construction-in-progress and construction-in-progress will be charged to construction revenue and costs.

Long-term construction in progress of FECC is carried at cost plus estimated construction profit or less estimated losses. Installment payments or collections received on construction projects are credited to advances from construction. Upon completion of each project, these advances are offset against construction-in-progress.

At year-end, the balances of construction-in-progress and advances on construction of FECC are netted out, and the result is classified as current asset or current liability.

Held-to-maturity Financial Assets

Held-to-maturity financial assets or instruments are measured at cost amortized by the straight-line method. They are recorded at fair value plus the instrument acquisition or issue cost, and gain or loss is recognized when they are devalued or amortized.

An impairment loss should be recognized if there is objective evidence that a financial asset is impaired. If the impairment is later determined as no longer existing or diminished, the impairment loss can be reversed to the extent that the reversal would not exceed the asset carrying amount had no impairment loss been recognized for the asset in prior years.

Equity-method Investments

Long-term investments in which the Group owns at least 20% of investees' common stock or exercises significant influence over their operating and financial policy decisions are accounted for by the equity method.

On the acquisition date or the adoption of the equity method for the first time, the difference between investment cost and underlying equity in net assets is amortized using the straight-line method over 3 to 20 years. As required, however, by the revised ROC Statement of Financial Accounting Standards No. 5 - "Long Term Investments in Equity Securities," starting on January 1, 2006, the cost of acquisition is subjected to an initial analysis. The investment cost in excess of the fair value of identifiable net assets is recognized as goodwill and goodwill is no longer amortized. If the fair value of identifiable net assets acquired exceeds the cost of investments, the excess should be assigned to noncurrent assets in proportion to their respective fair values (except for financial assets not under the equity method, assets for disposal, deferred income tax assets and prepaid pension costs or other retirement benefit costs). If these assets are all reduced to zero, the remaining excess should be recognized as extraordinary gain. Starting on January 1, 2006, the unamortized balance of the investment cost in excess of the equity in investee's net assets is no longer amortized and is instead subject to the same accounting treatment as that for goodwill; the negative goodwill previously acquired should be amortized over the remaining estimated economic lives.

An increase in the Group's proportionate share in the net assets of its investee resulting from its subscription for additional shares of stock issued by the investee at a rate different from its existing equity ownership in the investee is credited to capital surplus. If the subscription results in a decrease in the Group's equity in an investee's net assets, capital surplus is debited. If capital surplus is not enough for debiting purposes, the difference is debited to unappropriated earnings.

The Group's equity in equity-method investees' net income or net loss is recognized using the treasury stock method if there are reciprocal holdings between investors and investees.

For both equity-method and cost-method investments, stock dividends received are accounted for as increases in the number of shares held, which result in lower carrying value per share.

The costs of investments sold are determined as follows: (i) by the Company - weighted average method and (ii) by subsidiaries - moving-average method.

Properties and Rental Assets

Properties and rental assets are stated at cost or cost plus appreciation, less accumulated depreciation. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed currently.

Interest on borrowings used to finance the acquisition of properties and the construction of production facilities up to the time those properties are ready for their intended use is capitalized and included in the cost of the related assets.

Depreciation expenses for properties and rental assets are calculated by the Company and its subsidiaries using the fixed-percentage-of- declining-balance method and straight-line method, respectively.

Depreciation expenses are computed over service lives originally estimated as follows: buildings and equipment, 3 to 55 years; machinery and equipment, 3 to 20 years; and telecommunication equipment, 2 to 15 years; computer equipment, 3 to 10 years; and leasehold improvements and miscellaneous equipment, 3 to 15 years. Depreciation on appreciation is computed over the remaining service lives of the assets on the revaluation date. When properties and rental assets reach their residual value and are still being used, they are further depreciated over their newly estimated service lives.

When properties are retired or disposed of, their costs or costs plus appreciation and related accumulated depreciation are removed from the accounts, and the resulting gains or losses are credited or charged to nonoperating income or loss.

Equipment covered by capital lease agreements are stated at the lower of (1) the fair value of the equipment at the beginning of the lease or (2) the total present value of future lease payments and the bargain purchase price. Implicit interest included in the periodic lease payments is treated as current interest expenses.

Idle Assets

Properties not currently used in operations are transferred to other assets at the lower of net book value or net realizable value, with the difference charged to nonoperating expenses. However, starting on January 1, 2006, based on related regulations, depreciation is calculated using the straight-line method over the estimated useful lives of the properties.

Intangible Assets

Goodwill is the difference (the source of which cannot be identified) between investment costs and the equity in investees' net assets, which is amortized using the straight-line method over 3 to 15 years. However, under the revised ROC Statement of Financial Accounting Standards No. 5 - "Long-term Investments in Equity Securities," goodwill is no longer amortized starting on January 1, 2006.

The 3G concession, which was stated at cost, is amortized on a straight-line basis from January 24, 2005, the issuance date of the concession license, until the license expiry date on December 31, 2018.

Land leasehold rights are amortized over 50 years.

Patents and computer software costs were stated at cost and amortized over 5 to 10 years on a straight-line basis.

Deferred Charges

Deferred charges, which are derived mainly from costs of retail store renovation of Far EasTone are amortized using the straight-line method over the terms of lease. The cost of issuing convertible bonds before December 31, 2005 should be amortized by the straight-line method between the issuance date and the redemption date at the option of the bondholder. Other deferred charges are amortized by the straight-line method over five to seven years.

Impairment Loss

An impairment loss should be recognized if the carrying value of assets (including properties, intangible assets, idle properties, rental assets, 3G concession, goodwill, deferred charges and equity-method investments) exceeds their recoverable amount, and this impairment loss should be charged to current loss. For investees which Far EasTone exercises significant influence but not control, the recoverable amount and the investment value are compared to calculate the impairment loss from the investment based on investee's individual investment value (goodwill is included). The accumulated impairment loss of an asset recognized in prior years can be reversed if, later on, the estimate of the asset's recoverable amount later has changed so as to increase the recoverable amount. Then, the asset's carrying amount can be increased to its recoverable amount; however, the recoverable amount should not exceed the carrying amount that would have been after the deduction of depreciation or amortization if it had not been impaired. If an asset has been revalued in accordance with the laws, its impairment loss should first be used to reduce the unrealized appreciation of revaluation under stockholders' equity. The excess loss, if any, may then be recognized as loss in the income statement. However, to the extent that an impairment loss on the same revalued asset was previously recognized as a loss in the income statement because of insufficient revaluation surplus, a reversal of that impairment loss is recognized as a gain in the income statement. The excess part, if any, may then be reversed to the unrealized appreciation of revaluation under stockholders' equity.

To test for impairment, goodwill should be allocated to each of the cash-generating units that are expected to benefit from the synergies of the combinations. A cash-generating unit should be tested for impairment at least annually by comparing the carrying amount of the unit with its recoverable amount. If the carrying amount exceeds the recoverable amount of the unit, the impairment loss is allocated to reduce the carrying amount of the unit in the following order: (a) reduce the carrying amount of any goodwill allocated to the unit; and (b) reduce the carrying amounts of other assets of the unit proportionally. A reversal of an impairment loss on goodwill is disallowed.

For investees which Far EasTone exercises significant influence but not control, the recoverable amount and the investment value are compared to calculate the impairment loss from the investment based on investee's individual investment value (goodwill is included).

Deferral of Unrealized Intercompany Profits

Deferral of unrealized intercompany profits refers to downstream transactions with investees under the equity method, and these profits are realized and recognized when related products are sold to third parties.

Exchangeable Bonds

If bond holders have the right to exchange bonds with the Company's holdings of agreed target in fixed price or amount, the convertible bonds are measured at issued price after deducting the fair value of embedded derivatives. The liability component of non-derivative instruments are measured at amortized cost using the effective interest method (straight-line method if difference is not material) and the related interest or redemption loss or gain is accounted for part of current year income. If bond holders exercise exchange right before the maturity date, the bonds should be adjusted with their liability components. The Company uses the aggregate carrying amount of the liability and equity components of the bonds at the time of conversion as a basis to record the target exchanged. If the bonds are redeemed at the maturity date, the Company should recognize the fair value of embedded derivatives as gain of current year.

Pension Costs

FENC and its domestic subsidiaries have two types of pension plans: Defined benefit and defined contribution.

Under the defined benefit plan, pension costs are recognized on the basis of actuarial calculations. Under the defined contribution pension plan, required monthly contributions by the Group to the employees' individual pension accounts are recognized as pension costs over the employees' service years.

The pension plans of subsidiaries in China are based on the Chinese government's regulations. The subsidiaries make monthly contributions to employees' individual pension accounts at a fixed percentage of salaries and wages and recognize these contributions as pension costs. The domestic and overseas holding companies do not have pension plans because they do not have any employees.

Income Tax

The inter-period and intra-period allocation methods are used for income taxes. Deferred income tax assets are recognized for the tax effects of deductible temporary differences, unused operating loss carryforwards and unused investment tax credits, and deferred tax liabilities are recognized for the tax effects of taxable temporary differences. A valuation allowance is recognized for deferred income tax assets that are not certain to be realized. Deferred income tax assets and liabilities are classified as current or noncurrent on the basis of the classification of the related assets and liabilities for financial reporting. A deferred asset or liability not related to an asset or a liability in the financial statements is classified as current or noncurrent on the basis of the expected length of the realization period.

Tax credits for certain purchases of telecommunications and other equipment, research and development expenses, personnel training expenses and investments in shares of stock are accounted for as a reduction of the current period's income tax expense.

Adjustments of prior years' tax payables include the current period's income tax expenses.

Income taxes (10%) on undistributed earnings generated since January 1, 1998 are recorded as expense in the year when the stockholders resolve to retain the earnings.

The Company and Far Eastern Resources Development adopted the linked-tax system for tax filings. Differences between current and deferred income tax expenses on consolidated entity basis and those on nonconsolidated entity basis are adjusted in the Company's income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables.

Foreign-currency Transactions and Translation of Foreign-currency Financial Statements

Nonderivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Gains or losses resulting from the application of prevailing foreign exchange rates when cash in foreign currency is converted into New Taiwan dollars or when nonmonetary foreign-currency-denominated assets and liabilities are settled, are credited or charged to income in the period of settlement.

On the balance sheet date, the balances of nonmonetary foreign currency-denominated assets and liabilities evaluated at fair value, such as equity instruments, are restated at the prevailing exchange rates, and the resulting differences are recorded as adjustment to stockholders' equity or as profit or loss in the current period. Financial assets and liabilities carried at cost are stated at historical exchange rates; while equity-method investments are recorded as cumulative translation adjustments under stockholders' equity.

Hedging Derivative Financial Instruments

Hedging derivative financial instruments are measured at fair value. The changes in fair values of these instruments are debited or charged to either stockholders' equity or current income depending on the type of the hedged items.

Hedge Accounting

Hedge accounting involves the recognition of the offsetting effects on profit or loss of changes in fair values of the hedging instrument and the hedged item.

Some derivative instruments held by the Group are for cash flow hedge purposes. Thus, the gains or losses from the changes in fair values of the hedging instruments are recognized under stockholders' equity and are recognized as current income if the hedged forecast transaction affects net gains or losses. If hedging would give rise to a nonfinancial asset or liability, the gain or loss will be recognized as an adjustment to the original cost or carrying amount of the hedged asset or liability. If recognized adjustments to stockholders' equity result in irreversible losses, these losses should be immediately charged to current income.

Reclassifications

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2008 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the year ended December 31, 2009.

3. PRO-FORMA FINANCIAL INFORMATION

Assuming that the Company and its subsidiaries acquired a majority in Martens Beers Trading (Shanghai) Co., Ltd., OPTC, FEFC and ADCast on January 1, 2008, the pro forma financial information of the Company and its subsidiaries in 2009 and 2008 would have been as follows:

	(In Thousands, Except EPS)	
	Years Ended December 31	
	2009	2008
Operating revenue	\$ 166,976,183	\$ 180,918,000
Income before income tax	18,081,093	9,208,724
Consolidated net income	14,618,678	6,328,812
After tax basic earnings per share	1.75	0.45

The pro forma financial information above is only for reference. It does not completely represent both the financial results of the Company after acquiring a majority stake in Martens Beers Trading (Shanghai) Co., Ltd., Oriental Petrochemical (Taiwan) Co., Ltd., FEFC and ADCast on January 1, 2009 and 2008 and the future consolidated financial status.

4. CHANGES IN ACCOUNTING PRINCIPLES

Accounting for Inventories

On January 1, 2009, FENC and subsidiaries adopted the newly revised Statement of Financial Accounting Standards No. 10 - "Inventories." The main revisions are (a) inventory is stated at the lower-of-cost or net realizable value method by item, except when the grouping of similar or related items is appropriate; (b) unallocated overheads are recognized as expenses in the period in which they are incurred; and (c) abnormal production costs, inventory write-downs and any reversal of write-downs should be classified as cost of goods sold. This accounting change resulted in decreases of NT\$132,664 thousand in consolidated net income belongs to stockholders of parent company and NT\$0.03 in after tax basic earnings per share for 2009. In addition, the nonoperating loss of NT\$720,032 thousand was reclassified to cost of goods sold.

Accounting for Bonuses to Employees and Remuneration to Directors and Supervisors

In March 2007, the Accounting Research and Development Foundation issued Interpretation 2007-052, requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses. These bonuses were previously recorded as appropriations from earnings. This accounting change resulted in decreases of NT\$431,123 thousand in consolidated net income belongs to stockholders of parent company and of NT\$0.09 in after income tax basic earnings per share in 2008.

5. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2009	2008
Cash		
Cash on hand	\$ 22,687	\$ 37,218
Savings and checking accounts	9,214,962	6,031,010
Time deposits: Interest - 0.14%-2.25% in 2009 and 0.10%-6.73% in 2008	<u>7,293,658</u>	<u>12,485,471</u>
	<u>16,531,307</u>	<u>18,553,699</u>
Cash equivalents		
Commercial paper purchased under agreements to resell: Interest - 0.17%-0.23% in 2009 and 0.50%-1.30% in 2008	3,969,118	3,949,600
Treasury bills purchased under agreement to resell: Interest - 0.135%-0.15% in 2009 and 0.50%-1.605% in 2008	<u>325,166</u>	<u>302,120</u>
	<u>4,294,284</u>	<u>4,251,720</u>
Management discretionary accounts		
Savings accounts	296,607	116,115
Time deposits: Interest - 0.45% in 2009 and 1.07% in 2008	<u>19,800</u>	<u>25,000</u>
	<u>316,407</u>	<u>141,115</u>
	<u>\$ 21,141,998</u>	<u>\$ 22,946,534</u>

As of December 31, 2009 and 2008, demand deposits in foreign banks were as follows:

	<u>December 31</u>	
Deposits in Foreign Bank	2009	2008
Belgium (US\$5,163 thousand in 2009 and US\$752 thousand in 2008)	\$ 165,172	\$ 24,666
Hong Kong (US\$3 thousand in 2009 and US\$10 thousand in 2008)	96	328
U.S.A. - New York (US\$19 thousand in 2009 and US\$10 thousand in 2008)	<u>623</u>	<u>321</u>
	<u>\$ 165,891</u>	<u>\$ 25,315</u>

6. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

Financial assets held for trading and financial assets at fair value through profit or loss were as follows:

	<u>December 31</u>	
	2009	2008
<u>Financial assets held for trading</u>		
Marketable equity securities	\$ 447,393	\$ 404,293
Exchangeable bonds collection right	9,000	49,500
Cotton futures contracts	32,768	33,372
Mutual funds - beneficiary certificates	1,290,717	20,429
Forward exchange contracts	<u>11,460</u>	<u>-</u>
	<u>\$ 1,791,338</u>	<u>\$ 507,594</u>

(Continued)

	December 31	
	2009	2008
<u>Financial liabilities held for trading</u>		
Exchangeable bonds exchange right	\$ -	\$ 30,500
Exchangeable bonds redemption right	20,750	42,000
Forward exchange contracts	<u>-</u>	<u>32,853</u>
	<u>\$ 20,750</u>	<u>\$ 105,353</u>
		(Concluded)

Yuan Ding Investment Corp., KG Telecom and Yuan Tong Investment Corp. respectively contracted with and fully authorized Oriental Securities Investment Advisory Co., Ltd. (trustee) to manage discretionary funds. As of December 31, 2009 and 2008, the capital fully authorized to the trustee were NT\$300,000 thousand, NT\$350,000 thousand, and NT\$450,000 thousand, respectively. Investment target excluded shares of related parties, shares of domestic companies within telecommunication industry (except for Chunghwa Telecom Co., Ltd.) and their related derivative instruments. Deposits among those fully authorized were NT\$316,407 thousand and NT\$141,115 thousand, respectively, in 2009 and 2008 and were classified under cash equivalents (Note 5).

The Company used cotton futures contracts and forward exchange contracts to hedge the fluctuation of cotton prices and exchange rates on account receivables and payables in the years ended December 31, 2009 and 2008. The strategy is to hedge the Company's market risk exposure. Since these transactions do not meet the criteria for hedge accounting, they were classified as held for trading.

FENC has no outstanding cotton futures contracts as of December 31, 2009. The outstanding cotton futures contracts held by FENC as of December 31, 2008 are summarized as follows:

Outstanding Derivative Contract	December 31, 2008		
	Maturity	Units	Contract Amount (Thousands)
Cotton futures contracts	March 2009	60	US\$1,408/NT\$46,176

The main purpose that the Company participates in Sell option contracts and nonhedging purpose forward exchange contracts is to profit on royalties and the difference between exchange rate fluctuation in 2009 and 2008.

The Company has no outstanding option contracts as of December 31, 2009 and 2008, respectively.

The outstanding forward exchange contracts as of December 31, 2009 and 2008 are as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2009</u>			
Sell	EUR/USD	2010.3.29-2010.4.29	EUR2,000/USD2,857
	USD/NTD	2010.1.15-2010.3.25	USD78,000/NTD2,512,528
<u>December 31, 2008</u>			
Sell	EUR/USD	2009.1.23-2009.3.30	EUR7,000/USD8,918

The subsidiary, FEIH uses forward contracts to hedge the effect of adverse exchange rate fluctuations on liabilities evaluated by foreign currencies in 2009 and 2008. And FEIH was authorized by affiliates Wuhan Far Eastern New Material Ltd. in 2009 and OTIZ, FEIS, FEIW, and Sino Belgium in 2008 to use forward exchange contracts to hedge against the exchange rate risk on foreign currency assets and liabilities.

FEIH had no outstanding forward contract as of December 31, 2009. As of December 31, 2008, FEIH had trusted outstanding forward exchange contracts as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2008</u>			
Sell	USD/CAD	2009.1.23-2009.2.25	USD2,000/CAD2,339

An FENC subsidiary, Far Eastern Construction Corp., used forward exchange contracts in 2008 to hedge against foreign exchange risks on foreign currency-denominated assets. All forward exchange contracts had been settled as of the end of 2008.

An FENC subsidiary, Far Eastern General Contractor Inc., used forward exchange contracts in 2008 to hedge against foreign exchange risks on foreign currency-denominated assets. All forward exchange contracts had been settled as of the end of 2008.

An FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd., used forward exchange contracts in 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009.

An FENC subsidiary, Far Eastern Fibertech Co., Ltd., used forward exchange contracts in 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009.

An FENC subsidiary, Yuan Tung Investment Corp., used forward exchange contracts in 2009 and 2008 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009 and 2008.

An FENC subsidiary, Far Eastern Polytex (Holding) Limited, used forward exchange contracts in 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009.

On the exchangeable bonds issued in 2007, the Company separately recognized the embedded derivatives and the host debt instruments. In addition, the derivatives were measured at fair value and recognized as financial assets and liabilities at fair value through profit or loss.

The Group's net gains (losses) on financial assets were NT\$280,941 thousand in 2009 and NT\$(389,929) thousand in 2008. The net gains on financial liabilities were NT\$93,123 thousand in 2009 and NT\$411,653 thousand in 2008.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>December 31</u>	
	2009	2008
Current		
Open-end mutual funds - beneficiary certificates	\$ 2,130,876	\$ 1,467,616
Private fund - beneficiary certificates	358,938	-
Marketable equity securities	<u>325,956</u>	<u>521,147</u>
	<u>\$ 2,815,770</u>	<u>\$ 1,988,763</u>
Noncurrent		
Marketable equity securities	<u>\$ 2,593,229</u>	<u>\$ 56,682</u>

8. BONDS INVESTMENTS WITH NO ACTIVE MARKET

	<u>December 31</u>	
	2009	2008
Current		
Bond - Ta Chong Commercial Bank	<u>\$ -</u>	<u>\$ 3,000</u>
Noncurrent		
Convertible bond - Bockhold N.V.	<u>\$ 293,454</u>	<u>\$ -</u>

On July 16, 2004, ARCOA bought a five-year corporate bond at par value, amounting to \$3,000 thousand with coupon interest rate of 2.55%. The interest is payable on July 16 annually. The maturity date of the bond is July 16, 2009. The bond was redeemed at par value on the maturity date.

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd., bought a convertible bond for EUR6,670 thousand issued by Bockhold N.V. The 7.5% interest on this three-year convertible bond was payable semiannually, and this bond can be converted to 933 common stock shares of Bockhold N.V. proportionally. The amount on this liability contract was recognized as bond investment with no active market.

9. INVENTORIES - NETS

	<u>December 31</u>	
	2009	2008
Merchandise	\$ 1,034,309	\$ 1,326,203
Finished goods	3,588,502	4,754,300
Work in process	1,453,688	1,877,170
Raw materials	5,427,851	5,015,501
Supplies	<u>569,144</u>	<u>722,645</u>
	<u>\$ 12,073,494</u>	<u>\$ 13,695,819</u>

The allowances for the decline in inventory market value as of the end of 2009 and 2008 were NT\$684,151 thousand and NT\$1,752,870 thousand, respectively.

The costs of goods sold were NT\$94,094,317 thousand in 2009 and NT\$102,098,293 thousand in 2008. The cost of goods sold in 2009 included the gain of NT\$1,068,719 thousand on the recovery of the net realizable value of inventory and this gain resulted from the increasing market price of inventory. The cost of goods sold of 2008 included the loss of NT\$720,032 thousand on the decline in inventory market value.

10. AVAILABLE FOR CONSTRUCTION - LAND

	Area (Square Meters)	December 31	
		2009	2008
Guang Ming Section No. 201, Shi Tuen, Taichung	12,036	\$ 411,629	\$ 411,629
Bai An Section No. 877, Ta Chih, Taipei	472	125,099	125,099
B5 Xin Yi section	199	75,555	75,555
Jen Ai Section No. 732, Taipei	19	<u>7,730</u>	<u>7,730</u>
		<u>\$ 620,013</u>	<u>\$ 620,013</u>

11. CONSTRUCTION-IN-PROGRESS (NET OF BILLINGS ON CONSTRUCTION-IN-PROGRESS)

Construction-in-progress, advances on land and building and deferred marketing expenses (these expenses are classified under other current assets) of Far Eastern Construction Co., Ltd. as of December 31, 2009 and 2008 were as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	Construction-in-Progress				Deferred Marketing Expense	Billings on Construction-in- progress	Percentage of Completion	Expected Year of Completion
			Land	Construction Cost	Recognized Cumulative (Loss) Profit	Total				
<u>December 31, 2009</u>										
Completed-contract method										
Yuan Yang California	\$ -	\$ -	\$ 404,040	\$ 67,432	\$ -	\$ 471,472	\$ 222,529	\$ 515,478	-	2011
Ban Ciao - New Section No. 9	-	-	710,554	429,065	-	1,139,619	-	-	-	2012
Percentage of completion method										
Ban Shin Headquarter	2,441,844	2,219,150	-	24,808	198,198	223,006	2,029	473,340	89	2010
			<u>\$ 1,114,594</u>	<u>\$ 521,305</u>	<u>\$ 198,198</u>	<u>\$ 1,834,097</u>	<u>\$ 224,558</u>	<u>\$ 988,818</u>		
<u>December 31, 2008</u>										
Completed-contract method										
Ban Shin Headquarter	-	-	\$ -	\$ 15,579	\$ -	\$ 15,579	\$ 1,786	\$ 10,371	-	2010
Ban Ciao - New Section No. 9	-	-	693,173	356,090	-	1,049,263	-	-	-	2012
			<u>\$ 693,173</u>	<u>\$ 371,669</u>	<u>\$ -</u>	<u>\$ 1,064,842</u>	<u>\$ 1,786</u>	<u>\$ 10,371</u>		

The land in section number 9 of the new station in Ban Ciao ("Ban Ciao Zhong Ben") was developed using the joint construction and allocation of housing units method for FECC and Far Eastern Department Store. The allocation of housing units was based on percentages of land ownership (36.07% for FECC and 63.93% for Far Eastern Department Store).

In the years ended December 31, 2009 and 2008, FECC's capitalized interest which generally referred to construction-in-progress and prepaid construction, was NT\$21,090 thousand and NT\$36,872 thousand, respectively. The capitalization rates were 1.4249%-4.218% in 2009 and 1.5552%-3.7416% in 2008.

Construction-in-progress (net of billings on construction-in-progress) of FEGC as of December 31, 2009 and 2008 was as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	Construction-in-progress	Billings on Construction-in-progress	Percentage of Completion	Expected Year of Completion	Recognized Cumulative (Loss) Gain
<u>December 31, 2009</u>							
Percentage of completion method							
Kaohsiung Rapid Transit	\$ 7,921,849	\$ 7,105,296	\$ 7,888,650	\$ 7,652,433	99	2010	\$ 808,387
Min Yin Camp (1)	395,368	406,531	395,368	390,540	-	2010	(11,163)
Min Yin Camp (2)	484,010	498,016	485,674	481,175	-	2010	(14,006)
Headquarter, Bank of Panhsin	3,687,619	3,458,324	3,287,089	2,101,288	-	2010	195,482
Panhsin Decoration	1,701,724	1,605,249	882,426	593,517	52	2010	48,109
Tainan science park - Taipower Company	894,138	1,002,225	811,770	743,020	92	2010	(108,087)
Zhong-Ben	2,568,919	2,618,919	875,777	473,037	35	2012	(50,000)
Zhong-Long Decoration	87,381	80,649	86,253	83,011	99	2010	6,665
Taichung C709A	2,965,991	2,788,031	852,193	779,893	29	2011	51,608
Yuan Yang California	2,965,929	2,798,046	684,622	-	24	2011	-
BanCiao communication park	234,286	223,500	177,741	-	76	2010	2,860
Zhong-Long Storage	314,931	321,298	313,134	272,057	99	2010	(6,367)
Zhong-Long Fireplace	501,908	501,189	498,797	441,793	99	2010	712
			<u>17,239,494</u>	<u>14,011,764</u>			
Completed-contract method							
Taipei Internation Flora Expo	-	-	56,830	-	-	2010	-
Lot of O.I.T.	-	-	7,458	-	-	2011	-
Far Eastern Memorial Hospital	-	-	11,424	-	-	2012	-
			<u>75,712</u>	<u>-</u>			<u>-</u>
			<u>17,315,206</u>	<u>\$ 14,011,764</u>			<u>\$ 924,200</u>
			<u>\$ 3,303,442</u>				
<u>December 31, 2008</u>							
Percentage of completion method							
Kaohsiung Rapid Transit	\$ 7,921,849	\$ 7,105,296	\$ 7,831,648	\$ 7,645,471	99	2009	\$ 808,387
Min Yin Camp (1)	388,557	399,720	395,443	381,052	-	2009	(11,163)
Min Yin Camp (2)	484,010	498,016	485,674	463,368	-	2009	(14,006)
Hua-Jiang Express	2,415,682	2,373,423	2,259,705	2,183,092	94	2009	39,724
Er-chung flood spillway bridge	130,133	132,381	136,028	130,366	-	2009	(2,248)
Headquarter, Bank of Panhsin	3,687,619	3,424,324	2,522,495	1,595,506	70	2010	113,773
Taichung C706	2,939,048	2,927,665	730,682	704,170	25	2011	2,846
Tainan science park - Taipower Company	792,381	908,571	713,313	663,429	91	2009	(116,190)
Zhong-Ben	1,857,059	1,857,059	562,069	312,061	30	2012	-
Yuan-Yang famous building	154,605	145,854	14,127	-	99	2009	8,664
Zhong-Long Storage	327,789	305,339	302,007	238,571	92	2009	20,654
Zhong-Long fireplace	506,861	504,356	438,467	399,180	87	2009	2,179
			<u>16,391,658</u>	<u>14,716,266</u>			
Completed-contract method							
Taichung C709A	-	-	10,573	-	-	2011	-
Yuan Yang California	-	-	232,155	-	-	2011	-
Miscellaneous	-	-	10,757	7,307	-	2009	-
			<u>253,485</u>	<u>7,307</u>			<u>-</u>
			<u>16,645,143</u>	<u>\$ 14,723,573</u>			<u>\$ 852,620</u>
			<u>\$ 1,921,570</u>				

12. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	December 31, 2009		December 31, 2008	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
With quoted market prices				
Far Eastern International Commercial Bank (Note 13)	\$ 1,286,376	5	\$ -	-
With no quoted market prices				
Yue Yuan Investment Corp.	637,577	19	637,577	19
Bockhold N.V.	223,533	13	-	-
Kaohsiung Rapid Transit Corporation	108,313	2	194,929	2
Alberia & Orient Glycol Company Ltd.	137,698	25	169,422	25
Hantech Venture Capital Corp.	104,714	7	104,714	7
Chung Nan Textile Corp.	81,405	5	81,405	5
Nippon Parison Co.	69,899	10	71,712	10
Yi Tong Fiber Co., Ltd.	28,519	4	28,519	4
YaLi Precast and Pressed Concrete Industries Corp.	25,142	16	25,142	16
Taiwan Stock Exchange	22,493	-	22,493	-
Ya Li Transport Corp.	16,240	10	16,240	10
Universal Venture Capital Investment Corporation	14,000	1	14,000	1
Thi Consultants Inc.	13,729	18	13,729	18
Overseas Investment Corp.	10,000	1	10,000	1
VIBO Telecom Inc.	8,400	-	8,400	-
Others	28,690		27,056	
	<u>1,530,352</u>		<u>1,425,338</u>	
Fund				
Domestic private mutual fund	150,000		150,000	
Kai Yuang Trust Fund	-		247,635	
	<u>150,000</u>		<u>397,635</u>	
Convertible bond				
Bockhold NV	7,895		-	
	<u>\$ 2,974,623</u>		<u>\$ 1,822,973</u>	

The Company and its subsidiaries' investments on securities and funds presented above were evaluated at their acquisition costs because those financial assets were traded at inactive markets and were unable to be measured with their fair values.

In January 2009, an FENC subsidiary, Yuan Tung Investment Co., Ltd., acquired 13% equity in Bockhold N.V. for NT\$223,533 thousand and then bought a convertible bond issued by Bockhold N.V. (Note 8) on February 26, 2009. However, since the bond was an investment in an inactive market, it was recognized as a financial asset carried at cost amounting to NT\$7,895 thousand.

Investment in Alberia & Orient Glycol Company Ltd. was accounted for by the cost method since the Group could not exercise significant influence over this investee although the Group owned more than 20% of his investees' voting stock.

Kai Yuang Trust Fund, which was invested in by an FENC subsidiary, Far Eastern Investment (Holding) Ltd. (FEIH), was evaluated to have an impairment loss of NT\$25,890 thousand in 2008, with a small possibility of recovery. However, because FEIH planned to dispose of Kai Yuang Trust Fund in a year, the investment was reclassified in 2009 as a long-term equity investment for disposal.

According to Interpretation 1998-150 issued by the Accounting Research and Development Foundation, Far Eastern General Contractor Inc., the build-operate-transfer (BOT)-chartered investor of Kaohsiung Rapid Transit Corporation (KRTC) will have to transfer all assets to the government without any condition at the end of the chartered period and the amortization of this investment should be completed within the chartered period. Kaohsiung Rapid Transit Corporation started the construction of the KRTC system on October 31, 2001 and then began the commercial operation in April 2008. The chartered period will end on October 31, 2037 for a total of 36 years. The investment amortization period, which started in April 2008, will be lasting for 29 years and 7 months with the total amortization amount of NT\$6,760 thousand in 2009 and NT\$5,071 thousand in 2008. However, because of the poor performance by KRTC in many years, Far Eastern General Contractor Inc. recognized an impairment loss of NT\$79,856 thousand after the assessment of KRTC in 2009.

13. EQUITY-METHOD INVESTMENTS

	December 31, 2009		December 31, 2008	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
With quoted market prices				
Asia Cement Corp. (ACC)	\$ 13,749,534	24	\$ 12,830,049	26
Far Eastern Department Stores (FEDS)	4,229,574	18	3,903,181	20
Oriental Union Chemical Corp. (OUCC)	3,073,670	23	2,755,152	23
Everest Textile Co., Ltd. (Everest Textile)	1,232,584	27	1,151,023	26
Far Eastern International Commercial Bank (FEIB)	-	-	3,380,708	16
	<u>22,285,362</u>		<u>24,020,113</u>	
With no quoted market prices				
New Century InfoComm Tech Co., Ltd. (NCIC)	10,158,936	43	9,625,721	40
Oriental Securities Corp.	4,978,006	46	4,045,195	46
Yuan Ding Co., Ltd.	4,099,707	50	3,595,194	50
Pacific Liu Tong Investment Co., Ltd.	2,602,982	40	2,480,248	40
Far Eastern International Leasing Corp. (FEILC)	2,004,473	34	1,760,425	33
Liquid Air Far East Co., Ltd.	1,136,367	35	1,130,451	35
Pacific Petrochemical (Holding) Ltd.	709,847	25	506,998	25
Da Ju Fiber Corp.	423,755	42	263,490	42
Kowloon Cement Corp.	380,159	49	382,976	49
Far Eastern Leasing Corp.	359,363	46	355,328	46
Yu Ding Industry Co., Ltd.	319,952	29	94,345	28
Freudenberg Far Eastern Spunweb Co., Ltd.	274,931	30	245,218	30
Yue Ming Corp.	70,195	46	35,941	46
Malaysia Garment Manufactures PTE Ltd.	45,051	38	(27,686)	38
Ding Ding Integrated Marketing Service Co., Ltd.	39,519	15	5,744	15
iScreen	30,030	40	28,765	40
Ding Ding Hotel Corp.	28,962	19	53,029	19
Com 2B Corp.	28,051	20	29,674	20
Martens Beer (Shanghai) Ltd.	-	-	22,678	30
	<u>27,690,286</u>		<u>24,633,734</u>	
Credit balance of long-term investments reclassified to other receivables	-		27,686	
	<u>\$ 49,975,648</u>		<u>\$ 48,681,533</u>	

Investments in Far Eastern Department Stores Ltd., Ding Ding Hotel Corp. and Ding Ding Integrated Marketing Service Co., Ltd. in 2009 and investments in Far Eastern Department Stores Ltd., Far Eastern International Bank, Ding Ding Hotel Corp., and Ding Ding Integrated Marketing Service Co. in 2008 were accounted for by the equity method since the Group exercised a significant influence over them even though the Group owned less than 20% of each investee's voting stock.

The market prices of equity-method investments in listed companies were NT\$38,215,850 thousand as of December 31, 2009 and NT\$30,862,539 thousand as of December 31, 2008. They were calculated by the closing prices on December 31, 2009 and 2008.

The Group bought 13,908 thousand shares of ACC for NT\$300,423 thousand and sold 34,135 thousand ACC shares for NT\$1,841,544 thousand in 2008. Thus, the Group's equity interest in ACC decreased from 26.64% to 25.90%. In 2009, The Group bought 7,352 thousand shares of ACC for NT\$219,167 thousand and sold 67,631 thousand shares of ACC for NT\$2,215,557 thousand; thus, the Group's equity in ACC decreased from 25.90% to 23.85%.

In 2009, two FENC subsidiaries, Yuan Ding Investment Co., Ltd. and Ding Yuan International Investment Corp., bought 12,279 thousand shares of OUCC for NT\$194,978 thousand and sold 10,810 thousand shares of OUCC for NT\$260,224 thousand. Thus, the Group's equity in OUCC increased from 22.56% to 22.74%.

Two FENC subsidiaries, Yuan Tong Investment Co., Ltd. and Kai Yuan International Investment Co., Ltd. bought 26,951 thousand shares of FEDS for NT\$601,072 thousand and the subsidiary, Yuan Ding Investment Co., Ltd. sold 47,181 thousand FEDS shares for NT\$2,542,482 thousand in 2008. Thus, the Group's equity interest in FEDS decreased from 21.49% to 19.58%. Yuan Ding Investment Co., Ltd. bought 2,419 thousand shares of FEDS for NT\$86,231 thousand in 2009. Yuan Tong Investment Co., Ltd., Kai Yuan International Investment Co., Ltd. and Ding Yuan International Investment Corp. sold 20,674 thousand shares of FEDS for NT\$649,752 thousand in 2009. The Group's equity in FEDS thus decreased from 19.58% to 18.04%.

On June 10, 2009, the stockholders of Far Eastern International Bank decided to offset a loss of NT\$4,075,208 thousand through capital reduction on June 30, 2009, which is the base date of the capital reduction. Thus, the Group's holding in FEIB decreased by 65,341 thousand shares.

In 2008, the Group invested in 127,601 thousand shares privately issued by FEIB for NT\$829,407 thousand, and this investment was treated as a transfer of ownership, as stated in Section 8 of Article 43 of the ROC Securities and Exchange Act. In addition, the Group bought 21,493 thousand shares of FEIB for NT\$122,197 thousand, resulting in an increase in the Group's equity in FEIB from 11.83% to 15.87%. On May 28, 2009, FEIB had a board of directors' election. FENC and one of its subsidiaries, Yuan Ding Investment Co., Ltd., lost their three seats in the board, and they no longer had significant control over FEIB when the new board's term began on June 27, 2009. Thus, the Group reclassified the carrying value of the shares privately issued by FEIB to financial assets carried at cost, and the rest was reclassified to available-for-sale financial assets - noncurrent.

In 2009, Everest Textile Co., Ltd. reacquired its shares from the open market, and this treasury stock transaction caused the Group's holding in this company to increase from 25.99% to 27.07%.

In April 2008, the Company and Yuan Ding Investment Co., Ltd. acquired 10,174 thousand shares issued by FEILC for NT\$122,094 thousand, and the combined ownership percentage of FEILC increased from 32.77% to 33.12%. In November 2009, the Company and Yuan Ding Investment Co., Ltd. acquired 19,001 thousand shares of FEILC's newly issued shares for NT\$190,008 thousand, and their equity in FEILC increased from 33.12% to 33.67%.

On June 5, 2009, NCIC's stockholders decided to offset a loss of NT\$14,005,510 thousand through capital reduction, with August 1, 2009 as the base date of capital reduction. Thus, the Group's holding of NCIC decreased by 596,147 thousand shares.

A Company subsidiary, Far Eastern Industries (Wuxi), acquired 30% ownership of Martens Beer Trading (Shanghai) Ltd. ("Martens Shanghai") in 2008. An FENC subsidiary, Sino Belgium (Holding) Limited, acquired 70% ownership of Martens Shanghai in the first quarter of 2009. Thus, Martens Shanghai was included in the consolidated financial report of 2009.

In July 2009, an FENC subsidiary, Yuan Ding Investment Co., Ltd., acquired 5,302 thousand shares of the shares newly issued by Da Ju Fiber Co., Ltd. for NT\$127,258 thousand

In 2009, Ding Yuan International Investment Corp. acquired 9,120 thousand shares of the shares newly issued by Yue Ding Industry Co., Ltd. for NT\$91,200 thousand. Thus, the Group's equity in Yue Ding Industry Co., Ltd. increased from 27.81% to 28.87%.

The difference between investment cost and equity in the investees' net assets as of December 31, 2009 and 2008 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
<u>2009</u>				
Goodwill	\$ 878,592	\$ 61,888	\$ 354,042	\$ 586,438
Amortizable assets	<u>808,673</u>	<u>197,575</u>	<u>138,713</u>	<u>867,535</u>
	<u>\$ 1,687,265</u>	<u>\$ 259,463</u>	<u>\$ 492,755</u>	<u>\$ 1,453,973</u>
<u>2008</u>				
Goodwill	\$ 830,636	\$ 160,647	\$ 112,691	\$ 878,592
Amortizable assets	<u>924,029</u>	<u>-</u>	<u>115,356</u>	<u>808,673</u>
	<u>\$ 1,754,665</u>	<u>\$ 160,647</u>	<u>\$ 228,047</u>	<u>\$ 1,687,265</u>

14. HELD-TO-MATURITY FINANCIAL ASSETS - NONCURRENT

	<u>December 31</u>	
	2009	2008
Corporate bonds		
Asia Cement Corporation	<u>\$ 199,567</u>	<u>\$ -</u>

In September 2009, the subsidiary, KG Telecom bought 5-year corporate bonds for NT\$199,540 thousand issued by Asia Cement Corporation with an effective interest rate of 2.004% and coupon interest rate of 1.95%.

15. PROPERTIES

a. Accumulated depreciation consisted of:

	<u>December 31</u>	
	<u>2009</u>	<u>2008</u>
Cost		
Buildings and equipment	\$ 7,245,221	\$ 6,808,495
Machinery and equipment	58,395,058	55,198,006
Telecommunication equipment	80,192,573	72,444,975
Computer equipment	14,470,653	13,339,271
Leasehold improvements	1,483,049	1,381,059
Miscellaneous equipment	<u>4,610,339</u>	<u>4,207,716</u>
	<u>166,396,893</u>	<u>153,379,522</u>
Appreciation		
Buildings and equipment	211,806	207,932
Machinery and equipment	165,648	170,175
Miscellaneous equipment	<u>5,080</u>	<u>5,080</u>
	<u>382,534</u>	<u>383,187</u>
Total accumulated depreciation	<u>\$ 166,779,427</u>	<u>\$ 153,762,709</u>

Under government regulations, the Company revalued the properties (excluding land) in 1983 and the lands in 1994. The resulting appreciation was accounted for as an increase in the carrying value of the properties and properties leased to others. A reserve for land value increment tax was also recognized and the net appreciation was credited to unrealized revaluation increment on properties.

The Company and ACC co-own a parcel of land located on Tun-Hwa South Road in Taipei. Under an agreement with the Company and ACC on March 31, 1989, Yuan Ding Corp. ("Yuan Ding") paid for the construction of a multi-functional building on this land and owned the 30-year surface right of land and the ownership of the building should have been registered on the Company, ACC and Yuan Ding by 12%, 12% and 76%. Upon expiration of the agreement, the Company and ACC will acquire Yuan Ding's 76% ownership of the building with the book value of the building in 1989.

On September 2, 2003, the Company transferred the real estate development rights (including those on operating and nonoperating properties and farmland) from investment department to its wholly owned subsidiary, Far Eastern Resources Development Co., Ltd., which was a newly set-up company. When the contract described in the preceding paragraph is terminated, the property right of the co-owned building will be also transferred to Far Eastern Resources Development Co., Ltd.

The subsidiary, Far Eastern Resources Development Co., Ltd. leased a 35-year surface rights of 9 pieces of lands in Pader, Taoyuan to Far Eastern Memorial Foundation for NT\$228,571 thousand (recognized as deferred incomes) and the rent revenues will be recognized periodically during the lease period.

In 2009, three FENC subsidiaries, Far Eastern Industries (Shanghai) Ltd., Far Eastern Industries (Suzhou) Ltd. and Sino Belgium (Suzhou) Ltd., had impairment losses of NT\$59,322 thousand, NT\$19,514 thousand and NT\$49,388 thousand, respectively.

Capitalized interests on properties were \$32,840 thousand in 2009, with an interest rate of 0.6% to 6.38%, and \$148,329 thousand in 2008, with an interest rate of 1.35% to 6.61%.

Depreciation expenses were NT\$15,931,931 thousand in 2009 and NT\$15,246,961 thousand in 2008.

16. GOODWILL

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. Goodwill mainly resulted from the mergers and acquisitions of large percentage of ownerships by the subsidiary, Far EasTone.

Under Statement of Financial Accounting Standards No. 35 - "Accounting for Asset Impairment," the Far EasTone and its subsidiaries are divided into three identifiable cash-generating units as follows:

To enhance the operating effectiveness, Far EasTone integrated its telecommunications resources actively in 2009 and 2008. Thus, in 2009, the identifiable cash-generating units were defined as mobile telecommunications service business, telecommunication equipment business and WiFly business, which were divided by distinct business functions.

On December 31, 2009 and 2008, the carrying values of the tangible and intangible assets used by Far EasTone and its subsidiaries were \$57,910,640 thousand and \$63,927,354 thousand, respectively. Far EasTone's management took the recoverable amounts of core assets and their life uses as a consideration for the cash flow forecast. Therefore, the discount rates on December 31, 2009 are 10.61% for the mobile telecommunications service business, 10.42% for the telecommunication equipment business and 10.00% for WiFly business and the discount rates on December 31, 2008 are 12.64% for mobile telecommunications service business, 16.88% for telecommunication equipment business and 10.00% for WiFly business. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the prospective advancement of the business.

The principal assumptions and the relevant measurement of the recoverable amounts of Far EasTone and its subsidiaries are summarized as follows:

- a. Expected future growth rate of the telecommunications industry
 - 1) Mobile voice service (MVS): The anticipated MVS growth rate is based on the actual effective customer base of the previous years and on assumptions that the 2G telecommunications services market is mature and there would be increased use of 3G telecommunications services. Therefore, the growth rate is expected to be stable.
 - 2) Mobile data service (MDS): The demand for MDS is expected to grow. However, given the cycle in the industry, the growth rate for MDS will gradually decrease annually.
 - 3) Business of telecommunication equipment: Based on past experience, plans and the trend in the overall market, the anticipated growth rate is expected to decrease gradually.
 - 4) WiFly business: Based on present experience and the demand of WiFly, the growth rate is expected to be stable.
- b. Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The ratio was around 50% in 2009 and 2008; this ratio is expected to decrease slightly in future years.

As of December 31, 2009 and 2008, recognized impairment loss of NT\$44,315 thousand and NT\$20,000 thousand were classified under nonoperating expenses and losses - others, respectively.

17. INTANGIBLE ASSETS - 3G CONCESSION, NET

	2009	2008
Cost	\$ <u>10,169,000</u>	\$ <u>10,169,000</u>
Accumulated amortization		
Beginning balance	2,861,935	2,131,228
Amortization	<u>730,707</u>	<u>730,707</u>
Ending balance	<u>3,592,642</u>	<u>2,861,935</u>
Intangible assets, net	\$ <u>6,576,358</u>	\$ <u>7,307,065</u>

18. FARMLAND

	2009	2008
Cost	\$ 232,121	\$ 232,121
Appreciation	<u>44,540</u>	<u>44,540</u>
Total cost and appreciation	\$ <u>276,661</u>	\$ <u>276,661</u>

The titles to the land are temporarily registered in the name of trustees who have either signed an agreement showing the farmlands belong to the Company or have pledged the land to the Company.

19. SHORT-TERM BANK LOANS

	2009	2008
Unsecured loans: Interest - 0.5%-6.4% in 2009 and 1.00%-6.57% in 2008	\$ 17,073,984	\$ 23,086,399
Secured loans: Interest - 0.58-3.99% in 2009 and 1.78%-6.03% in 2008	4,764,800	2,821,566
Warrant loans: Interest - 0.57%-6.96% in 2009 and 2.29%-6.426% in 2008	<u>2,307,354</u>	<u>1,790,428</u>
	\$ <u>24,146,138</u>	\$ <u>27,698,393</u>

An FENC subsidiary, Far Eastern Construction Inc. (FECI), obtained a loan of NT\$1,000,000 thousand from Taiwan Cooperative Bank for a residential construction named Twin Star Garden Square. The first installment payment was in February 2009, and this loan was fully repaid in December 2009. FECI got another loan of NT\$430,000 thousand from the Bank of Panhsin, and this loan had been fully repaid as of the end of 2009.

In addition, on December 17, 2009, FECI got a syndicated loan of NT\$4,000,000 thousand from Mega International Commercial Bank and three other banks. A lot under development (No. 17 in the Shin Ya Section) for a new residential construction named Far Eastern California was pledged to the creditor banks to guarantee FECI's debt repayment. The conditions of the loan are presented below:

	Amount Limit	Period	Interest Rate	Remark
A	\$ 1,800,000	Two years from the first drawdown	Interest rate is fixed during the interest period	The entire loan should be used only once, i.e., it cannot be used as a revolving credit during the contract period.
B	2,200,000	Two years from the first drawdown	Interest rate is fixed during the interest period	Multiple drawdowns on the loan are allowed but the loan cannot be used as a revolving credit during the contract period.
	<u>\$ 4,000,000</u>			

20. COMMERCIAL PAPER

Commercial papers were issued at discount rates ranging from 0.17% to 1.90% in 2009 and from 1.45% to 3.0% in 2008.

21. BILLINGS ON CONSTRUCTION-IN-PROGRESS (NET OF CONSTRUCTION-IN-PROGRESS)

Billings on construction-in-progress of Far Eastern General Contractor Inc. were as follows:

Contract Name	Contract Price	Estimated Construction Cost	Construction in Progress	Billings on Construction-in-progress	Percentage of Completion	Expected Completion Year	Recognized Cumulative Construction Profit (Loss)
<u>December 31, 2009</u>							
Percentage of completion method							
Er-Chung	\$ 136,551	\$ 138,799	\$ 136,278	\$ 136,551	-	2010	\$ (2,248)
Taichung C706	3,018,591	2,927,665	1,804,665	1,936,471	60	2011	54,556
Taichung C704	2,314,286	2,159,356	<u>361,161</u>	<u>516,844</u>	16	2011	24,789
			<u>2,302,104</u>	<u>2,589,866</u>			
Completed-contract method							
Manhattan	-	-	90,216	93,265	-	2010	-
Others	-	-	<u>2,392</u>	<u>2,679</u>	-	2010	-
			<u>92,608</u>	<u>95,944</u>			
			<u>\$ 2,394,712</u>	<u>2,685,810</u>			
				<u>\$ 291,098</u>			<u>\$ 77,097</u>
<u>December 31, 2008</u>							
Completed-contract method							
Zhong-long	-	-	\$ 53,508	\$ 54,040	-	2009	\$ -
Manhattan	-	-	88,223	93,265	-	2009	-
Ban-Shin	-	-	52,417	61,252	-	2009	-
Banciao Communication	-	-	<u>23,471</u>	<u>39,213</u>	-	2009	-
			<u>\$ 217,619</u>	<u>247,770</u>			<u>\$ -</u>
				<u>\$ 30,151</u>			

22. LONG-TERM LIABILITIES

	Current	Long-term	Total
<u>December 31, 2009</u>			
Long-term debts			
Bank loans	\$ 3,819,255	\$ 34,000,960	\$ 37,820,215
Commercial paper	<u>-</u>	<u>1,998,836</u>	<u>1,998,836</u>
	<u>3,819,255</u>	<u>35,999,796</u>	<u>39,819,051</u>
Bonds			
Nonconvertible bonds (local)	<u>5,799,698</u>	<u>9,788,724</u>	<u>15,588,422</u>
Exchange bonds	2,500,000	-	2,500,000
Exchange bonds discount	<u>(157,657)</u>	<u>-</u>	<u>(157,657)</u>
	<u>2,342,343</u>	<u>-</u>	<u>2,342,343</u>
	<u>8,142,041</u>	<u>9,788,724</u>	<u>17,930,765</u>
	<u>\$ 11,961,296</u>	<u>\$ 45,788,520</u>	<u>\$ 57,749,816</u>
<u>December 31, 2008</u>			
Long-term debts			
Bank loans	\$ 3,876,468	\$ 39,635,050	\$ 43,511,518
Commercial paper	<u>998,945</u>	<u>2,098,170</u>	<u>3,097,115</u>
	<u>4,875,413</u>	<u>41,733,220</u>	<u>46,608,633</u>
Bonds			
Nonconvertible bonds (local)	<u>4,299,927</u>	<u>11,597,837</u>	<u>15,897,764</u>
Exchange bonds	-	2,500,000	2,500,000
Exchange bonds discount	<u>-</u>	<u>(215,988)</u>	<u>(215,988)</u>
	<u>-</u>	<u>2,284,012</u>	<u>2,284,012</u>
	<u>4,299,927</u>	<u>13,881,849</u>	<u>18,181,776</u>
	<u>\$ 9,175,340</u>	<u>\$ 55,615,069</u>	<u>\$ 64,790,409</u>

Bank Loans

The foregoing loans are repaid quarterly or in lump sum on maturity in New Taiwan dollars and will be fully repaid in December 2014. Bank interest rates were 0.50% to 6.966% in 2009 and 1.60% to 7.353% in 2008.

On September 12, 2008, the Company entered into a medium-term syndicated loan agreement with banks led by Hua Nan Commercial Bank. The total loan agreement amounted to NT\$5,700,000 thousand. Under this agreement, the Company should keep its current, liability, tangible asset-equity and EBIT ratios within certain ranges. The Company's stand-alone financial reports of 2009 and 2008 showed that the Company was in compliance with these ratio requirements.

On July 1, 2008, a Company subsidiary, Sino Belgium (Holding) Ltd., reached a medium-term syndicated loan agreement with banks led by Chinatrust Commercial Bank. The total loan agreement amounted to US\$50,000 thousand. Under this agreement, another subsidiary of the Company, Yuan Tong Investment Co., Ltd. (YTIC), served as the guarantor of Sino Belgium (Holding) Ltd. and thus committed to keep its current, liability, tangible asset-equity and EBIT ratios within certain ranges. YTIC's stand-alone financial reports of 2009 and 2008 showed that YTIC was in compliance with these ratio requirements.

On January 4, 2007, a Company subsidiary, Far Eastern Construction Co., Ltd., entered into a NT\$4,000,000 thousand credit agreement with Hua Nan Bank and seven other financial institutions. Far Eastern Construction Co., Ltd. pledged its land of Zhong Ben project (Ban Ciao - New Section No. 9) amounting to NT\$4,800,000 thousand as first mortgage to the creditor banks. The agreement terms are as follows:

	Credit Line	Period	Interest Rate	Redemption
A	NT\$ 2,000,000 thousand	Three years and six months after use of the credit	Reference interest rate plus 0.35%-0.40%	Revolving credit within the period, and redemption at lump sum on maturity
B	NT\$ 1,000,000 thousand	One year after use of the credit	Reference interest rate plus 0.30%	Revolving credit within the period, and redemption at lump sum on maturity
C	NT\$ 1,000,000 thousand	Three years and six months after use of the credit	Reference interest rate plus 0.35%-0.40%	Not revolving credit within the period, and redemption at lump sum on maturity

Note: The reference interest rate is based on Taiwan's second market 90 days' commercial paper fixing rate on page 6165 of the monitor at 11:00 AM of Telerate.

On December 4, 2009, an FENC subsidiary, Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC), got a five-year syndicated loan of NT\$4,200,000 thousand from Mega International Commercial Bank ("Mega") and Chinatrust Commercial Bank ("Chinatrust"). OPTC committed that, during the contract period, its financial statements should show it was keeping its liability ratio within a certain range. Once OPTC fails to meet its commitment, it should issue new shares for cash, fully repay the loan, or put the liability ratio back within the required range by the end of the next year. Otherwise, OPTC should pay fees monthly at 0.2% per day of the outstanding amounts during the period between the maturity date and one day before the fee payment date and the banks would assess the OPTC's condition to determine the new deadline for the settlement of the principal and the interests.

OPTC's stand-alone financial reports of 2009 showed that OPTC met the liability ratio requirement under its loan contract with Mega and Chinatrust.

Commercial Paper

Commercial paper with one-year maturity had an annual discount rate at 1.998% as of December 31, 2009 and had an annual discount rate ranging from 1.473% to 1.838% as of December 31, 2008. Under a revolving credit agreement, a consortium of banks guaranteed the commercial paper to be reissued by the Group.

An FENC subsidiary, Yuan Ding Investment Co., Ltd., entered into a "Secured Revolving Commercial Paper Issuance Facility Agreement" with financial institutions and agreed to issue the commercial papers within the contract limits in three years. The discount rate at the end of 2009 was 0.692%.

Bonds

FENC

FENC issued five-year nonconvertible bonds (the 69th tranche) on January 28, 2003. These bonds have an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. They are repayable in lump sum on maturity and the interest was calculated semiannually and paid annually. The bonds were due and paid in January 2008.

The Company issued five-year nonconvertible bonds (the 70th tranche) on August 4 to 6, 2003. These bonds have an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$10,000 thousand. They are repayable in lump sum on maturity and the interest was calculated semiannually and paid semiannually. The bonds were due and paid in August 2008.

The Company issued five-year nonconvertible bonds (the 71st tranche) on October 22, 2003. These bonds have an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$10,000 thousand. They are repayable in lump sum on maturity and the interest was calculated semiannually and paid annually. The bonds were due and paid in October 2008.

FENC issued five-year nonconvertible bonds (the 72nd tranche) on August 13, 2004. The total face value of the bonds is NT\$1,500,000 thousand, with each unit having a face value of NT\$10,000 thousand. These bonds are repayable in lump sum on maturity. Interest is calculated quarterly and paid annually. FENC redeemed these bonds in August 2009.

To hedge against the interest-related risks on the 69th, 70th, 71st, and 72nd secured convertible bonds, the Company used interest rate swap contracts and redeemed all secured convertible bonds.

The Company made a two-part bond issuance, with the first issuance of three-year unsecured bonds on October 31, 2007. The bonds have an aggregate face value of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.62% interest calculated and paid annually.

The Company made the second issuance of three-year unsecured bonds on November 22, 2007. The bonds have an aggregate face value of NT\$2,000,000 thousand with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.80% interest calculated and paid annually.

The Company made the first issuance of three-year unsecured bonds on May 28, 2008. The bonds have an aggregate face value of NT\$2,600,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.67% interest calculated and paid annually.

The Company made a second issuance of five-year unsecured bonds on June 20, 2008. The bonds have an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. 30%, 30% and 40% of the total issuance amounts are repayable in the ends of the third, fourth and fifth year from the issuance date with 2.83% interest calculated and paid annually.

The Company made a third issuance of five-year unsecured bonds on July 18, 2008. The bonds have an aggregate face value of NT\$1,200,000 thousand, with each unit having a face value of NT\$1,000 thousand. Of the total issuance amounts, 30%, 30%, 40% are repayable at the end of the third, fourth, fifth year from the issuance date, with 2.95% interest calculated and paid annually.

On October 29, 2009, the Company launched unsecured bonds with an aggregate value of NT\$3,000,000 thousand and a bond par value of NT\$1,000 thousand. These five-year bonds will be paid at 50% of the aggregate value at the end of the 4th and 5th years, and the simple interests will be calculated at 1.85% and paid annually.

Exchangeable Bonds

On September 14, 2007 the Company issued five-year unsecured exchangeable bonds amounting to NT\$2,500,000 thousand, with 0% coupon rate and maturity on September 14, 2012. The bond is repayable in lump sum on maturity at a 2.512% interest rate. Under the Statement of Financial Accounting Standards No. 36 - "Financial Instruments: Disclosure and Presentation", the Company recognized the exchangeable call and put options and the liability on these bonds as separate assets (Note 6) and liabilities.

Other bond issuance terms are as follows:

a. Exchangeable period:

The bondholders can exchange their bonds for ACC shares under the bond terms at any time between October 15, 2007, the day after the issuance date, and September 4, 2012, the 10th day before the maturity date, except during the period starting from (a) the third day before the ex-right date of stock dividend issuance, (b) the third day before the ex-right date of cash dividend issuance, (c) the third day before the ex-right date of new share issuance, or (d) the third day before the ex-right date of capital decrease, until the effective date of dividend or new share distribution or of capital decrease. In addition, bondholders cannot exchange bonds for ACC's shares in the period for which this exchange is prohibited by law.

b. Exchange price

- 1) The exchange price was NT\$57.88 per share on the issuance date.
- 2) The exchange price of the issued bonds will be adjusted in any one of these situations: (a) if the convertible securities issued by ACC are exchanged into common stock; (b) if the common shares issued by ACC increase because of new share issuance for cash, appropriation of stock dividends from retained earnings, transfer of stock dividends to common stock from additional paid-in capital, stock bonus of employees, new share issuance due to mergers, stock splits, issuance of overseas depositary receipts; etc.; (c) if securities with conversion rights or stock rights have a lower conversion or exercise price than the market price of ACC's stocks; (d) if the number of ACC's common shares decreases for reasons other than the write-off of treasury shares; or (e) if the ratio of cash dividends to the market value of the common stock is higher than 1.5%. The exchange price was NT\$47.71 as of December 31, 2009.

c. Call option:

If the closing price of ACC's shares on the Taiwan Stock Exchange for each of the 30 consecutive trading days is at least 150% of the exchange price between October 15, 2007, the 30th day after the ACC's share issuance date, and August 5, 2012, the 40th day before the maturity date of the exchangeable bond, the Company may redeem all the outstanding bonds at their principal amount within 30 trading days after this increase in closing price by sending to the bondholders a registered redemption notice, which is valid for one month from the date of the notice. However, if the bond principal amount is less than NT\$250,000 thousand (10% of the principal amount) the Company may redeem the outstanding bonds at any time after this decrease by also using the registered redemption notice.

d. Put option:

Bondholders can require the Company to redeem their holdings at 100% of the principal amount on September 14, 2010, three years after the issuance date. The Company should redeem the bonds within five trading days after the bondholders' notifying the Company of their request for bond redemption. Bondholders can redeem their holdings in 2010, so the exchangeable bonds were recognized as long-term debts.

e. As of December 31, 2009, the amount of the outstanding exchangeable bonds, i.e., not yet exchanged into ACC's common shares, was still NT\$2,500,000 thousand.

YDI's issuance of domestic bonds is summarized as follows:

Yuan Ding Investment issued five-year and seven-year nonconvertible bonds (the 6th tranche) on July 23 to 27, 2001, which had aggregate face values of NT\$1,000,000 thousand and NT\$1,000,000 thousand, respectively, and each unit having a face value of NT\$1,000 thousand. Redemptions were at a percentage of the face amount of the bonds, as follows: Type I (five-year) bond were due and repaid - 80% of the principal in July 2005 and 20% in July 2006, type II (seven-year) bond was due and repaid - 80% of the principal in July 2006 and 20% in July 2007. They were repaid in lump sum on maturity.

Yuan Ding Investment issued five-year nonconvertible bonds (the 8th tranche) on July 28 to 31, 2003. These bonds had aggregate face values of NT\$200,000 thousand, NT\$200,000 thousand, NT\$300,000 thousand and NT\$300,000 thousand, with each unit having a face value of NT\$1,000 thousand. They were paid in lump sum in 2008.

Yuan Ding Investment issued five-year nonconvertible bonds (the 9th tranche) on June 10, 2004. These bonds have an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$10,000 thousand. These bonds, repayable in lump sum on maturity, were fully redeemed in 2009.

To hedge against the risk adverse interest rate fluctuations of nonconvertible bonds (the 9th tranche), Yuan Ding Investment used interest rate swap contracts. These bonds had been fully redeemed by the end of 2009.

Yuan Ding Investment issued three-year nonconvertible bonds (the 1st tranche) on January 20, 2005. These bonds have aggregate face values of NT\$500,000 thousand, NT\$500,000 thousand and NT\$500,000 thousand, with each unit having a face value of NT\$10,000 thousand. They were paid in lump sum on maturity in 2008.

Yuan Ding Investment issued five-year nonconvertible bonds (the 2nd tranche) on June 13 to 16, 2005. These bonds have aggregate face values of NT\$500,000 thousand, NT\$500,000 thousand, NT\$500,000 thousand and NT\$500,000 thousand, with each unit having a face value of NT\$10,000 thousand, annual interest of 2.01% and paid annually.

Yuan Ding Investment issued three-year nonconvertible bonds (the 3rd tranche) on January 16, 2006. These bonds have aggregate face values of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand and paid annually. These bonds, which were repayable in lump sum on maturity, were fully redeemed in 2009.

Yuan Ding Investment issued three-year nonconvertible bonds (the 4th tranche) on June 22, 2006. These bonds have aggregate face values of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand and paid annually. These bonds, which were repayable in lump sum on maturity, were fully redeemed in 2009.

Yuan Ding Investment issued five-year nonconvertible bonds (the 5th tranche) on October 11, 2006. These bonds, which are repayable annually, have an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$1,000 thousand and annual interest of 2.30%. Maturity will be in 2010 and 2011, i.e., in two batches at NT\$1,000,000 thousand each.

On August 14, 2009, an FENC subsidiary, Yuan Ding Investment Co., Ltd. (YDI), made a domestic private placement of unsecured bonds with an aggregate value of NT\$1,000,000 thousand and a unit par value of NT\$10,000 thousand. These three-year unsecured bonds will be repayable in lump sum on maturity, with a 2.00% interest payable annually. In 2009, ARCOA, an FENC subsidiary, bought some of YDI's privately placed bonds, and this sale was not included in the consolidated financial statements. New Century Infocomm Tech Co., Ltd. bought the largest portion of YDI's privately placed bonds.

Far EasTone's issuance of domestic bonds is summarized as follows:

a. Domestic unsecured bonds - the 2nd - Far EasTone

Five-year unsecured domestic bonds were issued at par value from March 28, 2003 to April 3, 2003. The total face value of the bonds was \$1,470,000 thousand, with a face value of \$1,000 thousand and interest rate of 2.6% in the first year and 3.2% minus USD six-month LIBOR rate from the second year to the fifth year and the interest were paid semiannually. Far EasTone already repaid all of the bonds payable by April 3, 2008.

b. Domestic unsecured bonds - the 3rd - Far EasTone

Three-year, four-year and five-year domestic unsecured bonds were issued at par value on December 12, 2003. The total face value of the bonds is \$3,000,000 thousand, with a face value of \$5,000 thousand and annual interest rates of 1.83% (three-year bonds) and 1.92% (four-year bonds). The interest rate for five-year bonds is 5.2% minus USD six-month LIBOR rate if the LIBOR rate is greater than 1.05%; otherwise, the interest is at the LIBOR rate plus 1%, which was payable semiannually. Far EasTone already repaid all of the bonds payable by December 18, 2008.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Inc. are classified as current or noncurrent depending on the operating cycle.

Amounts expected to be received or paid within one year or less were as follows:

	December 31, 2009		
	Within One Year	Over One Year	Total
Assets			
Accounts and notes receivable	\$ 209,378	\$ 78,522	\$ 287,900
Receivable from related parties	44,180	-	44,180
Available-for-sale - land and building	30,339	-	30,339
Available for construction - land	-	620,013	620,013
Construction in progress, net	2,347,904	2,789,635	5,137,539
Prepayment for construction (Note)	2,856	-	2,856
Restricted assets (Note)	132,562	176,457	309,019
Refundable deposits - current (Note)	1,177	-	1,177
Refundable deposits - incurrent	-	3,151	3,151
Liabilities			
Accounts and notes payable	1,131,479	-	1,131,479
Payable to affiliates	176,038	-	176,038
Advances on land and building	473,340	515,478	988,818
Billings on construction-in-progress method, net off construction-in-progress	3,609	287,489	291,098

	December 31, 2008		
	Within One Year	Over One Year	Total
Assets			
Accounts and notes receivable	\$ 298,302	\$ -	\$ 298,302
Receivable from related parties	9,463	-	9,463
Available-for-sale - land and building	30,339	-	30,339
Available for construction - land	-	620,013	620,013
Construction in progress, net	475,333	2,511,079	2,986,412
Prepayment for land	-	214,771	214,771
Prepayment for construction	55,045	-	55,045
Restricted assets (Note)	6,219	36,621	42,840
Refundable deposits - current (Note)	21,244	-	21,244
Refundable deposits - incurrent	-	2,743	2,743
Liabilities			
Accounts and notes payable	685,512	-	685,512
Payable to affiliates	111,315	-	111,315
Advances on land and building	-	10,371	10,371
Billings on construction-in-progress method, net off construction-in-progress	30,151	-	30,151

Note: Prepayments and other current assets.

24. STOCKHOLDERS' EQUITY

Under government regulations, capital surplus from equity-method investments cannot be used to offset a deficit or be capitalized. In addition, capital surplus (including both paid-in capital in excess of par value and that arising from business combination and treasury stock) may be used to offset a deficit or transferred to capital as a stock dividend, with the transfer to be made within prescribed limits only.

The Company's Articles of Incorporation provide that a portion of annual net income, less 10% legal reserve and any deficit, together with prior years' unappropriated earnings, may be retained on the basis of operating requirements, and the remainder should be distributed as follows:

	%
a. Dividends	60.0
b. Bonus for stockholders	33.0
c. Bonus for employees	4.0
d. Remuneration for directors and supervisors	3.0

All appropriations are approved by the stockholders in the following year and given effect to in the financial statements of that year. The Company's dividend policy takes into account future capital expenditure outlays and cash requirements resulting from any changes in tax regulations. For financing these capital expenditures, a portion of the earnings may be retained. The remaining earnings may then be distributed as stock and cash dividends, and the cash dividends should be at least 10% of total dividends.

The Company's employee bonus payable was estimated at NT\$300,732 thousand for 2009 and NT\$196,557 thousand for 2008; the remuneration payable to directors and supervisors was estimated at NT\$225,549 thousand for 2009 and NT\$147,418 thousand for 2008.

The bonuses to employees and the remuneration to directors and supervisors were estimated at 4% and 3%, respectively, of the unappropriated earnings of 2009. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the date preceding the stockholders' meeting.

The Company appropriates special reserve equivalent to the total of the net debit balances of each stockholders' equity account - except treasury stock - as of the balance sheet date. The special reserve is adjusted to reflect changes in the total net debit balances of the appropriate accounts.

Under the Company Law, legal reserve should be appropriated until the reserve equals the Company's paid-in capital. This reserve may be used to offset a deficit. Also, when the reserve has reached 50% of the Company's paid-in capital, up to 50%, the rest part may be transferred to capital.

The appropriation and distribution of the 2008 and 2007 earnings were approved by the stockholders on June 26, 2009 and June 18, 2008, respectively.

	<u>Appropriation and Distribution</u>		<u>Dividend Per Share (Dollars)</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Legal reserve	\$ 405,825	\$ 1,135,123		
Cash dividend	3,655,963	8,064,624	\$ 0.8	\$ 1.8
Stock dividend	913,991	896,069	0.2	0.2
Remuneration of directors and supervisors - cash	-	289,055		
Bonus of employees - cash`	-	385,406		
	<u>\$ 4,975,779</u>	<u>\$ 10,770,277</u>		

As of December 31, 2008, capital increase from stock dividend of NT\$913,991 thousand had been approved by Financial Supervisory Commission, Executive Yuan. The effective date of this distribution is August 31, 2009 and was approved by the Company's board of directors and registered on October 19, 2009.

The employee bonus amounting to NT\$196,557 thousand and the remuneration to directors and supervisors amounting to NT\$147,418 thousand from the 2008 earnings were decided by the stockholders at their meeting on June 26, 2009. These amounts were the same as those recognized in the financial report of 2008, and the employee bonus was settled in cash.

Information on the appropriation of earnings can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange Corporation (<http://mops.tse.com.tw>).

25. INCOME TAX

Under pronouncement No. 9145839 issued by the Ministry of Finance, R.O.C. on Article 49 of the Financial Holding Company Act and Article 40 of the Business Mergers and Acquisitions Law (the "Law"), if a company carries out a merger/consolidation, division or acquisition in accordance with Articles 27 through 29 of this Law and the subsidiary's shares held by the Company are 90 percent or more of the total number of the subsidiary's issued shares, the Company may opt, from after a year of acquiring the subsidiary's shares, to serve as taxpayer for both itself and the subsidiary (i.e., use the linked-tax system) and file a combined final business income tax return.

Since 2005, the Company adopted the linked tax system for tax filing with subsidiary Far Eastern Resources Development Co., Ltd. The Company and Far Eastern Resources Development Co., Ltd. were included in this tax group in 2006.

Certain income tax information is as follows:

	2009	2008
a. Income tax expense components:		
Income tax expenses - current	\$ 2,580,309	\$ 3,808,155
Income tax benefits - deferred	827,158	(998,332)
Prior year's adjustments	32,741	9,617
Income on short-term negotiable instruments subject to separate income tax	1,855	21,841
10% undistributed earnings tax	20,352	90,913
Tax effect resulted from extraordinary gain	<u>-</u>	<u>(5,970)</u>
Income tax expense - current	<u>\$ 3,462,415</u>	<u>\$ 2,926,224</u>

Based on the amend of Article 5 of the Income Tax Law, which was approved by the Legislative Yuan of the Republic of China in May 2009, the income tax rate will be adjusted from 25% down to 20%, effective in 2010. Thus, the Company and the subsidiaries recalculated the deferred income tax assets or liabilities and recorded the resulting differences as deferred income tax benefits or expenses.

	2009	2008
b. Deferred income taxes:		
Current		
Deferred income tax assets - current, net (included in other current assets)		
Investment tax credit	\$ 141,620	\$ 10,328
Bad-debt expense in excess of the tax - deductible amount	516,626	739,107
Allowance for losses on inventories	93,316	253,493
Loss carryforwards	91,580	-
Unrealized contingent service expense	4,287	8,973
Unrealized exchange losses	5,430	-
Unrealized marketing expense	12,853	27,846
Others	<u>23,378</u>	<u>49,127</u>
	889,090	1,088,874
Less: Valuation allowance	<u>(282,816)</u>	<u>(126,039)</u>
	606,274	962,835
Deferred income tax liability		
Unrealized exchange gains	<u>-</u>	<u>(47,252)</u>
Deferred income tax asset, net	<u>\$ 606,274</u>	<u>\$ 915,583</u>

(Continued)

	2009	2008
Noncurrent		
Deferred income tax assets:		
Investment tax credit	\$ 180,790	\$ 208,006
Difference of depreciation	1,418	36,269
Accrued pension costs	402,480	546,633
Cumulative equity in the net loss of investees	455,082	977,194
Allowance for impairment losses on assets	701,341	931,645
Loss carryforwards	2,091,692	2,705,764
Realized losses on long-term investment in shares of stock	39,797	49,746
Unrealized valuation loss on financial assets	-	3,372
Deferred income - sale of building and land	23,557	29,584
Others	<u>117,489</u>	<u>70,702</u>
	4,013,646	5,558,915
Less: Valuation allowance	<u>(2,713,745)</u>	<u>(3,776,389)</u>
	<u>1,299,901</u>	<u>1,782,526</u>
Deferred income tax liabilities		
Expected earnings appropriated from foreign investees	(20,000)	(25,000)
Goodwill amortization	(632,024)	(592,416)
Others	<u>(616)</u>	<u>-</u>
	<u>(652,640)</u>	<u>(617,416)</u>
Deferred income tax assets - net	<u>\$ 647,261</u>	<u>\$ 1,165,110</u> (Concluded)

c. Unused investment tax credits and loss carryforwards as of December 31, 2008:

FENC

Regulatory Basis of Tax Credits	Items	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Purchase of automated machinery and equipment	\$ 101,656	\$ 101,656	2010-2012
	Research development	202,964	202,964	2010-2012
	Personnel training	9,610	9,610	2010-2012
	Purchase of automated technology	48	48	2010
		<u>\$ 314,278</u>	<u>\$ 314,278</u>	

ARCOA

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Personnel training expenses	\$ 487	\$ 376	2010
	Personnel training expenses	420	420	2011
	Personnel training expenses	798	798	2012
	Purchase of automated equipment or technology	351	351	2012
	Purchase of automated equipment or technology	440	440	2013
		<u>\$ 2,496</u>	<u>\$ 2,385</u>	

ADCast Interactive Marketing Co., Ltd.

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Purchase of automated equipment or technology	<u>\$ 264</u>	<u>\$ 2</u>	2010

Q-Ware

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Purchase of automated equipment or technology	\$ 1,642	\$ 1,642	2010
	Purchase of automated equipment or technology	526	526	2012
		<u>\$ 2,168</u>	<u>\$ 2,168</u>	

Oriental Resources Development Ltd.

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Machinery equipment	\$ 304	\$ 304	2011
	Machinery equipment	<u>1,546</u>	<u>1,546</u>	2012
		<u>\$ 1,850</u>	<u>\$ 1,850</u>	

Oriental Petrochemical (Taiwan) Co., Ltd.

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Machinery equipment	\$ 1,677	\$ 1,677	2011
	Machinery equipment	<u>50</u>	<u>50</u>	2012
		<u>\$ 1,727</u>	<u>\$ 1,727</u>	

Loss carryforwards as of December 31, 2008 were as follows:

Expiry Year	ARCOA KGEX.com Q-Ware ADCast Interactive Marketing Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	Far Eastern Construction Co.
2013	\$ 42,673	\$ 12,495	\$ 8,986
2014	58,325	35,218	-
2015	31,654	64,419	-
2016	75,303	178,611	4,553
2017	105,990	129,328	-
2018	85,438	121,867	-
2019	<u>71,617</u>	<u>88,484</u>	<u>-</u>
	<u>\$ 471,000</u>	<u>\$ 630,422</u>	<u>\$ 13,539</u>

Expiry Year	Oriental Petrochemical (Taiwan) Co., Ltd.	Oriental Resources Development Ltd.
2013	\$ -	\$ 1,922
2014	-	2,883
2015	-	4,544
2016	104,081	4,050
2017	374,400	3,316
2018	556,776	13,569
2019	<u>-</u>	<u>2,770</u>
	<u>\$ 1,035,257</u>	<u>\$ 33,054</u>

On January 6, 2009, the Legislative Yuan of the Republic of China passed the amendment of Article 39 of the Income Tax Law, which extends the operating losses carryforward period from five years to ten years. The Company recalculated deferred tax assets according to the amended Article and recorded the resulting difference as a deferred income tax benefit.

d. Information on the integrated income tax system:

	FENC	Fu Kwok Garment Manufacturing Co.	OPTC	Far Eastern Fibertech Co., Ltd.	Yuan Ding Investment
Year-end balances of imputation credit account (ICA)					
December 31, 2009	<u>\$ 475,496</u>	<u>\$ 21,361</u>	<u>\$ 1</u>	<u>\$ 27,781</u>	<u>\$ 16,044</u>
December 31, 2008	<u>\$ 525,510</u>	<u>\$ 21,459</u>	<u>\$ 45,608</u>	<u>\$ 27,485</u>	<u>\$ 197,510</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2009 (estimated)	5.04%	44.61%	-	33.33%	0.91%
2008 (actual)	32.69%	44.64%	30.95%	33.33%	32.95%
Unappropriated earnings (up to 1997)					
December 31, 2009	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,735</u>
December 31, 2008	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,012</u>
Latest year of income tax return that tax authorities had examined and cleared	2004	2006	2007	2007	2007

	Far EasTone Telecom- munications Co., Ltd.	Yuan Faun Ltd.	Far Eastern Apparel Co., Ltd.	KG Telecom	Yuan Cheng Human Resources Consultant Corp.	Da Cin Construction Co., Ltd.
Year-end balances of imputation credit account (ICA)						
December 31, 2009	<u>\$ 293,676</u>	<u>\$ 17,071</u>	<u>\$ 23,513</u>	<u>\$ 1,741</u>	<u>\$ 408</u>	<u>\$ 4,287</u>
December 31, 2008	<u>\$ 264,186</u>	<u>\$ 14,918</u>	<u>\$ 11,698</u>	<u>\$ 6,781</u>	<u>\$ 313</u>	<u>\$ 3,047</u>
Creditable tax ratios of imputation tax credits to undistributed earnings						
2009 (estimated)	25.70%	48.15%	33.33%	-	29.79%	-
2008 (actual)	29.45%	-	33.33%	1.15%	32.93%	-
Unappropriated earnings (up to 1997)						
December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2004	2007	2007	2004	2007	2007

	Kai Yuan International Investment Co.	Ding Yuan International Investment Corp.	Yuan Tone Investment Corp.	An Ho Garment Co., Ltd.	Far Eastern Resources Development Co.
Year-end balances of imputation credit account (ICA)					
December 31, 2009	<u>\$ 5,468</u>	<u>\$ 80,972</u>	<u>\$ 119,545</u>	<u>\$ 20,706</u>	<u>\$ -</u>
December 31, 2008	<u>\$ 12,261</u>	<u>\$ 74,932</u>	<u>\$ 25,199</u>	<u>\$ 25,122</u>	<u>\$ 6</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2009 (estimated)	1.04%	33.33%	-	6.42%	-
2008 (actual)	2.44%	-	-	28.88%	-
Unappropriated earnings (up to 1997)					
December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2007	2007	2007	2007	2004

	ARCOA	Far Eastern Electronic Toll Collection Co., Ltd.	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Inc.	Oriental Resources Development Ltd.
Year-end balances of imputation credit account (ICA)					
December 31, 2009	\$ 11,583	\$ 1,823	\$ 4,924	\$ 15,455	\$ -
December 31, 2008	\$ 12,584	\$ 1,823	\$ 4,984	\$ 10,708	\$ -
Creditable tax ratios of imputation tax credits to undistributed earnings					
2009 (estimated)	9.88%	-	1.77%	10.63%	-
2008 (actual)	33.33%	-	9.88%	9.90%	-
Unappropriated earnings (up to 1997)					
December 31, 2009	\$ -	\$ -	\$ -	\$ -	\$ -
December 31, 2008	\$ -	\$ -	\$ 64,872	\$ 84	\$ -
Latest year of the returns examined and cleared by the tax authorities	2007	2007	2007	2007	2007

As of December 31, 2009 and 2008, the companies listed above had no appropriated earnings (2009 - Yuan-Cing Co., Oriental Resources Development Ltd., KG-Telecommunications Co., Q-ware Communication Corp., ADCast Interactive Marketing Co., Ltd., Yuan Cing Infocomm Tech Co., Ltd. and Far Eastern Electronic Toll Collection Co., Ltd.; and 2008 - ARCOA, Yuan-Cing Co., Ltd., Oriental Resources Development Ltd., KG-Telecommunications Co., Q-ware Communication Corp., ADCast Interactive Marketing Co. Ltd., and Far Eastern Electronic Toll Collection Co., Ltd.). The tax credits will be accumulated until the date of dividend distribution. Upon dividend distribution, the ratio of the imputed tax credits to unappropriated earnings based on the prevailing imputed credit account balance will be used by the Group to allocate tax credits to the respective companies' stockholders.

Based on the Income Tax Law, the imputation tax credits distributed to each stockholder are based on the ICA balance as of the date of dividend distribution. Thus, the estimated creditable ratio for the 2009 earnings appropriation may be adjusted when the imputation credits are distributed. When the distribution ratio for the 2008 earnings appropriation is determined, the actual creditable tax ratio will be disclosed.

- e. The reexamination status of income tax returns is as follows:

Far EasTone

Income tax returns through 2004 of Far EasTone had been examined by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2000 to 2004 returns. Thus, Far EasTone filed appeals for the reexamination of its 2000 to 2004 returns. Nevertheless, Far EasTone accrued the related tax.

KG Telcom

Income tax returns through 2003 of KG Telecom and the former KG Telecom had been examined by the tax authorities. However, KG Telecom disagreed with the tax authorities' assessment of the former KG Telecom's 2001 to 2003 returns and thus filed appeals for the reexamination of these returns. Nevertheless, KG Telecom accrued the related tax.

ARCOA

ARCOA disagreed with the tax authorities' assessment of its 2002 return, so ARCOA filed for a reexamination. Nevertheless, ARCOA estimated and recognized the related income taxes.

OPTC

The tax authorities examined the 2002 income tax return of OPTC and assessed that OPTC's tax exemption claim amounts and investment tax credits should be decreased. The assessment resulted in an increase in tax payable by NT\$23,974 thousand. However, OPTC thought that the rules on which the assessment was based were not in accordance with general accounting principles and tax laws and thus filed appeals for reexamination. In March 2009, the tax authorities declared that OPTC not only had to recognize the investment 2002 tax credits of NT\$8,102 thousand but was also liable for a tax underpayment of NT\$15,873 thousand. Since OPTC still had tax deductibles resulting from certain fiscal losses and investment tax credits, OPTC applied on March 17, 2009 for approval to offset the income tax balance of 2002 against prior years' losses and later got the authorities' approval. Thus, OPTC was longer required to pay the income tax of 2002.

On OPTC's 2003 income tax return, the tax authorities declared in February 2006 that OPTC's operating cost, operating expense, other expenses, interest expense, investment tax credits - researchers' salaries and other reported items should be decreased. This assessment resulted in an increase in tax payable by NT\$7,551 thousand and a decrease in investment tax credits by NT\$3,810 thousand. In addition, the assessment result on the 2002 tax return showed that OPTC should pay NT\$6,556 thousand more. OPTC disagreed with the tax authorities' assessment and thus filed an appeal for reexamination. On August 11, 2008, the tax authorities agreed that OPTC could recognize NT\$5,000 thousand more in operating cost and NT\$3,311 thousand more in transportation expense than the filed amounts but rejected the other items that were reexamined after OPTC's appeal. On September 12, 2008, OPTC filed an appeal on the additional tax payable but the tax authorities again rejected this appeal on March 31, 2009. On April 10, 2009, OPTC filed an administrative suit with the Taiwan High Administrative Court but lost the suit on December 31, 2009. On February 22, 2010, OPTC filed an appeal with the Supreme Administrative Court (SAC), but, as of March 5, 2010, the date of the accompanying auditors' report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2009 financial statements.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should decrease other expenses, tax-exempt income, investment tax credits - researchers' salaries, investment tax credits - personnel training and other reported items. The assessment resulted in an increase in tax payable by NT\$268,485 thousand and a decrease in investment tax credits by NT\$3,076 thousand. OPTC refused the tax authorities' assessment and filed for reexamination. On June 4, 2009, the tax authorities decided to recover the untaxed income of NT\$905,356 thousand and rejected other items claimed in the reexamination. In addition, OPTC was required to settle an underpayment of NT\$42,146 thousand. OPTC filed an appeal for the the reduction of the other tax liabilities but the tax authorities rejected it on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taiwan High Administrative Court (SAC), but as of March 5, 2010, the date of the accompanying auditors' report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2009 financial statements.

On OPTC's 2005 tax return, the tax authorities assessed in January 2008 that OPTC should decrease other expense, tax-exempt income, investment tax credits - researchers' salaries and other certain reported items. The assessment resulted in decreases in loss carryforward by NT\$13,122 thousand and in investment tax credits by NT\$2,859 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. On June 4, 2009, the tax authorities rejected the reexamination. OPTC filed an appeal for the reversal of the authorities' decision to cut tax deductibles given its fiscal losses, but the tax authorities rejected the appeal on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taiwan High Administrative Court (SAC), but as of March 5, 2010, the date of the accompanying auditors' report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2009 financial statements.

On OPTC's 2006 income tax return, the tax authorities declared in December 2008 that OPTC's other expenses should have been cut and that the tax deductibles resulting from fiscal losses should decrease by NT\$11,984 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. On July 15, 2009, the tax authorities decided not to make the reexamination. OPTC filed an appeal for the reversal of the decision to cut tax deductibles given its fiscal losses but the tax authorities rejected the appeal on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taiwan High Administrative Court (SAC), but as of March 5, 2010, the date of the accompanying auditors' report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

On OPTC's 2007 tax return, the tax authorities declared on July 6, 2009 that OPTC's other expenses should be cut; thus, the tax deductions resulting from the fiscal losses decreased by NT\$9,716 thousand after the tax examination. OPTC refused the tax authorities' assessment and filed for a reexamination. On October 8, 2009, the tax authorities rejected the appeal for reexamination. OPTC filed an appeal for the reversal of the decision to cut tax deductibles given its fiscal losses but the tax authorities rejected the appeal on December 28, 2009. On February 26, 2010, OPTC filed an administrative suit with the Taiwan High Administrative Court (SAC), but as of March 5, 2010, the date of the accompanying auditors' report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

Income tax returns through 2007 of Q-ware Com., Far EasTron, Yuan Cing, KGEx.com and ADCast had been examined and cleared by the tax authorities. Yuan Cing Infocomm has not filed an income tax return since its incorporation in 2009.

26. EMPLOYEE, DEPRECIATION AND AMORTIZATION EXPENSES

	2009		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 4,408,288	\$ 4,376,458	\$ 8,784,746
Insurance	253,936	279,873	533,809
Pension	349,354	262,016	611,370
Miscellaneous	<u>350,848</u>	<u>529,853</u>	<u>880,701</u>
	<u>\$ 5,362,426</u>	<u>\$ 5,448,200</u>	<u>\$ 10,810,626</u>
Depreciation	<u>\$ 14,646,805</u>	<u>\$ 1,285,126</u>	<u>\$ 15,931,931</u>
Amortization	<u>\$ 212,503</u>	<u>\$ 203,143</u>	<u>\$ 415,646</u>
	2008		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 4,711,548	\$ 4,345,721	\$ 9,057,269
Insurance	246,426	267,350	513,776
Pension	218,689	217,875	436,564
Miscellaneous	<u>432,705</u>	<u>438,208</u>	<u>870,913</u>
	<u>\$ 5,609,368</u>	<u>\$ 5,269,154</u>	<u>\$ 10,878,522</u>
Depreciation	<u>\$ 13,765,081</u>	<u>\$ 1,481,880</u>	<u>\$ 15,246,961</u>
Amortization	<u>\$ 125,362</u>	<u>\$ 132,977</u>	<u>\$ 258,339</u>

27. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share (EPS) were as follows:

	<u>Amounts (Numerator)</u>		<u>Shares in Thousands (Denominator)</u>	<u>Earnings Per Share</u>	
	<u>Income Before Income Tax</u>	<u>Net Income</u>		<u>Income Before Income Tax</u>	<u>Net Income</u>
<u>2009</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 8,135,707	\$ 8,088,696	4,661,353	<u>\$ 1.75</u>	<u>\$ 1.74</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>7,518</u>		
Diluted EPS					
Earning for the year attributable to the Company's stockholders plus effect of potential dilutive common stock	<u>\$ 8,135,707</u>	<u>\$ 8,088,696</u>	<u>4,668,871</u>	<u>\$ 1.74</u>	<u>\$ 1.73</u>
<u>2008</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 4,614,504	\$ 4,621,944	4,661,353	<u>\$ 0.99</u>	<u>\$ 0.99</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>9,546</u>		
Diluted EPS					
Earning for the year attributable to the Company's stockholders plus effect of potential dilutive common stock	<u>\$ 4,614,504</u>	<u>\$ 4,621,944</u>	<u>4,670,899</u>	<u>\$ 0.99</u>	<u>\$ 0.99</u>

The Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses to employees, directors and supervisors as expenses instead of earning appropriations from January 1, 2008. If the Company decides to settle the employee bonus in cash or stock, it should presume that the entire amount of the bonus would be settled in the term of shares, and if the resulting potential shares would have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of the diluted EPS. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of the diluted EPS until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The stock dividends distributed had been considered in calculating the 2008 basic EPS; thus, the EPS after tax and the diluted EPS decreased from NT\$1.01 to NT\$0.99.

28. PENSION PLAN

- a. Except for FENC, Far EasTone, KG Telecommunication Co., Ltd., KGEx.com, ARCOA Communication Co., Ltd., Yuan Cing Co., Ltd., Far EasTron, Q-Ware, ADCast, Far Eastern Apparel Company, Oriental Resources Development Ltd., Yuan Faun Ltd., Yuan Cheng Human Resources Consultant Corp., Far Eastern Fibertech Co., Ltd., Fu-Kwok Knitting & Garment Co., Ltd., Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Far Eastern Resources Development, Oriental Petrochemical (Taiwan) Co., Ltd. and Far Eastern Electronic Toll Collection Co., Ltd. in 2009 and 2008, these entities included in the consolidation have no pension plan. Under their government's regulations, subsidiaries incorporated in mainland China had recognized pension costs. Other holding companies have no pension plans because they do not have employees.
- b. Based on the Act, the Company's monthly rate of contributions to the pension fund from July 1, 2005 is at 6% of monthly salaries and wages. The pension costs under the defined contribution plan were NT\$244,068 thousand in 2009 and NT\$207,216 thousand in 2008. The subsidiary, Far Eastern Tech-Info (Shanghai) Ltd. had recognized pension costs of NT\$3,635 thousand in 2009 and NT\$3,378 thousand in 2008 under the local government's regulations.
- c. The Company, Far EasTone, KG Telecom, KGEx.com, ARCOA, Yuan Cing, Far EasTron, Far Eastern Apparel Co., Ltd., Oriental Resources Development Ltd., Yuan Faun Ltd. and Yuan Cheng Human Resources Consultant Corp., Far Eastern Fibertech Co., Ltd., Fu Kwok Garment Manufacturing Co., Far Eastern Resources Development, Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Oriental Petrochemical (Taiwan) Co., Ltd. and Far Eastern Electronic Toll Collection Co., Ltd. in 2009 and 2008, have a defined benefit pension plan for all regular employees under the Labor Standards Law. These companies' accrued pension costs are calculated by 2% of salaries and wages (i.e., 3.4% for Far Eastern Apparel Co., Ltd., 4% for the Company and 0% for Yuan Faun Ltd. and Yuan Cheng Human Resources Consultant Corp.) and appropriate to their respective pension funds, which are administered by each pension plan committee and deposited in each committee's name in the Bank of Taiwan.

In July 2008, two Company subsidiaries, OPTC and Far Eastern Fibertech Co., Ltd. (FEFC), adopted ROC Statement of Financial Accounting Standards (SFAS) No. 18 - "Accounting for Pensions." Based on SFAS No. 18, the actuarial valuation was calculated on the basis of the measurement date, July 1, 2008. OPTC recognized a deferred pension cost of NT\$10,326 thousand and FEFC recognized accrued pension liabilities amounting to NT\$1,858 thousand and disclosed related information.

The pension costs of the Company and Far Eastern Fibertech Co., Ltd. in 2009 were NT\$2,038 thousand and NT\$1,292 thousand, respectively.

d. Other information on the defined benefit pension is as follows:

1) Net pension cost consisted of:

2009

	FENC	Far EasTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	OPTC
Service cost	\$ 112,392	\$ 35,127	\$ 2,594	\$ 25,736
Interest cost	112,712	35,277	1,620	8,610
Expected return on pension assets	(128,438)	(15,303)	(1,033)	(2,973)
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	<u>175,230</u>	<u>13,271</u>	<u>(89)</u>	<u>2,404</u>
Net pension cost (benefit)	<u>\$ 271,896</u>	<u>\$ 68,372</u>	<u>\$ 3,092</u>	<u>\$ 33,777</u>

	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.
Service cost	\$ 595	\$ -	\$ 136	\$ 356
Interest cost	263	93	42	401
Expected return on pension assets	(587)	(117)	(148)	(58)
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	(105)	-	(228)	937
Deferred pension cost	<u>290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension cost (benefit)	<u>\$ 456</u>	<u>\$ (24)</u>	<u>\$ (198)</u>	<u>\$ 1,636</u>

	Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.	Far Eastern Resources Development Co.	Far Eastern Fibertech Co., Ltd.
Service cost	\$ 1,753	\$ 83	\$ 35	\$ 158	\$ 3,710
Interest cost	1,629	16	77	19	2,330
Expected return on pension assets	(256)	-	(113)	-	(1,286)
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	<u>1,455</u>	<u>15</u>	<u>(77)</u>	<u>25</u>	<u>1,808</u>
Net pension cost (benefit)	<u>\$ 4,581</u>	<u>\$ 114</u>	<u>\$ (78)</u>	<u>\$ 202</u>	<u>\$ 6,562</u>

2008

	FENC	Far EasTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	Far Eastern Resources Co.
Service cost	\$ 108,335	\$ 31,659	\$ 3,106	\$ 137
Interest cost	133,247	35,721	1,298	13
Expected return on pension assets	(204,237)	(15,483)	(975)	-
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	<u>108,151</u>	<u>13,890</u>	<u>(89)</u>	<u>23</u>
Net pension cost (benefit)	<u>\$ 145,496</u>	<u>\$ 65,787</u>	<u>\$ 3,340</u>	<u>\$ 173</u>

	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.
Service cost	\$ 484	\$ -	\$ 138	\$ 330
Interest cost	298	112	37	510
Expected return on pension assets	(830)	(88)	(142)	(46)
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	(105)	(6)	(228)	937
Deferred pension cost	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net pension cost (benefit)	<u>\$ (58)</u>	<u>\$ 18</u>	<u>\$ (195)</u>	<u>\$ 1,731</u>

	Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.
Service cost	\$ 1,738	\$ 66	\$ 51
Interest cost	1,965	11	94
Expected return on pension assets	(232)	6	(106)
Amortization of net transition obligations (assets) and unrecognized pension loss (gain)	<u>1,307</u>	<u>6</u>	<u>(18)</u>
Net pension cost (benefit)	<u>\$ 4,778</u>	<u>\$ 89</u>	<u>\$ 21</u>

2) Reconciliation of the fund status of the plans and accrued pension cost (prepaid pension cost) is as follows:

2009

	FENC	Far EastOne (Including KG Telecom, KGEEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Resources Co.
Benefit obligation					
Vested benefit obligation	\$ 2,232,105	\$ 15,096	\$ 20,965	\$ 88,040	\$ -
Non-vested benefit obligation	<u>1,485,556</u>	<u>730,251</u>	<u>35,271</u>	<u>246,889</u>	<u>519</u>
Accumulated benefit obligation	3,717,661	745,347	56,236	334,929	519
Additional benefits based on projected and future salaries	<u>852,431</u>	<u>446,868</u>	<u>13,750</u>	<u>63,683</u>	<u>294</u>
Projected benefit obligation	4,570,092	1,192,215	69,986	398,612	813
Fair value of plan assets	<u>(3,465,176)</u>	<u>(595,907)</u>	<u>(38,677)</u>	<u>(127,982)</u>	<u>-</u>
Fund status	1,104,916	596,308	31,309	270,630	813
Unrecognized net transition obligation (asset)	(244,356)	530	445	(32,452)	(254)
Unamortization of previous service cost	277,802	26,729	(8,985)	-	-
Unamortization of pension (loss) gain	(87,970)	(265,025)	-	(19,993)	(31)
Additional liability (pension cost)	<u>-</u>	<u>9,198</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accrued pension cost (prepaid pension cost)	<u>\$ 1,050,392</u>	<u>\$ 367,740</u>	<u>\$ 22,769</u>	<u>\$ 218,185</u>	<u>\$ 528</u>

	Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Development Corp.	Far Eastern Construction Co., Ltd.
Benefit obligation					
Vested benefit obligation	\$ -	\$ 3,423	\$ -	\$ -	\$ 10,469
Non-vested benefit obligation	<u>68,309</u>	<u>6,445</u>	<u>3,730</u>	<u>1,128</u>	<u>4,169</u>
Accumulated benefit obligation	68,309	9,868	3,730	1,128	14,638
Additional benefits based on projected and future salaries	<u>20,505</u>	<u>2,788</u>	<u>664</u>	<u>397</u>	<u>2,888</u>
Projected benefit obligation	88,814	12,656	4,394	1,525	17,526
Fair value of plan assets	<u>(50,546)</u>	<u>(37,872)</u>	<u>(5,190)</u>	<u>(5,365)</u>	<u>(2,765)</u>
Fund status	38,268	(25,216)	(796)	(3,840)	14,761
Unrecognized net transition obligation (asset)	(35,251)	1,048	-	3,424	(1,576)
Unamortization of previous service cost	-	374	-	-	-
Unamortization of pension (loss) gain	1,741	4,140	(629)	(273)	(4,948)
Additional liability (pension cost)	<u>13,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,637</u>
Accrued pension cost (prepaid pension cost)	<u>\$ 17,763</u>	<u>\$ (19,654)</u>	<u>\$ (1,425)</u>	<u>\$ (689)</u>	<u>\$ 11,874</u>

		Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.
Benefit obligation				
Vested benefit obligation		\$ 20,696	\$ -	\$ -
Non-vested benefit obligation		<u>34,721</u>	<u>451</u>	<u>2,621</u>
Accumulated benefit obligation		55,417	451	2,621
Additional benefits based on projected and future salaries		<u>16,598</u>	<u>470</u>	<u>864</u>
Projected benefit obligation		72,015	921	3,485
Fair value of plan assets		<u>(13,142)</u>	<u>-</u>	<u>(4,176)</u>
Fund status		58,873	921	(691)
Unrecognized net transition obligation (asset)		(2,357)	(123)	928
Unamortization of pension (loss) (gain)		(32,098)	(491)	(924)
Additional liability (pension cost)		<u>17,857</u>	<u>144</u>	<u>-</u>
Accrued pension cost (prepaid pension cost)		<u>\$ 42,275</u>	<u>\$ 451</u>	<u>\$ (687)</u>

2008

	FENC	Far EastTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Resources Development Co.
Benefit obligation					
Vested benefit obligation	\$ 2,219,204	\$ 5,605	\$ 13,045	\$ 94,629	\$ -
Non-vested benefit obligation	<u>1,921,612</u>	<u>645,232</u>	<u>32,331</u>	<u>231,614</u>	<u>398</u>
Accumulated benefit obligation	4,140,816	650,837	45,376	326,243	398
Additional benefits based on projected and future salaries	<u>984,231</u>	<u>639,283</u>	<u>14,158</u>	<u>62,598</u>	<u>301</u>
Projected benefit obligation	5,125,047	1,290,120	59,534	388,841	699
Fair value of plan assets	<u>(2,206,901)</u>	<u>(545,450)</u>	<u>(34,567)</u>	<u>(129,796)</u>	<u>-</u>
Fund status	2,918,146	744,670	24,967	259,045	699
Unrecognized net transition obligation (asset)	(366,537)	(803)	534	(34,856)	(278)
Unamortization of previous service cost	300,251	27,891	-	-	-
Unamortization of pension (loss) gain	(1,569,470)	(434,891)	(1,103)	(34,507)	(96)
Additional liability (pension cost)	651,525	-	-	6,765	73
Prepaid pension cost	<u>-</u>	<u>9,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accrued pension cost (prepaid pension cost)	<u>\$ 1,933,915</u>	<u>\$ 346,328</u>	<u>\$ 24,398</u>	<u>\$ 196,447</u>	<u>\$ 398</u>

	Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Development Corp.	Far Eastern Construction Co., Ltd.
Benefit obligation					
Vested benefit obligation	\$ -	\$ 3,270	\$ -	\$ -	\$ 10,270
Non-vested benefit obligation	<u>60,743</u>	<u>5,731</u>	<u>3,109</u>	<u>1,128</u>	<u>3,297</u>
Accumulated benefit obligation	60,743	9,001	3,109	1,128	13,567
Additional benefits based on projected and future salaries	<u>25,567</u>	<u>2,700</u>	<u>596</u>	<u>397</u>	<u>2,699</u>
Projected benefit obligation	86,310	11,701	3,705	1,525	16,266
Fair value of plan assets	<u>(44,656)</u>	<u>(25,944)</u>	<u>(4,125)</u>	<u>(5,365)</u>	<u>(2,358)</u>
Fund status	41,654	(14,243)	(420)	(3,840)	13,908
Unrecognized net transition obligation (asset)	(37,059)	1,153	-	3,424	(2,364)
Unamortization of previous service cost	-	402	-	-	-
Unamortization of pension (loss) gain	(823)	(7,318)	45	(273)	(3,860)
Additional liability (pension cost)	<u>12,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,526</u>
Accrued pension cost (prepaid pension cost)	<u>\$ 16,087</u>	<u>\$ (20,006)</u>	<u>\$ (375)</u>	<u>\$ (689)</u>	<u>\$ 11,210</u>
			Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.
Benefit obligation					
Vested benefit obligation			\$ 15,782	\$ -	\$ -
Non-vested benefit obligation			<u>34,307</u>	<u>287</u>	<u>2,053</u>
Accumulated benefit obligation			50,089	287	2,053
Additional benefits based on projected and future salaries			<u>15,542</u>	<u>304</u>	<u>817</u>
Projected benefit obligation			65,631	591	2,870
Fair value of plan assets			<u>(9,146)</u>	<u>-</u>	<u>(4,053)</u>
Fund status			56,485	591	(1,183)
Unrecognized net transition obligation (asset)			(2,695)	(129)	1,006
Unamortization of pension (loss) (gain)			(30,029)	(269)	(335)
Additional liability (pension cost)			<u>17,181</u>	<u>94</u>	<u>-</u>
Accrued pension cost (prepaid pension cost)			<u>\$ 40,942</u>	<u>\$ 287</u>	<u>\$ (512)</u>

3) Vested benefit - undiscounted

2009

FENC	Far EastTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Resources Development Co.
<u>\$ 2,921,130</u>	<u>\$ 18,330</u>	<u>\$ 26,205</u>	<u>\$ 340,641</u>	<u>\$ -</u>
Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.
<u>\$ -</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,778</u>

			Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.
			<u>\$ 24,024</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2008</u>		Far EastTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)		Oriental Petrochemical (Taiwan) Co., Ltd.	
	FENC		Far Eastern Apparel Company		ARCOA
	<u>\$ 2,946,852</u>	<u>\$ 7,752</u>	<u>\$ 19,237</u>	<u>\$ 300,940</u>	<u>\$ -</u>
	Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.
	<u>\$ -</u>	<u>\$ 4,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,925</u>
			Far Eastern General Contractor Inc.	Yuan Faun Ltd.	Oriental Resources Development Ltd.
			<u>\$ 18,819</u>	<u>\$ -</u>	<u>\$ -</u>

4) Actuarial assumptions were as follows:

2009

		Far EastTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)		Far Eastern Apparel Company	Oriental Petrochemical (Taiwan) Co., Ltd.
	FENC				
Discount rate used in determining present value	2.25%	2.25%	2.00%	2.25%	
Future salary increase rate	2.00%	1.00-2.50%	2.00%	1.50%	
Expected rate of return on plan asset	6.00%	1.50-2.25%	2.00%	1.50%	

	Far Eastern Resources Development Co.	Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.
Discount rate used in determining present value	2.00%	2.00%	2.25%	2.50%
Future salary increase rate	3.50%	1.50%	2.00%	1.00%
Expected rate of return on plan asset	2.00%	2.00%	1.50%	2.00%
	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.	Far Eastern General Contractor Inc.	Yuan Faun Ltd.
Discount rate used in determining present value	2.00%	2.25%	2.25%	2.00%
Future salary increase rate	2.00%	2.00%	2.00%	3.50%
Expected rate of return on plan asset	2.00%	2.00%	2.00%	2.00%
				Oriental Resources Development Co., Ltd.
Discount rate used in determining present value				2.00%
Future salary increase rate				2.00%
Expected rate of return on plan asset				2.00%
<u>2008</u>		Far EastTone (Including KG Telecom, KGEx.com Co., Ltd., Far EasTron Co., Ltd., ARCOA and Yuan Cing Co., Ltd.)	Far Eastern Apparel Company	Oriental Petrochemical (Taiwan) Co., Ltd.
	FENC			
Discount rate used in determining present value	2.25%	2.25-2.75%	2.75%	2.25%
Future salary increase rate	2.00%	1.00-3.50%	2.00%	1.50%
Expected rate of return on plan asset	6.00%	2.25-2.75%	2.75%	2.25%
	ARCOA	Far Eastern Fibertech Co., Ltd.	Fu Kwok Garment Manufacturing Co.	Far Eastern Electronic Toll Collection Co., Ltd.
Discount rate used in determining present value	2.75%	2.70%	2.25%	2.50%
Future salary increase rate	3.50%	2.00%	2.00%	1.00%
Expected rate of return on plan asset	2.75%	2.70%	2.25%	2.50%

	Yuan Cheng Human Resources Consultant Corp.	Far Eastern Constructions Co., Ltd.	Far Eastern General Contractor Inc.	Yuan Faun Ltd.	
Discount rate used in determining present value	2.75%	2.50%	2.50%	2.75%	
Future salary increase rate	2.00%	2.00%	2.00%	3.25%	
Expected rate of return on plan asset	2.75%	2.50%	2.50%	2.75%	
					Oriental Resources Development Co., Ltd.
Discount rate used in determining present value				2.75%	
Future salary increase rate				2.25%	
Expected rate of return on plan asset				2.75%	

29. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. These transactions in 2009 and 2008 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules C, D, and E.

30. ASSETS PLEDGED OR MORTGAGED

The following assets had been pledged or mortgaged as collaterals for short-term bank loans, commercial paper, credit lines, and long-term liabilities or for meeting requirements for certain projects or tariff duties.

	2009	2008
Pledged deposits (restricted assets - current)	\$ 204,774	\$ 42,206
Construction-in-progress	1,114,594	693,173
Available for construction - land	612,283	612,283
Equity-method investments	3,571,912	2,888,279
Properties, net	29,554,392	28,188,055
Available-for-sale financial assets - current	74,880	45,274
Nonoperating properties, net	56,204	59,180
Land use rights	158,072	229,290
Restricted assets - noncurrent		
Pledged deposits	716,921	54,504
Other	<u>15,101</u>	<u>4,908</u>
	<u>\$ 36,079,133</u>	<u>\$ 32,817,152</u>

In April 2004, Yuan Ding Investment Co., Ltd. (YDI), a subsidiary of FENC (when it was still named FETL), provided the Taipei District Court with the common shares of Far EasTone as a collateral for the provisional seizure, as demanded by Cathay United Bank, of the property of Pacific SOGO Department Store Co., Ltd. As of December 31, 2008, YDI had gotten back all of its pledged 133,312 thousand common shares. As of December 31, 2009 and 2008, FENC and some of its subsidiaries had used 235,932 thousand common shares and 248,225 thousand common shares, respectively, of Far EasTone as collaterals for short-term bank loans, commercial paper, long-term liabilities and credit lines of related parties.

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant Commitments and Contingencies of the Group as of December 31, 2009:

- a. Issued but unused letters of credit aggregated approximately NT\$2,500,927 thousand.
- b. Unpaid building construction and equipment installation contracts approximately NT\$5,641,167 thousand; acquired but not yet accepted cellular phone equipment amounted to NT\$366,632 thousand.
- c. Undelivered cotton contracts amounted to NT\$705,310 thousand.
- d. Project contracts already signed by Far Eastern General Contractor Inc. amounted to NT\$30,180,252 thousand.
- e. Endorsement and guarantees provided to the related parties: Schedule G (attached).
- f. The tax authorities of Taipei County imposed a land tax from 1999 to 2003 on the land in Banciao and penalized the Company with a triple fine, totaling NT\$252,442 thousand, because the authorities believed that this land, which FENC registered as a property for manufacturing purposes, was being used for general purposes instead and that FENC did not register the change in purpose of the land. The Company disagreed with the tax authorities' decision and applied for reexamination on December 27, 2004. However, after the reexamination, the tax authorities did not reverse their decision. Thus, the Company filed a lawsuit against the authorities on June 1, 2005. Though the result of this case was uncertain, the Company already accrued the expense for this case in 2005. On January 18, 2006, the Company filed an appeal with the Taipei High Administrative Court but still lost the lawsuit. The Company appealed to the Supreme Administrative Court ("SAC") on January 3, 2007. The SAC rejected this appeal on May 31, 2007. On August 30, 2007, the Company paid the required land tax. Despite this payment, the Company again applied for reexamination on July 13, 2007. On May 27, 2009, the SAC rejected the appeal for a reexamination. Nevertheless, the Company is continuing to look for other ways to assert its rights.
- g. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. ("TYIT") resolved to merge Mobitai communications Ltd. ("Mobitai") and TYIT as the survivor company, in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. Under the resolution of TYIT's board, the Company received NT\$167,863 thousand from Mobitai in exchange for Mobitai's 11,469 thousand common shares (NT\$14.68 per share) held by the Company. The Company wrote off the investment in Mobitai and recognized a disposal gain of NT\$31,814 thousand. However, the Company regarded Mobitai's purchase price as too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of March 4, 2009, the date of the accompanying accountants' report, the lawsuit was pending at the Taipei district court.

- h. Ming-chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tong Investment Co.). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of Pacific Liu Tong Investment held by Far Eastern Department Stores Ltd. (“FEDS”), FEDS’s subsidiaries and the Company was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. As of March 5, 2010, the date of the accompanying independent auditors’ report, this appeal was pending at the Supreme Court.
- i. The Group’s rental payments for land, buildings and cell sites for the next five years under effective lease agreements are summarized as follows:

Year	Amount
2010	\$ 2,756,283
2011	2,757,783
2012	2,803,050
2013	2,867,706
2014	2,957,988

- j. Under the National Communications Commission’s policy, effective April 1, 2007, Far EastOne had provided performance guarantees amounting to NT\$450,000 thousand to KG Telecom and NT\$45,000 thousand to KGEx for prepaid cards and international direct dialing calling cards already bought by customers. KG Telecom had also provided Far EastOne with a similar guarantee amounting to NT\$850,000 thousand. Moreover, KG Telecom provided certificates of deposits amounting to NT\$390,000 thousand to the National Tax Administration of Taipei as collaterals for Far EastOne’s administrative tax remedies for certain tax assessments.
- k. A subsidiary of FENC, FEGC, undertook from the Southern Taiwan Science Park (“STSP”) an underground cable construction. On June 28, 2007, FEGC’s excavating machines were damaged because the unclear blueprints provided by STSP did not indicate the pipeline routes clearly. The accident resulted in the suspension of FEGC’s construction until the pipes were dug out. FEGC applied for mediation to Complaint Review Board for Government Procurement, Public Construction Commission (“PCC”) in 2008 and claimed for a loss in the amount of NT\$23,360 thousand. Such loss from the additional costs was incurred for reasons not attributable to the FEGC but due to the fact that STSP failed to performance its obligations. Although the claimed amount was reduced to NT\$13,797 thousand, the mediation failed because both parties failed to reach an agreement. FEGC will initiate an action demanding performance with the Tainan District Court following service of the certificate of unsuccessful mediation. Additionally, during the construction period, material costs rose to NT\$300,000 thousand because of adverse economic factors and the rising prices of stainless steel and cable material. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss in 2008 and got no indemnification. Thus, in 2008, FEGC again filed for conciliation with the PCC and claimed that STSP should pay NT\$125,100 thousand in damages. However, the conciliation still failed because STSP and FEGC could not reach any compromise. FEGC will file a suit for indemnification to the Tainan District Court after receiving the certification of conciliation failure.

Further, the construction contract stated that the construction should be conducted by manual excavation. However, based on the request of local residents, STSP instructed FEGC to obtain an evaluation report made by a third-party unbiased institution on tunnel construction safety before starting the construction. The evaluation report showed that manual excavation may result in land collapse. In consideration of public safety, FEGC requested STSP to modify the original design to mechanical excavation instead. But STSP rejected the request because it insisted that the contractor should take all the responsibilities and related expenses for any change in the contract. Nevertheless, FEGC commenced the construction with mechanical excavation and an additional operating expense of NT\$26,310 thousand incurred. FEGC applied for mediation to Complaint Review Board for Government Procurement, PCC but the mediation failed because both parties could not reach a compromise. FEGC will initiate an action demanding performance with the Tainan District Court following service of the certificate of unsuccessful mediation.

Furthermore, because of several problems, not attributable to FEGC, involved in the pipe jacking required for this construction, FEGC suggested that the construction should be extended to April 6, 2009. However, STSP disagreed and refused to pay the extra costs of NT\$3,080 thousand for FEGC's removal of the scrap piles. Thus FEGC applied for mediation to Complaint Review Board for Government Procurement, PCC but the mediation failed because both parties could not reach a compromise. FEGC will initiate an action demanding performance with the Tainan District Court following service of the certificate of unsuccessful mediation.

In 2008, FEGC accrued a construction loss of NT\$119,949 thousand.

1. An FENC subsidiary, Far Eastern General Contractor Inc., together with Pan Asia Corporation ("Pan Asia") and Iwata Chizaki Construction Corporation, Taipei Branch ("Iwata") entered into a contract to undertake "Area CR3 of Kaohsiung Rapid Transit-Red line" ("KRT"). FEGC claimed that, although the entire construction had been completed and KRT has been operating for two years, it had not received the payment balance of NT\$284,187 thousand. Thus, FEGC, Pan Asia and Iwata have initiated an action demanding performance against the Kaohsiung District Court.

FEGC also claimed that, under Article 20.2 of the contract, KRT should pay an amount of NT\$312,844 subject to the price adjustment clause and paid extra costs such as the management fees of NT\$164,857 thousand resulting from several problems, not attributable to FEGC, delaying the completion date for 277 days. Since KRT did not make the foregoing payments, FEGC, Pan Asia and Iwata have applied for mediation in the Kaohsiung District Court. But after the mediation was carried out one time, both parties have agreed the proceedings pending the outcome of the arbitration between the KRT and Kaohsiung City Government.

Moreover, FEGC claimed that: (1) FEGC, Pan Asia and Iwata were requested by KRT to include four additional items into the construction of Stations R8 and R9, the works which were not in the original construction contract; these four additional items entailed a cost increase of NT\$75,205 thousand. (2) FEGC, Pan Asia and Iwata were requested by KRT to add seven items into the construction of Station R8 and Station R7, the works which were not in the original construction contract; these seven additional items entailed an extra cost of NT\$219,730 thousand. (3) FEGC, Pan Asia and Iwata were requested by KRC to include 53 additional items in the constructions of water and electricity facilities, the works which were not in the original construction contract. These additional items entailed an additional cost of NT\$142,082 thousand. KRT, however, refused to amend the original construction contract and refused to pay all the above mentioned additional costs. Thus, FEGC, Pan Asia and Iwata have initiated an action demanding performance in the Kaohsiung District Court.

- m. For the construction Taiwan Power Company (TPC) subcontracted to FEGC, FEGC had to pay a certain fine of NT\$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC's construction contract. FEGC has applied for mediation to Complaint Review Board for Government Procurement, PCC but, on October 24, 2008, PCC made a decision of case not entertained. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. As of March 5, 2010, the date of the accompanying independent auditors' report, this case was pending in the Administrative Enforcement Agency.
- n. For the issues related to the contract that FEGC undertook the construction of the Taipei City Market Administrative Office, an action was brought before the Taipei District Court to claim that Taipei City Market Administrative Office should pay the delayed payment of NT\$150,177 thousand and the interest from September 14, 2007 to January 18, 2009 amounted to NT\$10,032 thousand. FEGC has filed an appeal and the appeal was currently pending in the Taiwan High Court.
- o. Far Eastern Electronic Toll Collection Co., Ltd. was entrusted by the Taiwan Area National Freeway Bureau to collect electronic tolls on freeways and has signed a third-party benefit trust contract with Far Eastern International Bank to manage the tolls collected. The trust property for this agreement amounted to NT\$933,899 thousand as of December 31, 2009.

32. SUBSEQUENT EVENTS

The registered capital of Pacific Liu Tung Investment Corporation (PLT, an investee of the Company) was previously NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office, the Ministry of Economic Affairs (MOEA) decided to nullify the registrations of several tranches of capital increases given to PLT, the registrations of amendments of Articles of Incorporation, the registrations of elected and appointed representatives of Board of Directors and Supervisors on November 13, 2002, May 1, 2003, August 8, 2005, August 3, 2006, June 6, 2007 and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1 million common shares.

After consulting its legal counsel on the MOEA's decision, the Company was advised that the MOEA's nullification of the registration of capital increase and other relevant registrations did not change the Company's controlling interests in PLT. Any doubt about the Company's interests in PLT should be brought to the court and decided under a civil litigation process. Based on these legal opinions, the MOEA's decision has not invalidated the capital increases made by the Company and the Company's subsidiaries. Thus, the Company retains its economic control over PLT.

The combined percentage ownership of PLT held by the Company and its subsidiaries reached 39.68%. Based on the local GAAP, these holdings were recognized by the equity method.

On January 27, 2010, PLT filed an appeal with the Taiwan High Prosecutors Office and pleaded for the withdrawal of the notice letter and cessation of the enforcement. On February 10, 2010, PLT filed an appeal to the MOEA to withdraw the decision and pleaded for ceasing of the enforcement of such decision; on February 24, 2010, Far Eastern Department Stores Ltd. (FEDS), the parent company of PLT, also filed an appeal to MOEA to withdraw the decision and pleaded for ceasing of the enforcement of such decision. On February 10, 2010, FEDS filed a suit with the Taipei District Court to ensure the validity of FEDS's ownership of PLT.

33. FINANCIAL INSTRUMENTS

a. The fair values of financial instruments were as follows:

	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 21,141,998	\$ 21,141,998	\$ 22,946,534	\$ 22,946,534
Financial assets at fair value through profit or loss - current	1,738,110	1,738,110	424,722	424,722
Available-for-sale financial assets - current	2,815,770	2,815,770	1,988,763	1,988,763
Bonds carried at amortized cost - current	-	-	3,000	-
Notes and accounts receivable, net	21,805,366	21,805,366	23,639,761	23,639,761
Receivable from related parties - current	1,264,013	1,264,013	1,356,264	1,356,264
Other financial assets - current	971,154	971,154	1,490,495	1,490,495
Available-for-sale financial assets - noncurrent	2,593,229	2,593,229	56,682	56,682
Financial assets carried at cost - noncurrent	2,974,623	-	1,822,973	-
Held-to-maturity financial assets	199,567	199,172	-	-
Bonds carried at amortized cost - noncurrent	293,454	-	-	-
Restricted assets (including current portion)	2,325,051	2,325,051	398,138	398,138
Refundable deposits	471,180	471,180	484,400	484,400
<u>Liabilities</u>				
Short-term bank loans	24,146,138	24,146,138	27,698,393	27,698,393
Commercial paper	5,099,750	5,099,750	5,233,968	5,233,968
Notes and accounts payable	11,167,451	11,167,451	11,322,395	11,322,395
Payable to related parties - current	1,171,896	1,171,896	1,690,702	1,690,702
Accrued expenses	7,360,097	7,360,097	7,813,933	7,813,933
Payable to suppliers of machinery and equipment	1,696,017	1,696,017	1,989,528	1,989,528
Bonds payable (including current portion)	17,930,765	18,115,193	18,181,776	18,267,515
Long-term bank loans (including current portion)	39,819,051	39,819,051	46,608,633	46,608,633
Leases payable (including current portion)	8,555	8,555	31,919	31,919
Guarantee deposits (including current portion)	1,032,511	1,032,511	1,031,906	1,031,906
<u>Derivative financial instruments</u>				
Cotton futures contracts				
- FENC	32,768	32,768	29,941	29,941
- FEIH	-	-	3,431	3,431
Forward contracts				
- FENC	11,460	11,460	(30,362)	(30,362)
- FEIH	-	-	(2,491)	(2,491)
Interest rate swap contract				
- FENC	-	-	(7,656)	(7,656)
- Yuan Ding Investment	-	-	8,070	8,070
Cross currency swap contract				
- KG Telecom	2,750	2,750	-	-
Exchangeable bonds exchange right				
- FENC	-	-	(30,500)	(30,500)
Exchangeable bonds sell right				
- FENC	(20,750)	(20,750)	(42,000)	(42,000)
Exchangeable bonds redemption right				
- FENC	9,000	9,000	49,500	49,500

b. The methods and assumptions used in estimating fair values are as follows:

- 1) Short-term instruments: The carrying values of short-term instruments reported in the balance sheet approximate the fair values of these assets because of the short maturities of these instruments, including cash, notes and accounts receivable, notes and accounts from related parties, other financial assets - current, short-term bank loans, commercial paper, notes and accounts payable, net, payable to related parties, accrued expense and payable to supplies of machinery and equipment.
- 2) If quoted market prices are available, these are used as fair values of financial instruments at fair value through profit or loss, available-for-sale financial assets, held-to-maturity financial assets and equity-method investments.

If quoted market prices are available, these are used as fair values of derivatives. Otherwise, the fair value is evaluated by the Group using the same estimates and assumptions used by other market participants (e.g., banks or derivative sellers) to value the derivatives. These estimates and assumptions are available to the Group.

The Group uses the exchange rate quotations of the Reuters (or the Associated Press) to calculate the fair value of each interest rate swap and forward contract based on the net cash flows and the exchange rates, respectively.

- 3) The fair values of financial assets carried at cost - noncurrent, bonds carried at amortized cost - current and equity-method investments in stocks with no quoted market prices cannot be reasonably measured since the quoted market prices are not available.
 - 4) If the held-to-maturity financial assets are priced in active markets, the market prices can be regarded as the fair values. On the other hand, if the assets are priced in inactive markets, the book values of the assets can be regarded as the fair values since the fair values of the assets are practically expected to be higher than their acquisition costs.
 - 5) Fair values of bonds payable, lease payable and long-term loans (all including current portion) are measured at the present values of expected cash flows, which are discounted at the interest rates for bank loans with similar maturities. Public traded bonds are measured at traded prices.
 - 6) Refundable deposits and guarantee deposits (including the current portion) receivable are recorded at their carrying values because their fair value is similar to carrying value.
- c. The fair values of financial assets and financial liabilities, which were determined at their quoted prices in an active market or at estimated prices, were as follows:

	Quoted Price		Estimated Price	
	December 31	December 31	December 31	December 31
	2009	2008	2009	2008
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Cotton futures contracts				
- FENC	\$ 32,768	\$ 29,941	\$ -	\$ -
- FEIH	-	3,431	-	-
Exchangeable bonds collection right				
- FENC	-	-	9,000	49,500

(Continued)

	Quoted Price		Estimated Price	
	December 31		December 31	
	2009	2008	2009	2008
Interest rate swap				
- YDI	\$ -	\$ -	\$ -	\$ 8,070
Forward exchange contract				
- FENC	11,460	-	-	-
Cross currency swap contract				
- KG Telecom	-	-	2,750	-
<u>Liabilities</u>				
Forward contract				
- FENC	-	(30,362)	-	-
- FEIH	-	(2,491)	-	-
Interest rate swap contract				
- FENC	-	-	-	(7,656)
- Yuan Ding Investment	-	-	-	-
Exchangeable bonds exchange right				
- FENC	-	-	-	(30,500)
Exchangeable bonds redemption right				
- FENC	-	-	(20,750)	(42,000)
				(Concluded)

d. As of December 31, 2009 and 2008, the financial assets with fair value risk resulted from interest rate fluctuations amounting to NT\$10,345,774 thousand and NT\$16,017,578 thousand, respectively and the financial liabilities with fair value risk resulted from interest rate fluctuations amounting to NT\$75,074,427 thousand and NT\$62,482,356 thousand, respectively. As of December 31, 2009 and 2008, the financial assets with cash flow risk resulted from interest rate fluctuations amounting to NT\$13,337,273 thousand and NT\$7,406,438 thousand, respectively and the financial liabilities with cash flow risk resulted from interest rate fluctuations amounting to NT\$13,160,971 thousand and NT\$34,121,843 thousand, respectively.

e. Financial risks

1) Market risk

Forward exchange contracts and currency option contracts

The Group uses forward exchange contracts and currency option contracts to hedge the effect of adverse exchange rate fluctuations on net assets or net liabilities (Note 6).

Interest rate swap contracts

The Company used interest rate swap contracts to hedge against adverse fluctuations of interest rates of secured unconvertible corporate bonds (69th, 70th, 71st and 72nd tranches), and these bonds were all fully repaid in 2009.

Yuan Ding Investment engaged in interest rate swap contracts to hedge against adverse interest rate fluctuations of secured unconvertible corporate bonds - 9th tranche. These bonds had all been redeemed at their full amount by the end of 2009. Far EasTone used interest rate swap contracts to hedge against the adverse effects of interest rate fluctuations on its obligations with floating interest rates. The contracts are settled at net amounts. Thus, the market risk is not material.

Cross currency swap contracts

An FENC subsidiary, KG Telecommunications Co., Ltd., used cross-currency swap contracts to hedge against the adverse effects of exchange rate fluctuations in 2009. The gains or losses on the changes in fair values on these contracts will offset the results of the exchange rate fluctuations of the hedged items. Thus, market risk is expected to be immaterial.

Cotton futures contracts

The Group uses cotton futures contracts to hedge fluctuations of cotton prices (Note 6).

Others

Fair values of mutual funds and domestic quoted stocks held by Yuan Ding Investment, Yuan Tung Investment, FECC, FEGC, Far EasTone, KG Telecom and ARCOA are determined at their quoted prices in an active market; thus, market price fluctuations would cause changes in the fair values of these investments. However, market risk is expected to be immaterial because the performance of these investments were periodically evaluated by the foregoing subsidiaries.

2) Credit risk

The Company and its subsidiaries are exposed to credit risk, i.e., counter-parties' default on contracts. Factors affecting credit risks are the concentration of credit risk, components of derivative financial instruments, contract amounts and other receivables on financial instruments used by the Group.

The analysis of the maximum exposure to credit risks on financial instruments held by the Group is as follows (fair values of collaterals excluded):

The Group's maximum exposure to credit risk is equal to fair value. The Group conducts transactions only with selected financial institutions and corporations with good credit ratings. Thus, management does not anticipate any material losses resulting from default on contracts.

3) Liquidity risk

The exchange rates of forward exchange contracts and currency option contracts, interest of interest rate swap contracts and prices of cotton futures contracts are fixed and certain. In addition, the Group has sufficient operating capital to meet cash flow requirements. Thus, the Group does not have liquidity risk. However, financial assets carried at cost and equity-method investments have no active market; thus, material liquidity risk on these assets and investments is anticipated.

Some equity-method investments had no quoted prices in an active market; thus, these investments could expose the Group to material liquidity risks.

On February 26, 2009, an FENC subsidiary, Yuan Tong Investment Co., Ltd. bought convertible bonds issued by Bockhold N.V. The purchase amount was recognized as investment in an inactive market - bonds; the value of the conversion right was recognized as financial assets carried at cost because of the inactive market. Thus, material liquidity risk on this investment is expected.

Some FENC subsidiaries, YDI, Yuan Tong Investment Co., Ltd., Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Far EasTone Telecom Co., Ltd., KG Telecom and ARCOA, invested in active-market shares of listed companies, bonds, and open-end mutual funds in 2009 and in 2008. The Company expects that those financial assets can be sold immediately at prices close to their fair values. However, the private fund invested in by KG Telecom Co., Ltd. had no active market; thus, this investment was expected to have material liquidity risks.

ARCOA also invested in financial bonds and equity instruments with no quoted prices in inactive markets; thus, these investments could expose ARCOA to material liquidity risks.

The subsidiaries of Yuan Ding Investment Co., Ltd. and Kai-Yuan Investment Co., Ltd. participated in private capital equity which Far Eastern Department Stores Co., Ltd. provided. Under the Securities and Exchange Law, Article 43-8 specifies that the privately placed securities are subjected to the restrictions of holding period and trading volume. As a result, liquidity risk on these securities is anticipated.

An FENC subsidiary, KG Telecom, used cross-currency swap contracts, which resulted in simultaneous cash inflows and outflows that balance each other in 2009; thus, the expected cash demand is not significant.

4) Cash-flow risk from interest rate fluctuations

In 2009, an FENC subsidiary, Far EasTone, and its subsidiary had short-term and long-term debts with floating rates. Interest rate fluctuations might cause cash-flow risks.

f. Cash flow hedge

The Company's 69th, 70th, 71st and 72nd tranches of secured nonconvertible bonds, YDI's 9th tranche of secured nonconvertible bond and the liability of Far EasTone Telecom Co., Ltd. may cause material cash flow risks because of these instruments have floating interest rates; thus, these companies used interest rate swaps to hedge against the risks.

The Company's 69th, 70th, 71st, and 72nd tranches of secured nonconvertible bonds and YDI's 9th tranche of secured nonconvertible bond had been redeemed by the end of 2009.

KG Telecommunications Co., Ltd. used cross-currency swaps to hedge against cash flow fluctuations on its assets.

New Taiwan Dollars					
Hedged Items	Designated Hedging Instruments		Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses	
	Designated Financial Instruments	Fair Value			
		December 31			
		2009	2008		
Bonds with floating interest rate	Interest rate swap				
	FENC	\$ -	\$ (7,656)	2003-2009	2003-2009
	Yuan Ding Investment	-	8,070	2005-2009	2005-2009
Foreign currency assets	Cross currency swap				
	KG Telecom	2,750	-	2010	2010

34. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company and investees and b. Reinvestment information:

- 1) Financing provided: Schedule F (attached).
- 2) Endorsement/guarantee provided: Schedule G (attached).
- 3) Marketable securities and investments in share of stock held: Schedule H (attached).

- 4) Securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the capital stock: Schedule I (attached).
 - 5) Acquisition of individual real states at costs of at least NT\$100 million or 20% of the capital stock: Schedule J (attached).
 - 6) Disposal of individual real states at prices of at least NT\$100 million or 20% of the capital stock: Schedule K (attached).
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule L (attached).
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule M (attached).
 - 9) Names, locations, and related information of investees on which the Company exercises significant influence: Schedule N (attached).
 - 10) Derivative financial transactions: Notes 6 and 33.
- c. Investments in Mainland China
- 1) Investee company name, the description of the primary business activity and products, issued capital, nature of the relationship, capital inflow or outflow, ownership interest, gain or loss on investment, amounts received on investment, and the limitation on investment: Schedule O and O-1 (attached).
 - 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 29 and Schedule L, M (attached).
- d. Additional disclosure for consolidated financial statements:
- 1) Significant transactions between the Company and its subsidiaries and among subsidiaries: Schedule P (attached).
 - 2) Reasons, amounts, number of shares held and subsidiaries' names, which owns FENC's shares: None.

35. SEGMENT INFORMATION

- a. Industry Segment information. Summarized segment information is shown in Schedule P.
- b. Geographic information. There were no major operations in foreign countries in 2009 and 2008.
- c. Export sales
The export sales of the Company and its subsidiaries were less than 10% of consolidated net sales.
- d. Major customers
There were no major customers in 2009 and 2008.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**OPERATIONS
DECEMBER 31, 2009**

Consolidated Entity	Setup Date	Location	Operations
Far Eastern New Century Corporation	1954/01/13	36F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (R.O.C.)	Manufacture and distribution of petrochemical-fiber materials, semifinished and finished goods of spinning yarn (fabric), blended yarn (fabric), draw textured yarn, pre-oriented yarn, PET filament, PET staple and various knitted and woven garments.
Yuan Ding Investment Co., Ltd.	1986/11/07	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Kai Yuan International Investment Co., Ltd.	1998/10/06	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Ding Yuan International Investment Corp.	1998/10/02	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Yuan Tong Investment Corp.	1999/12/03	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
An Ho Garment Co., Ltd.	1977/01/24	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Manufacture and distribution of various knit and woven garments.
Fu Kwok Garment Manufacturing Co., Ltd.	1971/03/26	No. 110, Neihuan S. Rd., Nanzi District, Kaohsiung City 811, Taiwan, ROC	Manufacture and distribution of various woven garments.
Far Eastern Construction Co., Ltd.	1978/09/04	5F., No. 267, Dunhua S. Rd., Sec. 2, Da-an District, Taipei City 106, Taiwan, ROC	Real estate construction and selling.
Far Eastern General Contractor Inc.	1982/10/04	5F., No. 267, Dunhua S. Rd., Sec. 2, Da-an District, Taipei City 106, Taiwan, ROC	Real estate construction and selling.
Far Eastern Resources Development Co.	2003/09/30	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Real estate construction, industrial park construction and leasing, participating in public infrastructure projects.
Far Eastern Apparel Co., Ltd.	1976/02/27	36F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Selling of underwear, sportswear, shirts, towels, fabrics, suits, beddings and casual wear.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Ming Ding Corp.	1990/08/07	1F., No. 389, Sihchuan Rd., Sec. 1, Banciao City, Taipei County 220, Taiwan, ROC	Selling of underwear, sportswear, shirts, towels, fabrics, suits, beddings and casual wear.
Oriental Resources Development Ltd.	1988/06/27	34F., No. 207, Sec. 2, Dunhua S. Rd., Taipei City 106, Taiwan, ROC	Waste recycling and processing.
Yuan Faun Ltd.	1980/12/13	33F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	International trading, business consulting, machinery design and installation and computer software.
Yuan Cheng Human Resources Consultant Corp.	1999/06/08	19F.-1, No. 1, Baosheng Rd., Yonghe City, Taipei County 234, Taiwan, ROC	Providing manpower services.
Oriental Textile (Holding) Ltd. (O.T. (H))	2002/07/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Sino Belgium (Holding) Ltd.	2007/08/15	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Investment (Holding) Ltd. (F.E.I.H)	1989/08/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
PET Far Eastern (Holding) Ltd. (Pet FE (H))	1996/10/01	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
F.E.D.P. (H) Ltd.	2002/03/22	Clarendon House 2 Church street Hamilton HM 11, Bermuda	Investment.
F.E.T.G. Investment Antilles N.V. (F.E.T.G)	1989/10/05	Kaya W.F.G Mensing 14, Curacao, Nederlandse Antillen	Investment.
Waldorf Services B.V. (Waldorf)	1990/01/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment.
PET Far Eastern (M) Sdn. Bhd. (P.F.E.M.)	1995/07/22	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru, Johor, Malaysia	Manufacture and distribution of PET bottle and PET perform.
Far Eastern Polytex (Holding) Limited.	2006/03/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Apparel (H.) Ltd. (F.E.A.H)	1996/10/01	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Polychem Industries Ltd. (F.E.P.I.)	1995/04/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Industries (Shanghai) Ltd. (F.E.I.S.)	1996/09/25	Mainland China	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, raw textured yarns, spinning yarns, and knitted and woven fabrics and garments.
Far Eastern Apparel (Vietnam) Ltd.	2002/07/04	No. 11, VSIP Street 4, Vietnam Singapore Industrial Park Thuan An District, Binh Duoug Province, Vietnam	Manufacture and distribution of various knitted and woven garments, beddings garments and accessories.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Wu Han Far Eastern New Material Ltd.	2003/07/09	Mainland China	Retail and wholesale of PET staple, PET filament, polyester top, PET performs, raw textured yarns, spinning yarns, and knitted and woven fabrics and garments.
Shanghai Far Eastern IT Ltd.	2003/04/15	Mainland China	Computer software programming and MIS maintenance and consultancy.
Far Eastern Apparel (Suzhou) Limited	1996/10/21	Mainland China	Manufacture and distribution of various knitted and woven garments, beddings, garments and accessories.
Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	2003/10/22	Mainland China	Manufacture and distribution of woven, dyed and novelty fabrics, high-value engineered textiles, industrial woven fabrics and scraps.
Sino Belgium (Suzhou) Limited	2007/09/04	Mainland China	Brewer.
Far Eastern New Century (China) Investment Corp.	2007/06/18	Mainland China	Investment.
Far Eastern Industries (Wuxi) Ltd. (F.E.I.W)	2002/06/05	Mainland China	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarns, 65/35 poly/cotton blended yarns, spun yarns, and woven, greige woven, print woven, piece dyed woven and bleached woven fabric.
Oriental Industries (Suzhou) Ltd.	2005/06/24	Mainland China	Manufacturing and distribution of PET performs, industrial fabrics and related products.
Oriental Petrochemical (Shanghai) Ltd. (O.P.S.C)	2003/01/21	Mainland China	Manufacture and distribution of PTA and its by-products.
Far Eastern Industries (Suzhou) Limited	2004/03/22	Mainland China	Manufacture and distribution of polyester chips and partially oriented, fully oriented and polyester yarns.
Shanghai Far Eastern Petrochemical Logistic Ltd.	2006/03/02	Mainland China	Logistic.
Suzhou An He Apparel Ltd.	2008/01/31	88 Tian Ling Rd. Wuzhong District Economic Development Zone. Su Zhou	Manufacture and distribution of various woven garments.
Far Eastern Fibertech Co., Ltd.	1995/04/10	No. 17, Gongye 5th Rd., Gonyin Industry District Gonyin Township, Taoyuan County 328, Taiwan (R.O.C.)	Manufacture and distribution of nylon-fiber materials.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Oriental Petrochemical (Taiwan) Co., Ltd.	1987/01/26	No. 47, Jingjian 4th Rd., Shuren Village Gonyin Township, Taoyuan County 328, Taiwan (R.O.C.)	Manufacture and distribution of PTA
Martens Beer Trading (Shanghai) Ltd.	2007/10/26	Mainland China	Beer sales
Far EasTone Telecommunication Co., Ltd.	1997/04/11	28F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (ROC)	Wireless communications service.
KG Telecommunication Co., Ltd.	2003/09/25	28F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (ROC)	Wireless communications service under a Type 1 license.
Far Eastern Info Service Holding Ltd.	2002/07/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	International investment holding business.
Far Eastern Tech-info Ltd. (Shanghai)	2002/11/18	Mainland China	Computer software production, data processing and acting as Internet content service provider.
E. World (Holdings) Ltd.	2000/04/07	4F., One Capital Place. P.O. Box 847 G.T., Grand, Cayman Island	International investment holding business.
Yuan Cing Co., Ltd.	2000/08/05	28F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (ROC)	Data processing service and retail of computer software.
KGEx.com Co., Ltd.	2000/08/09	4F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing Type II communications service.
Far Eastern Electronic Toll Collection Co., Ltd.	2004/04/07	28F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (ROC)	Providing services on information software, electronic information, auto controlling equipment engineering.
ARCOA Communication Co., Ltd.	1981/05/04	36F., No. 207, Sec. 2, Dunhua S. Rd., Taipei City 106, Taiwan (R.O.C.)	Distribution of cellular phones and other communications equipment and accessories and providing related maintenance services.
ADCast Interactive Marketing Co., Ltd.	2000/06/12	1F., No. 220 Gangqian Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing services on internet advertisement and marketing.
Far EasTron Holding Ltd.	2005/08/30	Marguee Place, Suite 300, 430 West Bay Road, P.O. Box 30691 SMB, Grand Cayman, Cayman Islands, British West Indies	International investment holding business.
Q-Ware Communication Corp.	2007/02/13	8F., No. 220 Gangqian Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Providing Type II communications service.
Yuan Cing InfoComm Tech. Co., Ltd.	2009/12/30	4F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan (ROC)	Sale of communication products

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

RELATED PARTIES
DECEMBER 31, 2009

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
1	Oriental Securities Co., Ltd.	a
2	Yuan-Ding Co. Ltd.	a
3	Frendenberg Far Eastern Spunweb Co., Ltd.	a
4	Everest Textile Co., Ltd.	a
5	Pacific Liu Tong Investment Corp.	a
6	Air Liquide Far Eastern Ltd.	a
7	Yue Ding Industry Co., Ltd.	a
8	Far Eastern International Leasing Corp. (FEILC)	a
9	Ding Ding Hotel Co., Ltd.	a
10	Da Ju Fiber Co., Ltd.	a
11	iScreen Corp.	a
12	Yue Ming International Corp.	a
13	Pacific Petrochemical (Holding) Ltd.	a
14	Chiahui Power Corporation	b
15	Far Eastern Ai Mai Company Ltd.	q
16	Far Eastern Medical Foundation	b
17	Far Eastern. Y. Z. Hsu Science and Technology Memorial Foundation	b
18	U-Ming Marine Transport Corp.	b
19	Ding Ding Integrated Marketing Service Co., Ltd.	a
20	Wen Jing Corp.	b
21	New Tranquil Enterprise Ltd.	b
22	Yuan-Ze University	b
23	Oriental Institute of Technology	b
24	Far Eastern Memorial Hospital	b
25	Bai Ding Investment Corp.	b
26	Malaysia Garment Manufactures PTE Ltd.	a
27	New Century InfoComm Tech Co., Ltd.	a and b
28	Far Eastern Department Stores Co., Ltd.	a and b
29	Oriental Union Chemical Corporation	a and b
30	Asia Cement Co., Ltd.	a and b
31	Yu Chang Vocational School	c
32	Pacific SOGO Department Stores	d
33	Ya-Li Precast Prestressed Concrete Industries Corp.	p
34	Ding Ding Management Consulting Ltd.	r
35	Far Eastern Technical Consultants Co., Ltd.	g
36	Far Eastern International Garments Inc.	e
37	Far Eastern Recreation Center Employee's Welfare Committee	f

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
38	Far Eastern Recreation Center Employee's Welfare Committee of FENC-Golf Club	f
39	Ya Tung Ready-mixed Concrete Corp.	p
40	Hong-Ton Comprehensive Commerce Development Co., Ltd.	h
41	TECO Electric & Machinery Co., Ltd.	i
42	Systex Corporation	i
43	MITAC Inc.	i
44	Telecommunication & Transportation Foundation	j
45	NTT DoCoMo Inc.	k
46	Everest Textile (Shanghai) Ltd.	l
47	Everest Investment (Holding) Ltd.	l
48	Far Eastern Asset Management Co., Ltd.	m
49	Far Eastern International Bank	n
50	Fu Ming Transport Corp.	p
51	Fu Dar Transportation Corporation	o
52	Asia Investment Corp.	p
53	Ya Tung Department Store Ltd.	q
54	Deutsche Far Eastern Asset Management Co., Ltd.	r
55	Digital United Inc.	s
56	Information Security Service Digital United Co., Ltd.	t
57	Alberta and Orient Glycol Company	u

- Note:
- a. Equity-method investee and the holding is less than 50%.
 - b. Same Chairman or general manager.
 - c. Its chairman is the Company's relative.
 - d. Pacific Liu Tong Investment Corp.'s subsidiary.
 - e. Equity-method investee of equity-method subsidiary.
 - f. The chairman of the organization is FENC's senior manager.
 - g. The subsidiary of Yuan Ding Corp.
 - h. The chairman of the Company is the investee's director.
 - i. Institutional director of Far Eastern Electronic Toll Collection Co., Ltd.
 - j. Far EasTone's donation is over one third of the foundation's fund.
 - k. Director of Far EasTone Telecommunication Co., Ltd. (it's not the related-party from June 2009).
 - l. Subsidiary of Everest Textile Co., Ltd.
 - m. Far Eastern International Commercial Bank is the institutional director of the Company.
 - n. The vice president is the chairman of the Company.
 - o. The subsidiary of Fu Ming Transport Corp.
 - p. The subsidiary of Asia Cement Corporation.
 - q. The subsidiary of Far Eastern Department Stores.
 - r. The chairman is the Company's vice-chairman.
 - s. Subsidiary of New Century Info Comm Tech Co., Ltd. (it had merged with New Century Info Comm Tech Co., Ltd. as of March 16, 2009).
 - t. The subsidiary of New Century Info Comm Tech Co., Ltd.
 - u. An FENC subsidiary classified under financial assets carried at cost.

(Concluded)

SCHEDULE D**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****YEARS ENDED DECEMBER 31, 2009 AND 2008****(In Thousands of New Taiwan Dollars)**

	Notes	2009		2008	
		Amount	%	Amount	%
Sales					
New Century InfoComm Tech Co.		\$ 1,235,854	1	\$ 1,153,120	1
Others	b.	<u>1,649,493</u>	<u>1</u>	<u>2,304,082</u>	<u>1</u>
		<u>\$ 2,885,347</u>	<u>2</u>	<u>\$ 3,457,202</u>	<u>2</u>
Purchases					
Albepa & Orient Glycol Company		\$ 1,647,146	1	\$ 2,711,205	2
Oriental Union Chemical Corp.		935,955	1	2,199,195	2
Others	b.	<u>2,138,137</u>	<u>2</u>	<u>1,528,775</u>	<u>1</u>
		<u>\$ 4,721,238</u>	<u>4</u>	<u>\$ 6,439,175</u>	<u>5</u>
Operating expense					
Ding Ding Integrated Marketing Service Co.		\$ 163,760	1	\$ 165,573	1
Yuan Ding Corp.		158,336	1	157,238	1
Others	b.	<u>342,627</u>	<u>1</u>	<u>299,998</u>	<u>1</u>
		<u>\$ 664,723</u>	<u>3</u>	<u>\$ 622,809</u>	<u>3</u>
Nonoperating revenue					
New Century Info Comm Tech. Co., Ltd.		\$ 31,603	1	\$ 11,585	-
Others	b.	<u>46,517</u>	<u>1</u>	<u>128,027</u>	<u>4</u>
		<u>\$ 78,120</u>	<u>2</u>	<u>\$ 139,612</u>	<u>4</u>

Note:

- For the relationships between FENC and subsidiaries, please refer to schedule C.
- The transaction amount between related-parties was not over 5% of the total amount of the account.
- The terms of FENC's sales to and purchases from the related parties were the same as those for third parties.
- Salaries and bonuses of directors, supervisors and management executives :

	2009	2008
Salaries and bonuses (including bonuses to employees)	\$ 103,449	\$ 123,269
Remunerations to directors and supervisors	288,269	215,622
Directors' business-related expenses	<u>8,971</u>	<u>5,009</u>
	<u>\$ 400,689</u>	<u>\$ 343,900</u>

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED RELATED-PARTY TRANSACTIONS

YEARS ENDED DECEMBER 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

	Notes	2009		2008	
		Amount	%	Amount	%
Accounts/notes receivable from affiliates					
New Century InfoComm Tech Co.		\$ 279,911	22	\$ 131,588	10
Everest Textile (Shanghai) Ltd.		135,678	11	53,880	4
Frendenberg Far Eastern Spunweb Co., Ltd.		110,225	9	53,890	4
Pacific Sogo Department Stores Co., Ltd.		80,364	6	66,852	5
Yuan Ding Co.		79,329	6	27,230	2
Everest Textile Co.		48,590	4	43,437	3
Far Eastern Department Stores Ltd.		44,180	3	61,981	5
Oriental Union Chemical Corp.		-	-	92,513	7
Others	e.	<u>59,477</u>	<u>5</u>	<u>152,832</u>	<u>11</u>
		<u>\$ 837,754</u>	<u>66</u>	<u>\$ 684,203</u>	<u>51</u>
Refundable deposits					
Ding Ding Integrated Marketing Service Co., Ltd.		\$ 43,233	9	\$ 43,693	9
Yuan Ding Co.		33,355	7	33,410	7
Others	e.	<u>19,747</u>	<u>4</u>	<u>22,384</u>	<u>5</u>
		<u>\$ 96,335</u>	<u>20</u>	<u>\$ 99,487</u>	<u>21</u>
Accounts and notes payable to affiliates					
New Century InfoComm Tech Co.		\$ 263,997	23	\$ 218,998	13
Albepa & Orient Glycol Company		176,317	15	128,863	8
Everest Textile (Shanghai) Ltd.		173,984	15	92,340	5
Ya Tung Ready Mixed Concrete Co., Ltd.		172,799	15	140,462	8
Oriental Union Chemical Corp.		96,450	8	57,903	3
Ding Ding Integrated Marketing Service Co.		75,280	6	72,795	4
Others	e.	<u>110,701</u>	<u>9</u>	<u>198,701</u>	<u>12</u>
		<u>\$ 1,069,528</u>	<u>91</u>	<u>\$ 910,062</u>	<u>53</u>
Advance construction receipts					
Far Eastern Department Stores Ltd.		\$ 473,037	3	\$ 312,061	2
Far Eastern Memorial Hospital		2,679	-	-	-
New Tranquil Enterprise Ltd.		-	-	2,895	-
FEDS Development Ltd. (BVI)		-	-	2,857	-
Wen Jing Corp.		-	-	1,555	-
		<u>\$ 475,716</u>	<u>3</u>	<u>\$ 319,368</u>	<u>2</u>

(Continued)

	Notes	2009		2008	
		Amount	%	Amount	%
Deferred income					
Rent revenue					
Yuan Ding Co.	b.	\$ 656,941	65	\$ 703,586	65
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	c.	215,510	21	222,041	21
Sales of lands and buildings					
Oriental Securities Co., Ltd.	d.	116,147	11	116,703	11
Sales of securities					
Far Eastern International Leasing Corp.		24,326	2	24,326	2
Others	e.	<u>11,932</u>	<u>1</u>	<u>11,932</u>	<u>1</u>
		<u>\$ 1,024,856</u>	<u>100</u>	<u>\$ 1,078,588</u>	<u>100</u>

Financing to affiliates:

	Year Ended December 31, 2009			
	Highest Outstanding Balance	Balance on December 31, 2009	Interest Rate (%)	Interest Revenue
Da Ju Fiber Corporation	\$ 277,000	\$ 148,000	1.05-2.69	\$ 3,322
Malaysia Garment Manufactures Pte Ltd.	268,259	268,259	0-2.78917	2,630
Yue Ding Industry Co., Ltd.	160,000	<u>10,000</u>	1.05-2.69	<u>1,935</u>
		<u>\$ 426,259</u>		<u>\$ 7,887</u>

	Year Ended December 31, 2008			
	Highest Outstanding Balance	Balance on December 31, 2008	Interest Rate (%)	Interest Revenue
Da Ju Fiber Corporation	\$ 280,000	\$ 277,000	2.55-2.83	\$ 7,268
Malaysia Garment Manufactures Pte Ltd.	275,061	275,061	0-5.6248	3,862
Yue Ding Industry Co., Ltd.	152,000	120,000	2.55-2.83	2,281
Pacific Petrochemical (Holding) Ltd.	891,420	<u>-</u>	2.55-5.6248	<u>3,144</u>
		<u>\$ 672,061</u>		<u>\$ 16,555</u>

Financing from affiliates:

	Year Ended December 31, 2009			
	Highest Outstanding Balance	Balance on December 31, 2009	Interest Rate (%)	Interest Expense
Accounts and notes payable to affiliates				
Pacific Petrochemical (Holding) Ltd.	\$ 658,994	<u>\$ 102,368</u>	-	<u>\$ -</u>

(Continued)

Year Ended December 31, 2008

	Highest Outstanding Balance	Balance on December 31, 2008	Interest Rate (%)	Interest Expense
Accounts and notes payable to affiliates Pacific Petrochemical (Holding) Ltd.	\$ 780,640	<u>\$ 780,640</u>	-	<u>\$ -</u>

- a. For the relationships between FENC and subsidiaries, please refer to schedule C.
- b. FENC, Asia Cement Corporation and Yuan Ding Co. co-own the Metro Tower Building located on Dunhwa South Road in Taipei City. Under an agreement, Yuan Ding Co. constructed the building and used the land owned by FENC and Asia Cement Corporation. In exchange, FENC and ACC each received 12% of the usable area of the building. FENC deferred this income and will realize it upon the expiration of the agreement. The ownership of land had been transferred in September 2, 2003, please refer to Note 15.
- c. The unrealized gain from superficies right Far Eastern Resources Development Co., Ltd. granted to Far Eastern Y.Z. Science and Technology Memorial Foundation was referred to Note 15.
- d. The unrealized gain was from the sale of lands and buildings to Oriental Securities Co., Ltd.
- e. The transaction amount among related-parties was not over 5% of the total amount of the account.
- f. The subsidiary, Far Eastern Resources Development Co., Ltd. sold the land in Ya-Tung Section of Banciao to Far Eastern Memorial Foundation at the total amount of \$448,329 thousand in order to start the construction of its new medical building and the gain on this transaction brought \$331,124 thousand to the subsidiary.
- g. Except for the description in Note 14, New Century Info Comm Tech Co., Ltd. bought the corporate bond issued by the subsidiary, Yuan Ding Co. through private placement on August 14, 2009 and the total purchase amounts to \$990,000 thousand (please refer to Note 22). As of December 31, 2009, the interest payable amounted to NT\$7,594 thousand and the interest expense of 2009 amounted to NT\$7,594 thousand.
- h. The terms of sales to and purchases from the related parties were the same as those for third parties.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED

YEAR ENDED DECEMBER 31, 2009

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Financier	Counter-party	Financial Statement Account	Highest Balance for the Period	Ending Balance	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
										Item	Value		
Yuan Ding Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	\$ 16,000	\$ -	2.13%-2.69%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,831,628 (Note B)	\$ 18,316,280 (Note E)
	Da Ju Fiber Co., Ltd.	"	277,000	-	2.13%-2.69%	2	-	For revolving fund	-	Promissory note	-	1,831,628 (Note B)	18,316,280 (Note E)
	Oriental Textile (Holding) Ltd.	"	868,571	-	2.69%	2	-	For revolving fund	-	Promissory note	-	1,831,628 (Note B)	18,316,280 (Note E)
	Yue Ding Industry Co., Ltd.	"	160,000	-	1.53%-2.69%	2	-	For revolving fund	-	Promissory note	-	1,831,628 (Note B)	18,316,280 (Note E)
	Yuan Tong Investment Co., Ltd.	"	226,000	-	1.53%-1.67%	2	-	For revolving fund	-	Promissory note	-	1,831,628 (Note B)	18,316,280 (Note E)
Far Eastern Investment (Holding) Ltd.	Waldorf Services B.V.	Receivables from affiliates	US\$ 800	US\$ 800	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 12,000	US\$ 12,000	2.11%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Flying Dutchman Ltd.	Other receivables	US\$ 1,936	US\$ 1,936	0%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	F.E.T.G. Investment Antilles N.V.	Receivables from affiliates	US\$ 11,397	US\$ 6,292	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Oriental Textile (Holding) Ltd.	"	US\$ 30,400	US\$ 23,400	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Pet Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 2,666	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Malaysia Garment	"	US\$ 3,786	US\$ 3,786	0%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 5,739	MYR 19,206	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Far Eastern Polychem Industries Co., Ltd.	"	US\$ 50,000	US\$ 50,000	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 2,500	US\$ 2,500	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	23,127,797 (Note G)
Ding Yuan International Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	100,000	-	1.03%-2.12%	2	-	For revolving fund	-	Promissory note	-	121,198 (Note B)	1,211,984 (Note E)
	Yuan Tong Investment Co., Ltd.	"	90,000	90,000	1.56%	2	-	For revolving fund	-	Promissory note	-	121,198 (Note B)	1,211,984 (Note E)
Far Eastern Polychem Industries Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	US\$ 69,000	US\$ 69,000	0%	1	HK\$ 1,747,476	-	-	Promissory note	-	46,255,594 (Note H)	46,255,594 (Note H)
	Far Eastern Industries (Suzhou) Ltd.	"	US\$ 10,000	US\$ 10,000	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Waving and Dyeing (Suzhou) Ltd.	Receivables from affiliates	US\$ 11,500	US\$ 8,000	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Far Eastern Apparel (Suzhou) Ltd.	"	US\$ 8,000	-	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Far Eastern Investment (Holding) Ltd.	"	US\$ 19,600	US\$ 12,600	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)

(Continued)

Financier	Counter-party	Financial Statement Account	Highest Balance for the Period	Ending Balance	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
										Item	Value		
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Receivables from affiliates	US\$ 11,519	US\$ 6,406	2.11%-2.78917%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,625,559 (Note C)	\$ 13,876,678 (Note D)
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	US\$ 4,600	US\$ 4,600	0%	2	-	Set up PFEM funding	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Chuang Yuan Co. Ltd.	Other receivables	US\$ 6,380	US\$ 6,380	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	Receivables from affiliates	US\$ 36,800	US\$ 25,000	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	US\$ 20,000	US\$ 4,000	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Far Eastern Polychem Industries Co., Ltd.	"	US\$ 16,000	US\$ 7,000	2.11%-2.78917%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	Receivables from affiliates	US\$ 28,700	-	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
F.E.D.P. (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	US\$ 18,800	US\$ 14,800	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Far Eastern Resources Development Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	440,000	400,000	1.05%-2.48%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	400,000	1.05%-2.48%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	400,000	1.05%-1.6%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
	Da Ju Fiber Co., Ltd.	"	277,000	148,000	1.05%-1.6%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
	Yuan Ding Investment Co., Ltd.	"	361,000	361,000	1.05%-1.25%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
	Yue Ding Industry Co., Ltd.	"	10,000	10,000	1.05%	2	-	For revolving fund	-	Promissory note	-	873,173 (Note B)	8,731,733 (Note E)
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	Receivables from affiliates	US\$ 29,000	US\$ 26,500	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
	Martens Beers Trading (Shanghai) Co.	"	US\$ 1,800	US\$ 1,800	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	"	US\$ 12,000	US\$ 12,000	0%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Far Eastern Apparel (Suzhou) Ltd.	Sino Belgium (Suzhou) Limited	Receivables from affiliates	US\$ 7,000	-	2.88%	2	-	For revolving fund	-	Promissory note	-	4,625,559 (Note C)	13,876,678 (Note D)
Oriental Petrochemical (Shanghai) Ltd.	Far Easter Industries (Shanghai) Ltd.	Receivables from affiliates	RMB 100,000	-	4.86%	1	RMB 1,540,069	-	-	Promissory note	-	RMB 818,037 (Note F)	RMB 818,037 (Note F)

- Notes:
- Reasons for financing are as follows:
 - Business relationship.
 - For short-term financing.
 - The upper limit is equivalent to 5% of the net value of the financier as of December 31, 2009.
 - The upper limit is equivalent to 5% of the net value of FENC as of December 31, 2009.
 - The upper limit is equivalent to 15% of the net value of FENC as of December 31, 2009.
 - The upper limit is equivalent to 50% of the net value of the financier as of December 31, 2009. If necessary for short-term financing, the upper limit is equivalent to 15%.
 - The maximum total financing providing amount should be the lower of 50% of the Company's net worth of most current audited financial statements or trading amount of both parties.
 - The upper limit is equivalent to 25% of the net value of FENC as of December 31, 2008.
 - The maximum total financing providing amount should be the lower of 50% of FENC's net worth of most current audited financial statement or trading amount of both parties.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Endorsement/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Value of Collateral Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%) (Note O)	Maximum Collateral/Guarantee Amounts Allowable
	Name	Nature of Relationship						
Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 46,255,594 (Note G)	\$ 9,646,300	\$ 9,646,300	\$ -	10	\$ 92,511,188 (Note H)
	Pacific SOGO Department Store Co., Ltd.	(Note C)	46,255,594 (Note G)	280,719	-	-	-	92,511,188 (Note H)
Yuan Ding Investment Co., Ltd.	Pacific SOGO Department Store Co., Ltd.	(Note C)	18,316,280 (Note G)	1,650,000	-	-	-	36,632,559 (Note H)
	Da Ju Fiber Co., Ltd.	(Note B)	18,316,280 (Note G)	144,000	144,000	-	-	36,632,559 (Note H)
	Oriental Resources Development Ltd.	(Note A)	18,316,280 (Note G)	139,000	89,000	-	-	36,632,559 (Note H)
	Far Eastern Apparel Co., Ltd.	(Note A)	18,316,280 (Note G)	135,000	135,000	-	-	36,632,559 (Note H)
	Oriental Textile (Holding) Ltd. (O.T (H))	(Note A)	18,316,280 (Note G)	1,236,900	1,223,980	-	1	36,632,559 (Note H)
	Far Eastern Apparel (Holding) Ltd.	(Note A)	18,316,280 (Note G)	1,063,755	901,880	-	1	36,632,559 (Note H)
	Oriental Industries (Suzhou) Ltd.	(Note A)	18,316,280 (Note G)	1,256,190	1,256,190	-	1	36,632,559 (Note H)
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note P)	46,255,594 (Note O)	US\$ 6,000	US\$ 6,000	-	-	92,511,188 (Note M)
Ding Yuan International Investment Co., Ltd.	Pacific SOGO Department Store Co., Ltd.	(Note C)	46,255,594 (Note K)	37,629	-	-	-	92,511,188 (Note I)
Kai Yuan International Investment Co., Ltd.	Pacific SOGO Department Store Co., Ltd.	(Note C)	46,255,594 (Note K)	37,629	-	-	-	92,511,188 (Note I)
Far Eastern Polychem Industries Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note P)	46,255,594 (Note O)	RMB 510,000	RMB 420,000	-	2	92,511,188 (Note M)
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	46,255,594 (Note O)	US\$ 67,500 US\$ 1,625	US\$ 27,500	-	-	92,511,188 (Note M)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	9,832,410 (Note L)	2,450,600	2,101,000	-	2	9,832,410 (Note L)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	(Note A)	46,255,594 (Note O)	RMB 41,500	-	-	-	92,511,188 (Note M)
Far Eastern General Contractor Ltd.	Far Eastern Construction Co., Ltd.	(Note D)	4,560,939 (Note L)	100,000	-	-	-	4,560,939 (Note L)
An Ho Garment Co., Ltd.	Pacific SOGO Department Store Co., Ltd.	(Note C)	46,255,594 (Note K)	20,313	-	-	-	92,511,188 (Note I)
Yuan Tong Investment Co., Ltd.	Pacific SOGO Department Store Co., Ltd.	(Note C)	46,255,594 (Note K)	37,629	-	-	-	92,511,188 (Note I)
	Sino Belgium (Holding) Limited	(Note A)	46,255,594 (Note K)	1,748,250	1,610,500	-	2	92,511,188 (Note I)
Far EasTone Telecommunications Co., Ltd.	KG Telecommunications Co., Ltd.	(Note A)	35,771,294 (Note G)	450,000	450,000	-	-	71,542,587 (Note H)
	KGEx.com	(Note A)	35,771,294 (Note G)	45,000	45,000	-	-	71,542,587 (Note H)
	Q-Ware Communication Corp.	(Note A)	35,771,294 (Note G)	149,840	149,840	-	-	71,542,587 (Note H)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	46,255,594 (Note O)	RMB 140,400	RMB 110,000	-	1	92,511,188 (Note M)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	RMB 1,413,975 (Note H)	RMB 280,000	RMB 160,000	-	1	RMB 2,827,949 (Note Q)
	Wuhan Far Eastern New Material Ltd.	(Note P)	RMB 1,413,975 (Note H)	RMB 110,000	RMB 110,000	-	1	RMB 2,827,949 (Note Q)
	Everest Textile (Shanghai) Ltd.	(Note P)	RMB 1,413,975 (Note H)	RMB 100,000	RMB 80,000	-	-	RMB 2,827,949 (Note Q)
Oriental Textile (Holding) Ltd. (O.T (H))	Far Eastern Industries (Wuxi) Ltd.	(Note A)	46,255,594 (Note O)	US\$ 30,000	US\$ 3,750	-	1	92,511,188 (Note M)
	Oriental Industries (Suzhou) Ltd.	(Note A)	46,255,594 (Note O)	RMB 425,500	RMB 195,000	-	-	-
				US\$ 93,000	US\$ 69,000	-	3	92,511,188 (Note M)
				RMB 50,000	RMB 50,000	-	-	-

(Continued)

Endorsement/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Value of Collateral Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%) (Note O)	Maximum Collateral/Guarantee Amounts Allowable
	Name	Nature of Relationship						
PET Far Eastern (Holding) Ltd. (Pet F.E. (H))	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note F)	\$ 46,255,594 (Note O)	US\$ 40,226 RMB 122,500	US\$ 28,166	\$ -	1	\$ 92,511,188 (Note M)
Far Eastern Polytex (Holding) Limited	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	46,255,594 (Note O)	RMB 30,400	RMB 30,000	-	-	92,511,188 (Note M)
KG Telecommunications Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note D)	15,286,749 (Note G)	1,240,000	1,240,000	-	1	30,573,498 (Note H)
Far Eastern Resources Development Co., Ltd.	Far Eastern New Century Corp.	(Note D)	46,255,594 (Note K)	12,311,748	10,001,748	9,887,598	11	92,511,188 (Note I)
Far Eastern New Century (China) Investment Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note F)	46,255,594 (Note O)	US\$ 1,217	US\$ 1,217	-	-	92,511,188 (Note M)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	46,255,594 (Note O)	RMB 50,000	RMB 50,000	-	-	92,511,188 (Note M)
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note P)	US\$ 20,777 (Note J)	RMB 100,000	RMB 100,000	-	1	US\$ 20,777 (Note J)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note P)	46,255,594 (Note O)	RMB 30,000	RMB 30,000	-	-	92,511,188 (Note M)

Notes: A. Subsidiary with common stock shares held directly or indirectly equivalent to or above 50%.

B. Equity-method investees.

C. Investee of an equity-method investee.

D. Parent company.

E. The subsidiary 100% owned by the same parent company with direct and indirect votes.

F. The investment relationship is based on guarantee of each stockholder's retention ratio.

G. Collateral/guarantee is equivalent to 50% of the net value of the guarantor as of December 31, 2009.

H. Limit is computed using the net value of the guarantor as of December 31, 2009.

I. Limit is computed using the net value of parent company as of December 31, 2009.

J. Collateral/guarantee is equivalent to 20% of the audited net value of the parent company as of December 31, 2009.

K. Collateral/guarantee is equivalent to 50% of the net value of FENC as of December 31, 2009.

L. Collateral/guarantee is equivalent to 300% of the net value of the guarantor as of December 31, 2009.

M. Collateral/guarantee is equivalent to the net value of Far Eastern New Century Corp. Ltd. as of December 31, 2009

N. The ratio calculation is in accordance with the Regulations Governing Loaning of Funds and Marking of Endorsements/Guarantees by Public Companies.

O. Collateral/guarantee is equivalent to 50% of the net value of Far Eastern as of December 31, 2009.

P. Business relationship.

Q. Collateral/guarantee is equivalent to 200% of the net value of the guarantor as of December 31, 2009.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
 DECEMBER 31, 2009
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Equity method investments	666,632	\$ 12,500,165	22.33	\$ 23,065,492	22,288 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores, Ltd.	(Note A)	Equity method investments	203,659	3,877,699	16.80	7,474,248	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,155,372	9.17	1,890,116	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,540	0.03	880	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	36,155,036	99.7	36,424,157	-
	Far Eastern Resources Development Co., Ltd.	(Note A)	Equity method investments	283,797	15,693,512	100.00	17,463,466	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	7,296,064	100.00	7,296,064	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	1,700	5,238,743	100.00	5,238,743	-
	Far Eastern Polychem Industries Co., Ltd.	(Note A)	Equity method investments	493,631	4,185,668	59.81	4,185,668	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	291,196	4,366,102	100.00	4,366,102	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	337,678	3,875,245	75.56	3,922,249	-
	Far Eastern Polytex (Holding) Limited	(Note A)	Equity method investments	46	3,323,320	100.00	3,323,320	-
	Yuan Ding Co., Ltd.	(Note A)	Equity method investments	186,926	3,180,506	37.13	3,242,218	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	154,372	2,078,321	65.11	2,133,961	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,412,433	100.00	2,423,968	-
	Oriental Securities Co., Ltd.	(Note A)	Equity method investments	140,278	2,066,710	19.65	2,060,391	40,000 thousand shares pledged or mortgaged as collaterals for loans
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	117	1,996,083	49.42	1,996,083	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,537,449	100.00	1,606,426	-
	Pacific Liu Tung Investment Co., Ltd.	(Note A)	Equity method investments	67,500	1,165,944	16.83	1,073,855	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	3,999	128,923	99.99	132,253	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	5,386	28,962	19.00	28,962	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	2,605	26,078	0.10	25,831	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,939	53,667	3.73	62,740	-
Far Eastern International Commercial Bank	(Note C)	Available-for-sale financial assets - noncurrent	60,241	722,890	2.57	722,890	-	
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,614	1,234,120	9.14	1,884,525	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	1,156,375	25.23	809,500	-
	Asia Cement Corporation	(Note A)	Equity method investments	4,135	66,207	0.14	143,056	-
	Far Eastern Department Stores, Ltd.	(Note A)	Equity method investments	4,806	132,492	0.40	176,366	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	23,371,725	32.73	40,692,988	43,145 thousand shares pledged or mortgaged as collaterals for short-term loans
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	90	5,277,067	100.00	5,277,067	-
	Far Eastern Polychem Industries Co., Ltd.	(Note A)	Equity method investments	331,717	2,812,608	40.19	2,812,608	-
	Oriental Securities Co., Ltd.	(Note A)	Equity method investments	185,040	2,831,933	25.93	2,718,878	112,850 thousand shares pledged or mortgaged as collaterals for short-term loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	95	1,934,377	100.00	1,934,377	-
	Liquid Air Far East Glycol Co., Ltd.	(Note A)	Equity method investments	69,115	1,136,367	35.00	1,134,000	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	100,694	1,007,911	3.87	1,006,944	-
	Yuan Ding Co., Ltd.	(Note A)	Equity method investments	64,759	1,099,336	12.86	1,122,944	43,500 thousand shares pledged or mortgaged as collaterals for short-term loans
	Pacific Liu Tung Investment Co., Ltd. (Note G)	(Note A)	Equity method investments	59,827	946,933	14.92	951,985	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,001,832	16.87	1,013,369	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	726,257	100.00	716,293	-
Pacific Petrochemical (Holding) Co., Ltd.	(Note A)	Equity method investments	20	709,848	24.63	709,848	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Leasing Co.	(Note A)	Equity method investments	36,706	\$ 359,363	46.20	\$ 361,001	-
	Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	19,664	356,448	100.00	356,346	-
	Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	513,180	41.86	523,395	-
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	274,931	29.80	274,647	-
	Oriental Resources Development Ltd.	(Note A)	Equity method investments	21,322	130,963	70.32	134,885	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	23,222	258,218	5.20	269,927	-
	Yuan Faun Ltd.	(Note A)	Equity method investments	5,000	104,778	100.00	102,755	-
	Yue Ming Co., Ltd.	(Note A)	Equity method investments	1,280	70,195	45.50	72,226	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	1,205	16,466	1.00	15,203	-
	Far Eastern International Commercial Bank	(Note C)	Financial assets carried at cost	66,716	755,313	3.45	800,592	-
	Yue Yuan Investment Co., Ltd.	(Note D)	Financial assets carried at cost	93,959	677,240	19.05	1,853,803	-
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost	2,985	81,405	5.27	115,215	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,688	56,019	3.54	59,337	-
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost	887	22,493	0.16	46,714	-
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost	1,400	14,000	1.16	21,910	-
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,000	10,000	1.11	8,940	-
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80	14,427	-
	Nan Shan Insurance Co., Ltd.	-	Financial assets carried at cost	5	221	-	816	-
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost	1	10	-	12	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	914	6,597	9.81	2,997	-
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	52,050	0.83	52,050	-
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - current	50	3,250	0.01	3,250	-
	Far Eastern International Commercial Bank	(Note C)	Available-for-sale financial assets - noncurrent	15,239	182,872	0.79	182,872	-
	<u>Under asset management contracts (Note E)</u>							
	DaChan Greatwall Co., Ltd.	-	Financial assets at fair value through profit or loss - current	325	11,440	-	11,440	-
	Liteon Technology Corporation	-	Financial assets at fair value through profit or loss - current	50	2,402	-	2,402	-
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	140	14,000	-	14,000	-
	Compal Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	100	4,435	-	4,435	-
	Acer Inc.	-	Financial assets at fair value through profit or loss - current	50	4,810	-	4,810	-
	Chroma ATE Inc.	-	Financial assets at fair value through profit or loss - current	210	15,267	-	15,267	-
	Ability Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	3,140	-	3,140	-
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	400	15,720	-	15,720	-
	Cathay Financial Holdings	-	Financial assets at fair value through profit or loss - current	250	14,925	-	14,925	-
	Dynapack Corporation	-	Financial assets at fair value through profit or loss - current	50	5,650	-	5,650	-
	Gemted Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	5,780	-	5,780	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	50	4,405	-	4,405	-
	Taiwan Cooperative Bank	-	Financial assets at fair value through profit or loss - current	950	19,095	-	19,095	-
	APCB Inc.	-	Financial assets at fair value through profit or loss - current	200	8,500	-	8,500	-
	Wistron Neweb Corporation	-	Financial assets at fair value through profit or loss - current	200	11,080	-	11,080	-
	DWS Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	1,833	20,478	-	20,478	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern Investment (Holding) Ltd.	F.E.T.G. Investment Autilles N.V.	(Note A)	Equity method investments	6	US\$ 9,678	100.00	US\$ 9,678	-
	Filsyn Corporation	(Note A)	Equity method investments	45,066	US\$ -	21.85	PHP (2,422)	-
	PET F.E. (M) Sdn. Bhd.	(Note A)	Equity method investments	Common stock 5,000 Preferred stock 3,000	US\$ 6,141	50.00	US\$ 6,141	-
	Com2B	(Note A)	Equity method investments	9,000	US\$ 877	20.00	US\$ 877	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 5,122	100.00	US\$ 5,122	-
	Kai Yuang Fund	-	Long-term Investment in stock classified as held for sale	-	US\$ 7,550	-	US\$ 7,550	-
	Opas Fund Segregated Portfolio Company	-	Financial assets carried at cost	34	US\$ 51	34.00	US\$ 51	-
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	2,806	107,182	0.09	97,088	-
	Far Eastern Department Stores, Ltd.	(Note A)	Equity method investments	2,988	56,000	0.25	109,660	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	8,506	74,668	1.81	57,926	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	9,815	206,368	1.22	251,264	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	920	40,361	0.03	35,060	-
	Pacific Liu Tung Investment Co., Ltd. (Note G)	(Note A)	Equity method investments	9,000	137,356	2.24	143,205	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	42	724,196	17.93	724,196	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	9,683	191,516	13.2	182,328	-
	Far Eastern International Commercial Bank	(Note J)	Available-for-sale financial assets - noncurrent	60,899	730,787	3.15	730,786	8,259 thousand shares pledged or mortgaged as collaterals for loans
	Ya Li Transportation Co., Ltd.	-	Financial assets carried at cost	1,000	16,240	10.00	58,099	-
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	11,377	241,143	0.38	393,641	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	100,057	2,612,199	3.07	3,817,176	75,784 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	25,463	468,179	3.16	651,850	-
	Far Eastern Department Stores, Ltd.	(Note A)	Equity method investments	5,496	125,275	0.45	201,719	-
	Kowloon Cement Co., Ltd.	(Note A)	Equity method investments	1,127	380,159	49.00	380,159	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	74,970	1,002,640	16.80	1,009,206	-
	Pacific Liu Tung Investment Co., Ltd. (Note G)	(Note A)	Equity method investments	9,000	137,356	2.24	143,205	-
	Far Eastern International Commercial Bank	(Note J)	Financial assets carried at cost	38,676	531,063	2.00	464,108	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	5,000	67,600	-	67,600	-
	Yi Jinn Industrial Co., Ltd.	-	Available-for-sale financial assets - noncurrent	16,430	137,188	7.30	137,188	-
Far Eastern International Commercial Bank	(Note J)	Available-for-sale financial assets - noncurrent	35,258	423,098	1.82	423,098	-	
Far Eastern Polychem Industries Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	HK\$ 1,384,528	87.03	RMB 1,230,582	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	35	HK\$ 144,965	14.72	US\$ 18,585	-
	FEDP (Holding) Limited	(Note A)	Equity method investments	240	HK\$ 179,719	49.57	US\$ 23,041	-
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	HK\$ 16,941	10.00	-	-
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	119,202	1,451,879	98.95	1,504,349	-
	Asia Cement Corporation	(Note A)	Equity method investments	15,745	396,699	0.53	544,772	-
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	103,336	0.19	103,336	1,152 thousand shares pledged or mortgaged as collaterals for loans
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 14,826	38.46	RMB 101,220	-
	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 25,672	100.00	RMB 175,263	-
Far Eastern Apparel Co., Ltd.	Ming Ding Co., Ltd.	(Note A)	Equity method investments	448	\$ 6,523	44.80	\$ 6,470	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	6	50	0.01	82	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern General Constructor Inc.	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	\$ 48,522	0.09	\$ 48,522	-
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - noncurrent	20,000	108,313	2.00	108,313	-
	Ya Li Precast & Prestressed Concrete Industries Ltd.	(Note I)	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	13,745	-
	Far Eastern Technical Consultants Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	450	3,864	9.00	5,162	-
	89-2 Bond Fund	-	Limited asset	-	3,500	-	3,500	Pledged to NTU as a contracting guarantee
	Invesco ROC Bond Fund	-	Financial assets at fair value through profit or loss - current	13,046	200,001	-	200,001	-
	UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss - current	3,128	50,002	-	50,002	-
	Taishin Lucky Fund	-	Financial assets at fair value through profit or loss - current	9,408	100,001	-	100,001	-
	TLG Solomon Bond Fund	-	Financial assets at fair value through profit or loss - current	6,630	80,004	-	80,004	-
	FSI TC Bond Fund	-	Financial assets at fair value through profit or loss - current	529	90,076	-	90,076	-
	Shin Kong Chi-Shin Fund	-	Financial assets at fair value through profit or loss - current	14,452	214,062	-	214,062	-
	Mega Diamond Bond Fund	-	Financial assets at fair value through profit or loss - current	4,191	50,000	-	50,000	-
	Hua Nan Phoenix Bond Fund	-	Financial assets at fair value through profit or loss - current	5,974	93,058	-	93,058	-
	Hua Nan Kirin Fund	-	Financial assets at fair value through profit or loss - current	9,591	110,015	-	110,015	-
	Capital Income Fund	-	Financial assets at fair value through profit or loss - current	8,629	133,009	-	133,009	-
PAC Well Pool Fund	-	Financial assets at fair value through profit or loss - current	11,554	150,011	-	150,011	-	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity method investments	2	US\$ 9,846	100.00	US\$ 9,846	-
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Equity method investments	90	US\$ (143)	50.00	PHP (6,461)	-
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity method investments	30	US\$ 1,408	37.90	SGD 1,972	-
	Far Eastern International Garments	(Note A)	Equity method investments	59	US\$ (847)	41.00	PHP (38,156)	-
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	0.3	US\$ 4,304	25.00	US\$ -	-
	Filsyn Corporation	-	Financial assets carried at cost	20,513	US\$ -	9.95	PHP (1,103)	-
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	80,172	1,943,414	2.46	3,058,524	44,329 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity method investments	2,760	106,314	0.09	95,496	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	11,494	128,387	15.66	127,940	-
	Pacific Liu Tung Investment Co., Ltd. (Note G)	(Note A)	Equity method investments	4,841	78,841	1.21	77,029	-
	Oriental Securities Co., Ltd.	(Note A)	Equity method investments	5,000	79,363	0.70	73,457	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	5,502	152,569	0.30	109,612	-
	Far Eastern International Commercial Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,165	181,977	0.78	181,978	-
Yuan Faun Ltd.	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	34,868	-
	Far Eastern International Commercial Bank	(Note J)	Available-for-sale financial assets - noncurrent	3,213	38,562	0.17	38,556	-
	Yuan Cheng Human Resources Consultant Co., Ltd.	(Note A)	Equity method investments	278	6,271	55.56	6,271	-
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	200	7,590	0.006	7,630	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note	
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
Yuan Tong Investment Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	312,221	\$ 3,124,930	12.01	\$ 1,008,130	-	
	Pacific Liu Tung Investment Co., Ltd. (Note G)	(Note A)	Equity method investments	9,000	137,356	2.24	143,205	-	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity method investments	112,002	3,056,958	3.44	4,272,876	72,674 thousand shares pledged or mortgaged as collaterals for loans	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	35,048	46,691	9.15	5,152	-	
	Far Eastern Department Stores, Ltd.	(Note A)	Equity method investments	1,685	38,109	0.14	61,840	-	
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	439	9,631	0.05	11,238	-	
	Asia Cement Corporation	(Note A)	Equity method investments	8,531	331,824	0.29	295,173	-	
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	196	599,684	40.33	599,684	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Equity method investments	17	668,259	87.50	668,259	-	
	Far Eastern International Commercial Bank	(Note J)	Available-for-sale financial assets - noncurrent	14,655	175,856	0.76	175,856	-	
	Bockhold N.V	-	Financial assets carried at cost	1	223,533	12.51	61,884	-	
	Bockhold N.V	-	Financial assets carried at cost	-	7,895	-	-	-	
	Bockhold N.V	-	Bond investments with no active market	-	293,454	-	-	-	
	<u>Under asset management contracts (Note E)</u>								
	Chung Hung Steel Corporation	-	Financial assets at fair value through profit or loss - current	1,282	21,666	-	21,666	-	
	Hsin Kuang Steel Co., Ltd.	-	Financial assets at fair value through profit or loss - current	882	30,297	-	30,297	-	
	Nantex Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	252	6,149	-	6,149	-	
	AUO Co., Ltd.	-	Financial assets at fair value through profit or loss - current	234	9,079	-	9,079	-	
	Lelon Electronics Corp.	-	Financial assets at fair value through profit or loss - current	270	4,577	-	4,577	-	
	GoldSun Development & Construction Co., Ltd.	-	Financial assets at fair value through profit or loss - current	452	6,674	-	6,674	-	
	E.Sun Financial Holding Company Ltd.	-	Financial assets at fair value through profit or loss - current	1,926	25,712	-	25,712	-	
	China Trust Financial Holding Company Ltd.	-	Financial assets at fair value through profit or loss - current	1,305	26,035	-	26,035	-	
	First Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,872	37,159	-	37,159	-	
	Asia Vital Components Co., Ltd.	-	Financial assets at fair value through profit or loss - current	198	7,920	-	7,920	-	
	TXC Corporation	-	Financial assets at fair value through profit or loss - current	180	10,602	-	10,602	-	
	Dynapack Corporation	-	Financial assets at fair value through profit or loss - current	144	16,272	-	16,272	-	
	ShenMao Technology Inc.	-	Financial assets at fair value through profit or loss - current	153	10,787	-	10,787	-	
	Young Fast Optoelectronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	135	47,453	-	47,453	-	
	Dynamic Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	270	10,436	-	10,436	-	
	Hu Lane Associate Inc.	-	Financial assets at fair value through profit or loss - current	169	11,796	-	11,796	-	
	Taiwan Sakura Corporation	-	Financial assets at fair value through profit or loss - current	351	5,897	-	5,897	-	
	Thye Ming Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss - current	320	15,296	-	15,296	-	
	Holiday Entertainment Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	2,939	-	2,939	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far EasTone Telecommunications Co., Ltd.	KG Telecommunication Co., Ltd.	(Note A)	Equity method investments	1,332,998	\$ 30,573,498	100.00	\$ 30,573,498	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	691,096	6,000,018	26.59	6,000,018	-
	Arcoa Communication Co., Ltd.	(Note A)	Equity method investments	82,009	1,116,869	61.07	1,116,869	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	157,714	232,803	41.18	232,803	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	161,358	100.00	161,358	-
	E. World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	71,337	85.92	71,337	-
	Ding Ding Integrated Marketing Service Co., Ltd.	(Note A)	Equity method investments	4,725	39,519	15.00	39,519	-
	Q-Ware Communications Co., Ltd.	(Note A)	Equity method investments	36,460	28,440	51.00	28,440	-
	Far EasTron Holding Ltd.	(Note A)	Equity method investments	4,487	26,022	100.00	26,022	-
	Yuan Cing Information Tech Co., Ltd.	(Note A)	Equity method investments	100	993	100.00	993	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	18	174	0.40	174	-
	<u>Open-end mutual funds</u>							
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	52,050	-	52,050	-
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	RMB 350	0.17	RMB 291	-
	Shanghai Yuanzi Information Co., Ltd.	(Note A)	Equity method investments	(Note H)	RMB 100	5.00	RMB 1,856	-
	An Ho Garment (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 2,173	100.00	RMB 1,991	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	RMB 3,700	3.63	RMB 6,204	-
	Shanghai Yuanzi Information Co., Ltd.	(Note A)	Equity method investments	(Note H)	RMB 1,764	95.00	RMB 1,764	-
	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 5,872	100.00	RMB 5,872	-
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 71,285	100.00	RMB 486,662	-
	Oriental Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 87,237	100.00	RMB 595,568	-
PET Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 127,588	53.24	RMB 871,046	-
FEDP (Holding) Limited	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 37,682	100.00	RMB 257,254	-
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 24,079	96.20	RMB 164,405	-
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 23,721	61.54	RMB 161,963	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	49	US\$ 4,774	10.10	US\$ 4,695	-
	Far Eastern (China) Investment Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 50,792	100.00	RMB 352,733	-
KG Telecommunication Co., Ltd.	<u>Stocks</u>							
	KGEX.com Co., Ltd.	(Note A)	Equity method investments	89,088	794,752	79.25	794,752	-
	iScreen Co., Ltd.	(Note A)	Equity method investments	4,000	30,030	40.00	30,030	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	369	3,501	8.16	3,501	-
	Tong Yang Co., Ltd.	-	Available-for-sale financial assets - current	50	2,940	-	2,940	-
	Sanyo Electrics (Taiwan) Co., Ltd.	-	Available-for-sale financial assets - current	200	6,820	-	6,820	-
	Yeun Chyang Industrial Co., Ltd.	-	Available-for-sale financial assets - current	150	4,125	-	4,125	-
	HiWin Technologies Corp.	-	Available-for-sale financial assets - current	140	5,859	-	5,859	-
	Nantex Industry Co., Ltd.	-	Available-for-sale financial assets - current	250	6,100	-	6,100	-
	Chunghwa Telecom Co., Ltd.	-	Available-for-sale financial assets - current	167	9,923	-	9,923	-
Lien Chang Electronic Enterprise Co., Ltd.	-	Available-for-sale financial assets - current	500	12,525	-	12,525	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Highwealth Construction Corp.	-	Available-for-sale financial assets - current	209	\$ 9,884	-	\$ 9,884	-
	China Airlines Ltd.	-	Available-for-sale financial assets - current	750	8,513	-	8,513	-
	Taichung Commercial Bank Co., Ltd.	-	Available-for-sale financial assets - current	300	2,508	-	2,508	-
	E.Sun Financial Holding Company Ltd.	-	Available-for-sale financial assets - current	300	4,005	-	4,005	-
	Elite Semiconductor Memory Technology Inc.	-	Available-for-sale financial assets - current	170	9,622	-	9,622	-
	Asia Vital Components Co., Ltd.	-	Available-for-sale financial assets - current	100	4,000	-	4,000	-
	Chinesegamer International Co., Ltd.	-	Available-for-sale financial assets - current	9	3,816	-	3,816	-
	Ardentec Corp.	-	Available-for-sale financial assets - current	160	3,400	-	3,400	-
	ShenMao Technology Inc.	-	Available-for-sale financial assets - current	150	10,575	-	10,575	-
	Entire Technology Co., Ltd.	-	Available-for-sale financial assets - current	20	4,600	-	4,600	-
	Gemtek Technology Co., Ltd.	-	Available-for-sale financial assets - current	81	4,679	-	4,679	-
	Lite-On Semiconductor Corp.	-	Available-for-sale financial assets - current	500	12,075	-	12,075	-
	Soft-World International Corp.	-	Available-for-sale financial assets - current	50	10,226	-	10,226	-
	Laser Tek Taiwan Co., Ltd.	-	Available-for-sale financial assets - current	150	4,245	-	4,245	-
	Dynamic Electronics Co., Ltd.	-	Available-for-sale financial assets - current	150	5,797	-	5,797	-
	Hu Lane Associate Inc.	-	Available-for-sale financial assets - current	70	4,886	-	4,886	-
	AV Tech Corporation	-	Available-for-sale financial assets - current	35	3,762	-	3,762	-
	Creative Sensor Inc.	-	Available-for-sale financial assets - current	180	4,536	-	4,536	-
	Holiday Entertainment Co., Ltd.	-	Available-for-sale financial assets - current	350	11,427	-	11,427	-
	<u>Open-ended mutual funds</u>							
	PCA Well Pool Fund	-	Available-for-sale financial assets - current	19,276	250,271	-	250,271	-
	Prudential Financial Bond Fund	-	Available-for-sale financial assets - current	16,540	250,337	-	250,337	-
	Hua Nan Phoenix Bond Fund	-	Available-for-sale financial assets - current	16,073	250,352	-	250,352	-
	Deutsche Far Eastern DWS Taiwan Bond Security Investment Trust Fund	-	Available-for-sale financial assets - current	67,799	757,416	-	757,416	-
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	4,766	49,619	-	49,619	-
	Cathay Bond Fund	-	Available-for-sale financial assets - current	1,673	20,007	-	20,007	-
	PCA Global Green Solutions Fund	-	Available-for-sale financial assets - current	1,972	20,001	-	20,001	-
	Opas Fund Segregated Portfolio Tranche B	-	Available-for-sale financial assets - current	10	358,938	-	358,938	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note	
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
Arcoa Communication Co., Ltd.	<u>Private funds</u> Fuh Hwa Value Added Strategy Fund	-	Financial assets carried at cost-noncurrent	14,866	\$ 150,000	-	\$ 150,000	-	
	<u>Bonds</u> 98 ACC 1	-	Held-to-maturity financial assets - noncurrent	-	199,567	-	199,172	-	
	<u>Stocks</u> THI Consultants, Inc.	-	Financial assets carried at cost-noncurrent	1,214	13,729	18.32	13,729	-	
	Chunghwa Int'l Communication Network Co., Ltd.	-	Financial assets carried at cost-noncurrent	2,087	6,714	3.98	6,714	-	
	VIBO Telecom Inc.	-	Financial assets carried at cost-noncurrent	840	8,400	0.04	8,400	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost-noncurrent	161	1,618	0.63	1,618	-	
	<u>Open-ended mutual funds</u> PCA Well Pool Fund	-	Available-for-sale financial assets - current	4,636	60,187	-	60,187	-	
	Prudential Financial Bond Fund	-	Available-for-sale financial assets - current	5,302	80,256	-	80,256	-	
	Capital Income Fund	-	Available-for-sale financial assets - current	1,946	30,000	-	30,000	-	
	Fuh-Hwa Bond Fund	-	Available-for-sale financial assets - current	2,172	30,000	-	30,000	-	
	Fuh-Hwa Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	1,664	20,418	-	20,418	-	
	UPAMC James Bond Fund	-	Available-for-sale financial assets - current	5,020	80,249	-	80,249	-	
	Bond Fund	-	Available-for-sale financial assets - current	4,765	60,063	-	60,063	-	
	<u>Private bonds</u> YDI 98-1	-	Held-to-maturity financial assets - noncurrent	-	10,000	-	10,000	-	
	Far Eastern Info Service (Holding) Ltd.	<u>Share certificates</u> Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 4,427	100.00	US\$ 4,427	-
	Far EasTron Holding Ltd.	<u>Stocks</u> ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	2,734	US\$ 812	60.52	US\$ 812	-
E. World (Holdings) Ltd.	<u>Stocks</u> Yuan Cing Co., Ltd.	(Note A)	Equity method investments	19,350	US\$ 2,334	99.99	US\$ 2,334	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 219,138	12.97	RMB 183,392	-	
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 132,686	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	(Note A)	Equity method investments	(Note H)	US\$ 22,629	100.00	RMB 154,486	-	
	Martens Beers Trading (Shanghai) Co.	(Note A)	Equity method investments	(Note H)	US\$ 606	100.00	RMB (4,435)	-	

(Continued)

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

C. The deputy chairman of investee is the chairman of FENC.

D. Equity-method investee by investee(s) which the Company and its subsidiaries hold 100% of the shares.

E. Under assets management contract, sale in open market by trustee.

F. The chairman is a member of the holding company's board of directors.

G. The holding company opened a trust account in Shanghai Bank on September 26, 2002 to buy equity in Pacific Liu Tung Investment Co., Ltd.

H. Private company.

I. The holding company is a member of the investee's directors of the board.

J. Equity-method investee of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
 YEAR ENDED DECEMBER 31, 2009
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Asia Cement Corporation	Equity-method investments	Open market	-	697,216	\$ 11,522,853	-	\$ -	50,000	\$ 1,581,150	\$ 891,500	\$ 689,650	\$ 1,868,812	666,632	\$ 12,500,165
		Equity-method investments	Stock dividend	-	-	-	19,416	-	-	-	-	-	-	-	-
	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Issuance of stock by cash	-	41	2,900,781	5	330,150	-	-	-	-	92,389	46	3,323,320
	Far Eastern Polychem Industries Co., Ltd.	Equity-method investments	Issuance of stock by cash	-	451,476	4,142,822	42,155	373,364	-	-	-	-	(330,518)	493,631	4,185,668
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Equity-method investments	Open market	-	14,782	284,046	6,350	184,732	17,631	634,407	412,502	221,757	9,931	4,135	66,207
	Asia Cement Corporation	Equity-method investments	Stock dividend	-	-	-	634	-	-	-	-	-	-	-	-
	Oriental Union Chemical Corporation	Equity-method investments	Open market	-	73,373	1,104,978	5,949	90,806	5,708	138,372	92,251	48,623	130,587	73,614	1,234,120
	Da Ju Fiber Co., Ltd.	Equity-method investments	Issuance of stock by cash	-	11,880	263,490	5,302	127,258	-	-	-	-	122,432	17,182	513,180
	Shin Kong Financial Holding Co., Ltd.	Available-for-sale financial assets-current	Open market	-	10,000	76,928	-	-	10,000	109,181	76,929	32,252	-	-	-
Far Eastern Construction Co., Ltd.	Mega Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	25,211	300,000	25,211	300,164	300,000	164	-	-	-
	Sino Pac Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,509	100,000	7,509	100,002	100,000	2	-	-	-
	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,272	100,000	6,272	100,027	100,000	27	-	-	-
	Fubon Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,142	167,000	11,142	167,074	167,000	74	-	-	-
	Hua Nan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,176	174,000	11,176	174,028	174,000	28	-	-	-
	Capital Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	11,030	236,000	11,030	236,009	236,000	9	-	-	-

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern General Constructor Inc.	Invesco ROC Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	13,046	\$ 200,000	-	\$ -	\$ -	\$ -	\$ -	13,046	\$ 200,001
	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	3,128	50,000	-	-	-	-	-	3,128	50,002
	Taishin Lucky Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	9,408	100,000	-	-	-	-	-	9,408	100,001
	TLAM Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,630	80,000	-	-	-	-	-	6,630	80,004
	FTSI Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	992	169,000	463	79,000	78,989	11	-	529	90,076
	Shin Kong Chi-Shin Fun	Financial assets at fair value through profit or loss - current	-	-	-	-	15,127	224,000	675	10,000	9,998	2	-	14,452	214,062
	Mega Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	18,046	215,000	13,855	165,032	165,000	32	-	4,191	50,000
	Hua Nan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,660	228,000	8,686	135,040	134,980	60	-	5,974	93,058
	Hua Nan Kirin Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	20,319	233,000	10,728	123,022	123,000	22	-	9,591	110,015
	Capital Income Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,122	233,000	6,493	100,003	100,000	3	-	8,629	133,009
	PCAF Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,410	200,000	3,856	50,003	50,000	3	-	11,544	150,011
	DFE DWS Taiwan Bond Security Investment Trust Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	17,883	199,500	17,883	199,570	199,500	70	-	-	-
	Fubon Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	13,312	199,500	13,312	199,522	199,500	22	-	-	-
	Shin Kong Chi-Li Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,986	120,000	6,986	120,001	120,000	1	-	-	-
	KGI Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	9,031	100,000	9,031	100,004	100,000	4	-	-	-

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Yuan Tong Investment Co., Ltd.	Bockhold N.V	Bonds investments with no active market	Bockhold N.V	-	-	\$ -	-	\$ 293,454	-	\$ -	\$ -	\$ -	\$ -	-	\$ 293,454
	Bockhold N.V	Financial assets carried at cost	Bockhold N.V	-	-	-	1	223,533	-	-	-	-	-	1	223,533
	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	91,088	2,286,401	20,914	789,519	-	-	-	-	(18,962)	112,002	3,056,958
	Far Eastern Department Stores, Ltd.	Equity-method investments	Open market	-	10,998	208,132	-	-	9,370	287,000	181,798	86,948	11,775	1,685	38,109
			Stock dividend	-	-	-	57	-	-	-	-	-	-	-	-
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Equity-method investments	Hantech Venture Capital Co., Ltd. and Han Yo Investment and Consultant Co., Ltd.	-	980,315	5,490,024	83,051	333,041	372,270 (Note B)	-	-	-	176,953	691,096	6,000,018
Ding Yuan International Investment Co., Ltd.	Oriental Union Chemical Corporation	Equity-method investments	Open market	-	8,587	190,365	6,330	104,173	5,102	121,852	105,360	19,151	17,190	9,815	206,368
Kai Yuan International Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	84,858	2,048,611	15,199	576,390	-	-	-	-	(12,802)	100,057	2,612,199
			Open market	-	16,267	337,688	-	-	11,022	355,165	239,408	98,454	26,995	5,496	125,275
	Far Eastern Department Stores, Ltd.	Equity-method investments	Stock dividend	-	-	-	251	-	-	-	-	-	-	-	-
KG Telecommunication Co., Ltd.	Asia Cement Corporation	Available-for-sale financial assets - current	-	-	3,449	93,081	892	23,516	4,341	159,297	116,597	42,700	-	-	-
	Oriental Union Chemical Corporation	Available-for-sale financial assets - current	-	-	500	6,657	4,850	68,182	5,350	103,252	74,839	28,413	-	-	-
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	Opas Fund Segregated Portfolio Company	-	-	-	10	328,700	-	-	-	-	-	10	328,700
	PCA Well Pool Fund	Available-for-sale financial assets - current	-	-	-	-	19,276	250,000	-	-	-	-	-	19,276	250,000
	Prudential Financial Bond Fund	Available-for-sale financial assets - current	-	-	-	-	16,540	250,000	-	-	-	-	-	16,540	250,000
	Hua Nan Phoenix Bond Fund	Available-for-sale financial assets - current	-	-	-	-	16,073	250,000	-	-	-	-	-	16,073	250,000
	Deutsche Far Eastern Alliance Taiwan Bond Fund	Available-for-sale financial assets - current	-	-	10,000	100,000	-	-	10,000	113,825	100,000	13,825	-	-	-
	JP Mrich Europe bond Fund	Available-for-sale financial assets - current	-	-	20,000	199,956	-	-	20,000	198,295	199,956	(1,661)	-	-	-

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
	Deutsche Far Eastern DWS Taiwan Bond	Available-for-sale financial assets - current	-	-	73,960	\$ 800,000	58,192	\$ 650,000	64,353	\$ 718,828	\$ 700,000	\$ 18,828	\$ -	67,799	\$ 750,000
	98 ACC 1	Held-to-maturity financial assets - noncurrent	Asia Cement Corporation	(Note C)	-	-	-	199,540	-	-	-	-	-	-	199,540

Notes: A. Shares bought-in include portion appropriated of earnings.

B. New Century InfoComm Tech Co., Ltd. sold the holding shares of Far EasTone Telecommunications Co., Ltd. in order to offset the deficit in August 2009.

C. The same chairman.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**REAL ESTATE ACQUIRED AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)**

Company Name	Real Estate	Trading Date	Trading Amount	Payment	Related Party	Nature of Relationship	Information of Previous Transfer Between Related Parties				Price Basis of the Transfer	Purpose or Existing Condition	Other Contract Items
							Owner	Nature of Relationship	Date of Previous Estate Transfer	Trading Amount			
Far Eastern Construction Co., Ltd.	Lot Number 1019 of the Hsin-Ya Section in Banciao, Taipei County	2009.12.23 (Note A)	\$ 2,147,715	The full amount had been paid off by the end of 2009 (Note B)	Far Eastern Resources Development Co., Ltd.	The same parent company	Far Eastern New Century Corp.	The Parent Company	2003.09.02	None	Refer to Appraisal Report provided by Great Eastern Real Estate Appraisers Firm and TeamCan Real Estate Appraisers Firm	Construction development	None

Notes: A. The contract was signed on August 29, 2008 and the ownership had been transferred by December 23, 2009..

B. \$214,771 thousand had been paid in 2008 and the rest of the payment was paid off by 2009.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**REAL ESTATE SOLD AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2009
(In Thousands of New Taiwan Dollars)**

Company Name	Real Estate	Trading Date	Acquiring Date	Trading Amount	Payment Amount	Payment	Gain (Loss)	Related Party	Nature of Relationship	Price Basis of the Transfer	Purpose	Other Contract Items
Far Eastern Resources Development Co., Ltd.	Lot Number 988, 1007 of the Ya-Tong Section in Banciao, Taipei County	2009.03.09	2003.09.02	\$ 167,336	\$ 448,329	The full amount had been paid off by the end of 2009	\$ 331,124 (Note A)	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	The same chairman	A new medical building of Far Eastern Memorial Hospital	Refer to Appraisal Report provided by Great Eastern Real Estate Appraisers Firm and TeamCan Real Estate Appraisers Firm	None
	Lot Number 1019 of the Hsin-Ya Section in Banciao, Taipei County	2009.12.23 (Note B)	2003.09.02	554,010	2,147,715	The full amount had been paid off by the end of 2009 (Note C)	1,745,800 (Note D)	Far Eastern Construction Co., Ltd.	The same parent company	Construction development	Refer to Appraisal Report provided by Great Eastern Real Estate Appraisers Firm and TeamCan Real Estate Appraisers Firm	None

- Note A. The net income of deducting the trading amount \$167,336 thousand and the land value increment tax \$54,205 thousand from the payment amount \$448,329 and reversing the allowance for land value increment tax \$44,581 thousand and the unrealized revaluation increments \$59,755 thousand.
- B. The contract was signed on August 29, 2008 and the ownership had been transferred by December 23, 2009.
- C. \$214,771 thousand had been paid in 2008 and the rest of the payment was paid off by 2009.
- D. The net income of deducting the trading amount \$554,010 thousand and the land value increment tax \$188,960 thousand from the payment amount \$2,147,715 thousand and reversing the allowance for land value increment tax \$146,332 thousand and the unrealized revaluation increments \$194,723 thousand; the income (loss) from side-stream trading had been deferred.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
 YEAR ENDED DECEMBER 31, 2009
 (In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern New Century Corporation	Everest Textile Co., Ltd.	(Note A)	Sale	\$ (192,959)	-	30 to 90 days	\$ -	-	\$ 21,792	4	\$ 16,061	-	
	Oriental Union Chemical Corporation	(Note A)	Purchase	931,735	3	Average 45 days	-	-	-	-	(94,962)	(3)	
	Oriental Resources Development Ltd.	(Note F)	Purchase	155,580	-	30 days	-	-	-	-	-	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note H)	Sale	(288,165)	(1)	45 days	-	-	-	-	80,580	1	
	Far Eastern Apparel (Suzhou) Ltd.	(Note H)	Sale	(131,020)	-	90 days	-	-	-	-	26,778	-	
Far Eastern Polychem Industries Co., Ltd.	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	(Note F)	Purchase	8,250,881	29	45 days	-	-	-	-	(572,155)	(18)	
	Far Eastern Industries (Shanghai) Ltd.	(Note F)	Purchase	5,194,056	88	60 days	-	-	-	-	(1,552,726)	(96)	
	Far Eastern Industries (Shanghai) Ltd.	(Note F)	Sale	(665,525)	(11)	60 days	-	-	-	-	-	-	
Far Eastern Construction Co., Ltd.	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	(Note G)	Purchase	666,948	11	60 days	-	-	-	-	-	-	
	Far Eastern General Constructor Inc.	(Note F)	Purchase	1,442,448	41	30 days	-	-	(194,926)	(99)	-	-	
Far Eastern General Constructor Inc.	Ya Tung Ready Mixed Concrete Co., Ltd.	(Note N)	Purchase	593,662	11	45 days	-	-	(83,266)	(17)	(89,533)	(11)	
	Far Eastern Construction Co., Ltd.	(Note E)	Construction income	(1,432,812)	(25)	60 days	-	-	2,308,339	12	194,926	37	
	Far Eastern Department Stores, Ltd.	(Note O)	Construction income	(220,935)	(4)	30 days	-	-	(Note K) 473,037	2	44,180	8	
	Far Eastern Resources Development Co., Ltd.	(Note G)	Construction income	(178,057)	(3)	60 days	-	-	(Note K) 126,333	1	-	-	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern New Century Corporation	(Note B)	Purchase	131,020	38	90 days	-	-	-	-	(26,778)	(44)	
	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	(Note G)	Purchase	317,283	10	60 days	-	-	-	-	(183,719)	(25)	
Far EastTone Telecommunications Co., Ltd.	KG Telecommunication Co., Ltd.	(Note F)	Operating revenue	(3,128,129)	(6)	For contract	-	-	-	-	438,482	7	
	Arcoa Communication Co., Ltd.	(Note F)	Operating cost	1,073,889	5	For contract	-	-	-	-	(142,806)	(6)	
			Operating commissions, revenue, and service revenue	(315,215)	(1)	For contract	-	-	-	-	203,027	3	
			Purchase and service cost	2,325,811	6	For contract	-	-	-	-	Accounts payable and accrued expense (225,755)	(4)	
	KGEx.com Co., Ltd.	(Note I)	Operating revenue	(198,362)	-	For contract	-	-	-	-	32,649	1	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Operating revenue	(603,718)	(1)	For contract	-	-	-	-	Accounts receivable (Note C)	-	
	Ding Ding Integrated marketing Service Co., Ltd.	(Note A)	Operating cost	532,217	2	For contract	-	-	-	-	Accounts payable and accrued expense (Note C) (206,153)	(4)	
Marketing expense			140,535	2	For contract	-	-	-	-	Accrued expense (63,021)	(2)		

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	
	Far Eastern Tech-info Ltd. (Shanghai)	(Note I)	Operating expense	\$ 144,930	50	For contract	\$ -	-	\$ -	-	Accrued expense \$ (24,755)	(1)
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note L)	Sale	(103,480)	(7)	30 days	-	-	-	-	10,737	7
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	(Note F)	Purchase	273,423	99	60 days	-	-	-	-	(20,025)	(89)
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note G)	Sale	(957,264)	(4)	60 days	-	-	-	-	366,844	10
	Wu Han Far Eastern New Material Ltd.	(Note G)	Purchase	113,969	1	60 days	-	-	-	-	(51,007)	(1)
	Oriental Industries (Suzhou) Ltd.	(Note G)	Purchase	1,729,210	9	60 days	-	-	-	-	(215,214)	(5)
	Oriental Petrochemical (Shanghai) Ltd.	(Note G)	Purchase	8,084,484	41	60 days	-	-	(1,434,764)	(100)	(896,691)	(24)
	Far Eastern Polychem Industries Co., Ltd.	(Note E)	Sale	(5,194,056)	(23)	60 days	-	-	-	-	1,552,726	48
	Far Eastern Polychem Industries Co., Ltd.	(Note E)	Purchase	665,525	3	60 days	-	-	-	-	-	-
	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	(Note G)	Purchase	2,715,896	14	90 days	-	-	-	-	(879,654)	(23)
	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	(Note G)	Sale	(151,843)	(1)	60 days	-	-	-	-	42,716	1
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	806,610	5		-	-	-	-	(56,984)	(1)
	Everest Textile (Shanghai) Ltd.	(Note J)	Purchase	363,693	2	60 days	-	-	-	-	(173,838)	(5)
KG Telecommunication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Operating revenue	(1,073,889)	(14)	For contract	-	-	-	-	Account receivable 142,806	17
			Operating cost	3,128,129	40	For contract	-	-	-	-	-	Account payable (438,482)
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Operating commissions, revenue, and service revenue	(2,325,811)	(44)	For contract	-	-	-	-	Account receivable 225,755	72
			Purchase and service cost	315,215	7	For contract	-	-	-	-	-	Account payable (203,027)
KGEx.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note L)	Operating revenue	(592,431)	(48)	For contract	-	-	-	-	Account receivable 113,439	53
	Far EasTone Telecommunications Co., Ltd.	(Note E)	Operating cost	198,362	15	For contract	-	-	-	-	Account payable (32,649)	(16)
Far Eastern Tech-info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	(Note E)	Service revenue	(144,930)	(93)	For contract	-	-	-	-	Account receivable 24,755	86
Oriental Petrochemical (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	Far Eastern New Century Corporation	(Note B)	Sale	(8,250,881)	36	45 days	-	-	-	-	572,155	14
	Far Eastern Polychem Industries Co., Ltd.	(Note G)	Sale	(666,948)	3	90 days	-	-	-	-	-	-
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(2,715,896)	12	90 days	-	-	-	-	879,654	21
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(113,743)	1	90 days	-	-	-	-	47,850	1
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	3,073,071	82	90 days	-	-	(832,920)	100	(375,746)	(78)
	Oriental Textile (Holding) Ltd.	(Note E)	Sale	(747,733)	(19)	60 days	-	-	-	-	65,321	3
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(1,729,210)	(51)	90 days	-	-	-	-	215,214	39
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note F)	Purchase	747,733	83	90 days	-	-	-	-	(65,321)	(40)
	Far Eastern Industries (Wuxi) Ltd.	(Note F)	Purchase	146,440	17	60 days	-	-	-	-	(97,129)	(60)
Far Eastern Apparel Co., Ltd.	Far Eastern Department Stores, Ltd.	(Note L)	Sale	(181,469)	(14)	45 to 90 days	-	-	-	-	-	-
	Pacific SOGO Department Stores Co., Ltd.	(Note M)	Sale	(157,068)	(12)	45 to 90 days	-	-	-	-	80,364	28

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Resources Development Ltd.	Far Eastern New Century Corp.	(Note B)	Sale	\$ (155,580)	(47)	90 days	\$ -	-	\$ -	-	\$ -	-	
Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	957,264	93	60 days	-	-	-	-	(366,844)	(85)	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(113,969)	(10)	90 days	-	-	-	-	51,007	48	
Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(8,084,484)	(43)	90 to 180 days	-	-	1,434,764	53	896,691	77	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(2,612,270)	(14)	90 to 180 days	-	-	520,210	19	270,327	23	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	(Note G)	Purchase	2,612,270	70	90 days	-	-	(520,210)	100	(270,327)	(44)	
	Oriental Industries (Suzhou) Ltd.	(Note G)	Sale	(3,073,071)	(76)	90 days	-	-	832,920	100	375,746	76	
	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	(Note G)	Purchase	113,743	3	90 days	-	-	-	-	(47,850)	(8)	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(806,610)	(20)	90 days	-	-	-	-	56,984	12	
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	Sale	(146,440)	(6)	60 days	-	-	-	-	97,129	34	
Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	151,843	19	60 days	-	-	-	-	(42,716)	(28)	
	Far Eastern Apparel (Suzhou) Ltd.	(Note G)	Sale	(317,283)	(25)	60 days	-	-	-	-	183,719	30	
	Far Eastern Apparel (Holding) Ltd.	(Note E)	Sale	(273,423)	(21)	60 days	-	-	-	-	20,025	5	

Notes:

- A. Equity-method investee.
- B. Ultimate parent company.
- C. All revenues and costs between Far EastOne and NCIC were settled at full amount except interconnection revenues and costs and were included in payables to related parties, respectively.
- D. Same parent company.
- E. Parent company.
- F. The subsidiary.
- G. Same ultimate parent company.
- H. The investee (equity method) held by FENC's subsidiary (equity method).
- I. The sub-affiliate.
- J. The subsidiary of Everest Textile Co., Ltd.
- K. The advance construction receipts with Far Eastern General Contractor Co., Ltd. received from Far Eastern Department Stores, Ltd. and Far Eastern Construction Co., Ltd.
- L. The investee of the parent company applying equity method.
- M. The subsidiary of Pacific Liu Tung Investment Co., Ltd.
- N. The subsidiary of Asia Cement Corporation.
- O. The chairman is the chairman of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK

YEAR ENDED DECEMBER 31, 2009

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Far EasTone Telecommunications Co., Ltd.	KG Telecommunication Co., Ltd.	(Note E)	\$ 449,328	(Note B)	\$ -	-	\$ 449,328	\$ -
	Arcoa Communication Co., Ltd.	(Note E)	205,974	8.01	-	-	137,616	-
	New Century InfoComm Tech Co., Ltd.	(Note H)	161,962	(Note B)	-	-	64,982	-
KG Telecommunication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note F)	1,192,570	(Note C)	-	-	1,192,570	-
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note F)	225,755	12.64	-	-	186,186	-
KG Ex.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note J)	113,439	7.86	-	-	55,373	-
Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	Far Eastern New Century Corporation	(Note F)	572,155	14.28	-	-	572,155	-
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	879,654	6.17	-	-	879,654	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note D)	366,844	1.74	-	-	-	-
	Far Eastern Polychem Industries Co., Ltd.	(Note F)	1,552,726	3.03	-	-	-	-
	Everest Textile (Shanghai) Ltd.	(Note K)	115,232	3.41	-	-	-	-
Oriental Petrochemicals (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	2,331,455	11.83	-	-	2,331,455	-
	Far Eastern Industries (Suzhou) Ltd.	(Note D)	790,537	11.68	-	-	790,537	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note D)	1,208,666	8.50	-	-	1,208,666	-
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	215,214	2.07	-	-	-	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Co., Ltd.	(Note D)	222,417	(Note G)	-	-	-	-
Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note D)	183,719	64.00	-	-	-	-
Far Eastern General Constructor Inc.	Far Eastern Construction Co., Ltd.	(Note F)	194,926	(Note L)	-	-	-	-

(Continued)

Note A: Receivables from financing provided weren't included in Schedule M, and please refer to Schedule D.

Note B: The turnover rate is unavailable because the receivables from related parties were mainly from the advances in operating expenses for KG Telecommunication Co., Ltd. and New Century InfoComm Tech Co., Ltd.

Note C: The turnover rate is unavailable because the receivable of telecommunication bills is mainly handled by Far Eastone Telecommunications Co., Ltd.

Note D: Same ultimate parent company.

Note E: The subsidiary.

Note F: The parent company.

Note G: The turnover rate is not calculated as the amount is an expense Far Eastern Investment (Holding) Ltd. paid for Far Eastern Polychem Industries Co., Ltd.

Note H: The investee evaluated by equity method.

Note I: KG Telecom will be merged by Far Eastone Telecom on January 1, 2010, so accounts receivable will be eliminated.

Note J: The investee evaluated by equity method.

Note K: The subsidiary of Everest Textile Co., Ltd.

Note L: The turnover rate is not calculated because the income of Far Eastern General Constructor Inc. is recognized by "Percentage-of-completion method" and "Completed-contract method".

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
 YEAR ENDED DECEMBER 31, 2009
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,857,181	666,632	22.33	\$ 12,500,165	\$ 7,885,009	\$ 1,440,960	Gain or loss recognized under the treasury stock method
	Far Eastern Department Stores, Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	203,659	16.80	3,877,699	1,932,776	324,706	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	9.17	1,155,372	1,434,703	129,725	Including write off by upstream transactions \$1,837
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,540	6,135	2	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,539	1,828,323	99.70	36,155,036	3,882,827	3,851,592	Including write off by side-stream transactions \$19,587
	Far Eastern Resources Development Co., Ltd.	Taipei, Taiwan	Real estate Investment	14,931,733	14,931,733	283,797	100.00	15,693,512	2,263,926	518,125	Including write off by side-stream transactions \$1,745,801
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,296,064	156,952	156,952	
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	5,238,743	6,753	6,753	
	Far Eastern Polychem Industries Co., Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	4,306,228	3,932,864	493,631	59.81	4,185,668	(351,796)	(210,249)	Including write off by side-stream transactions \$5,539
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	291,196	100.00	4,366,102	517,921	517,921	
	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	337,678	75.56	3,875,245	707,058	470,174	Including write off by upstream transactions \$37,857 and including write off by side-stream transactions \$26,222
	Far Eastern Polytex (Holding) Limited	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,654,452	46	100.00	3,323,320	241,957	232,106	Including write off by side-stream transactions \$9,851
	Yuan Ding Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	37.13	3,180,506	156,920	58,265	
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	65.11	2,078,321	275,768	179,553	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,412,433	324,746	313,151	Including write off by side-stream transactions \$11,595
	Oriental Securities Co., Ltd.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	2,066,710	1,056,378	207,578	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	1,509,008	1,509,008	117	49.42	1,966,083	1,242,597	582,132	Including write off by side-stream transactions \$31,959
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Garment production	1,023	1,023	66,346	100.00	1,537,449	253,887	253,887	
	Pacific Liu Tung Investment Co., Ltd.	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,165,944	1,113,445	187,393	
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	128,923	2,411	2,411	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	19.00	28,962	(118,737)	(22,560)		
New Century Information Communication Co., Ltd.	Taipei, Taiwan	Telecommunications	40,560	40,560	2,605	0.10	26,078	6,078	6		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	81,967	310,065	4,135	0.14	66,207	7,885,009	37,982	Gain or loss recognized under the treasury stock method, including discount amortization of \$2,528
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,371,725	9,230,107	3,021,014	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,156,375	6,135	1,538	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,132,851	1,129,885	73,614	9.14	1,234,120	1,434,703	138,056	Including discount amortization of \$468
	Far Eastern Department Stores, Ltd.	Taipei, Taiwan	Department store operations	123,123	36,892	4,806	0.40	132,492	1,932,776	4,832	
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,861,253	5,861,253	90	100.00	5,277,067	(399,500)	(399,500)	
	Far Eastern Polychem Industries Co., Ltd.	Clarendon House, Hamilton HM11, Bermuda	Investment	1,620,452	1,620,452	331,717	40.19	2,812,608	(351,796)	(147,086)	
	Oriental Securities Co., Ltd.	Taipei, Taiwan	Broker	253,359	252,031	185,040	25.93	2,831,933	1,056,378	274,512	Including discount amortization of \$593
	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	1,858,657	1,858,657	95	100.00	1,934,377	85,231	85,231	
	Liquid Air Far East Co., Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,778	69,115	35.00	1,136,367	440,547	154,191	
New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	1,549,473	1,549,473	100,694	3.87	1,007,911	6,078	235		
Yuan Ding Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,099,336	156,920	20,180		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	\$ 796,491	\$ 796,491	59,827	14.92	\$ 946,933	\$ 1,113,445	\$ 166,126	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing of real estate and movable property, etc.	1,012,057	916,865	75,269	16.87	1,001,832	123,489	20,549	
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	726,257	6,243	6,243	
	Pacific Petrochemical (Holding) Co., Ltd.	P.O. Box 3140 Tortola British Virgin Islands	Investment	681,000	681,000	20	24.63	709,848	903,820	222,611	
	Yuan Ding Leasing Co.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	359,363	15,195	7,020	
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	19,664	100.00	356,448	51,766	51,766	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	136,532	17,182	41.86	513,180	409	171	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	274,931	171,462	51,096	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	130,963	(24,711)	(17,377)	
	Oriental Petrochemicals (Taiwan) Co., Ltd. (the former "INVISTA Far Eastern Petrochemicals Co., Ltd.")	Taoyuan, Taiwan	PTA production and sale	-	-	23,222	5.20	258,218	707,058	38,405	Including discount amortization of \$1,638
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	104,778	329	329	
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	70,195	1,472	670	
	Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,205	1.00	16,466	145,264	1,479	Including discount amortization of \$26
Far Eastern Investment (Holding) Ltd.	F.E.T.G. Investment Antilles N.V.	Kaya W.F.G. Mensing 14, Curacao, Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	US\$ 9,678	US\$ 3,497	-	
	Filsyn Corporation	Unit 8, 5B Pearlbank Centre 146 Valero St. Makati City 1227, Philippines	Polychemical products	PESO225,324	PESO225,324	45,066	21.85	US\$ -	US\$ (10,701)	-	
	PET F.E. (M) Sdn Bhd.	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note A)	50.00	US\$ 6,141	US\$ 2,917	-	
	Com 2B Far Eastern Apparel (Vietnam) Ltd.	Cayman Islands 11 VSIP Street 4, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	E-business Clothing production	US\$ 3,375 US\$ 6,000	US\$ 3,375 US\$ 6,000	9,000 (Note B)	20.00 100.00	US\$ 877 US\$ 5,122	US\$ (139) US\$ 621	- -	
Ding Yuan International Investment Co., Ltd.	Far Eastern Department Stores, Ltd.	Taipei, Taiwan	Department store operations	34,795	38,179	2,988	0.25	56,000	1,932,776	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	146,283	146,283	8,506	1.81	74,668	6,135	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	200,463	200,473	9,815	1.22	206,368	1,434,703	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	26,509	920	0.03	40,361	9,230,107	-	
	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	137,356	1,113,445	-	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	795,762	795,762	42	17.93	724,196	1,242,597	-	
	Yue Ding Industry Co., Ltd. Asia Cement Corporation	Taipei, Taiwan Taipei, Taiwan	Department store operations Cement production	95,624 100,711	4,424 79,989	9,683 2,806	13.20 0.09	191,516 107,182	11,161 7,885,009	- -	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	151,277	151,277	11,377	0.38	241,143	7,885,009	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,135,682	1,559,293	100,057	3.07	2,612,199	9,230,107	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	569,344	569,344	25,463	3.16	468,179	1,434,703	-	
	Far Eastern Department Stores, Ltd.	Taipei, Taiwan	Department store operations	133,316	372,724	5,497	0.45	125,275	1,932,776	-	
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	380,159	14,474	-	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	931,673	74,970	16.80	1,002,640	123,489	-	
	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	137,356	1,113,445	-	
Far Eastern Polychem Industries Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Chemical fiber production	HK\$ 604,500	HK\$ 604,500	(Note B)	87.03	HK\$1,384,528	RMB 61,263	-	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	14.72	HK\$ 144,965	US\$ 37,608	-	
	FEDP (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 179,719	US\$ (4,655)	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc. Asia Cement Corporation	Taipei, Taiwan Taipei, Taiwan	Construction Cement production	\$ 271,587 216,959	\$ 271,587 216,959	119,202 15,745	98.95 0.53	\$ 1,451,879 396,699	\$ 145,264 7,885,009	\$ - -	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	China China	Garment production Dyeing and finishing	US\$ 10,000 US\$ 20,000	US\$ 10,000 US\$ 20,000	(Note B) (Note B)	38.46 100.00	US\$ 14,826 US\$ 25,672	RMB 30,572 RMB 14,644	- -	
Far Eastern Apparel Co., Ltd.	Ming Ding Co. Yue Ding Industry Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Underwear selling Department store operations	2,174 29	2,174 29	448 6	44.80 0.01	6,523 50	118 11,161	- -	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Leidesplein 9, 1017 PS Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 9,846	US\$ 3,506	-	
Waldorf Services B.V.	Cemtex Apparel Inc.	#100 Marc Alvarez Ave. Talon Las Pinas City Filipino	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	US\$ (143)	US\$ (98)	-	
	Malaysia Garment Manufactures Pte. Ltd.	No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.90	US\$ 1,408	US\$ (2,052)	-	
	Far Eastern International Garments	Bldg. #5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	US\$ 290	59	41.00	US\$ (847)	PESO (1,550)	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,943,414	9,230,107	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	99,925	99,925	2,760	0.09	106,314	7,885,009	-	
	Oriental Securities Co., Ltd.	Taipei, Taiwan	Broker	86,200	86,200	5,000	0.70	79,363	1,056,378	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	11,494	15.66	128,387	11,161	-	
	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	78,841	1,113,445	-	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	152,569	3,882,827	-	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan	Personnel recruitment	6,271	4,222	278	55.56	6,271	3,925	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	7,588	-	200	0.006	7,590	9,230,107	-	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	137,356	1,113,445	-	
	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	4,794,137	4,794,137	312,221	12.01	3,124,930	6,078	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,458,607	1,669,088	112,002	3.44	3,056,958	9,230,107	-	
	Far Eastern Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	350,476	350,476	35,048	9.15	46,691	(400,580)	-	
	Far Eastern Department Stores, Ltd.	Taipei, Taiwan	Department store operations	34,245	230,298	1,685	0.14	38,109	1,932,776	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Chemical materials production	9,543	9,543	439	0.05	9,631	1,434,703	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	310,806	297,092	8,531	0.29	331,824	7,885,009	-	
	FEDP (Holding) Ltd.	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	810,739	810,739	196	40.33	599,684	(153,817)	-	
	Sino Belgium (Holding) Ltd.	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,086,142	1,086,142	17	87.50	668,259	(410,844)	-	
Far EasTone Telecommunications Co., Ltd.	KG Telecommunication Co., Ltd.	Taiwan	Type I telecommunications services	29,629,139	29,629,139	1,332,998	100.00	30,573,498	(1,094,787)	-	
	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I and II telecommunications services	6,395,041	6,062,000	691,096	26.59	6,000,018	6,078	-	
	Arcoa Communication Co., Ltd.	Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,295,035	1,283,563	82,009	61.07	1,116,869	108,387	-	
	Far Eastern Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	1,577,140	1,577,140	157,714	41.18	232,803	(400,580)	-	
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	161,358	11,308	-	
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	71,337	4,900	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	90,000	45,000	4,725	15.00	39,519	(54,785)	-	
	Q-Ware Communications Inc.	Taiwan	Type II Telecommunications services	495,855	495,855	36,460	51.00	28,440	(230,617)	-	
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	26,022	447	-	
	Yuan Cing Infocomm Tech Co., Ltd.	Taiwan	Sale of communication products	1,000	-	100	100.00	993	(7)	-	
	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet service	1,000	1,000	18	0.40	174	1,065	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	China	PTA production and sale	US\$ 105,055	US\$ 105,055	(Note B)	53.24	US\$ 127,588	RMB 499,961	\$ -	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuan Zi Information Co., Ltd.	China	Garment production and sales	RMB 6,650	RMB 6,650	(Note B)	3.63	RMB 3,700	RMB 3,634	-	
		China	Software development, equipment maintenance and consulting	RMB 1,900	RMB 1,900	(Note B)	95.00	RMB 1,764	RMB 4	-	
	China	Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	RMB 5,000	RMB 5,000	(Note B)	100.00	RMB 5,872	RMB 529	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China	Fiber and textile production	US\$ 59,960	US\$ 59,960	(Note B)	100.00	US\$ 71,285	RMB 7,127	-	
		China	Textile production	US\$ 138,000	US\$ 138,000	(Note B)	100.00	US\$ 87,237	RMB (77,781)	-	
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuan Zi Information Co., Ltd.	China	Garment production and sales	RMB 350	RMB 350	(Note B)	0.17	RMB 350	RMB 3,634	-	
		China	Software development, equipment maintenance and consulting	RMB 100	RMB 100	(Note B)	5.00	RMB 100	RMB 4	-	
	China	An Ho Garment (Suzhou) Ltd.	Garment production	RMB 1,000	RMB 1,000	(Note B)	100.00	RMB 2,173	RMB 486	-	
FEDP (Holding) Limited	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 37,682	RMB (30,241)	-	
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	China	Garment production and sales	US\$ 22,000	US\$ 12,000	(Note B)	96.20	US\$ 24,079	RMB 3,634	-	
		China	Garment production	US\$ 16,000	US\$ 16,000	(Note B)	61.54	US\$ 23,721	RMB 30,572	-	
	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	US\$ 6,408	US\$ 6,408	49	10.10	US\$ 4,774	US\$ (4,655)	-		
	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 50,792	RMB (86)	-	
KG Telecommunications Co., Ltd.	KGEx.com Co., Ltd. iScreen ADCast Interactive Marketing Co., Ltd.	Taiwan	Type II telecommunications services	2,355,649	2,355,649	89,088	79.25	794,752	(121,296)	-	
		Taiwan	Information and software services	100,000	100,000	4,000	40.00	30,030	3,161	-	
		Taiwan	Internet service	3,652	3,652	369	8.16	3,501	1,065	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	China	Information services, software, and internet	US\$ 2,500	US\$ 2,500	-	100.00	US\$ 4,427	11,624	-	
Far EasTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet services	US\$ 4,532	US\$ 4,532	2,734	60.52	US\$ 812	1,065	-	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	99.99	US\$ 2,334	5,378	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd.	China	Fiber and silk production	RMB 219,138	RMB 219,138	(Note B)	12.97	RMB 219,138	RMB (61,263)	-	
		China	PTA production and sale	RMB 115,232	RMB 115,232	(Note B)	8.11	RMB 115,232	RMB 499,961	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beer Trading (Shanghai) Co., Ltd.	China	Brewer	US\$ 30,000	US\$ 30,000	(Note B)	100.00	US\$ 22,629	RMB (49,150)	-	
		China	Beer sale	US\$ 3,633	US\$ -	(Note B)	100.00	US\$ 606	RMB (20,137)	-	

Notes:

- A. This included 5,000 thousand common shares and 3,000 thousand preferred shares.
- B. This is a private company.
- C. The investor company opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire equity in Pacific Liu Tung Investment Co., Ltd.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2009

(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Far Eastern Industries (Shanghai) Ltd. (FEIS)	Manufacture and distribution of PET staple, PET filament, Polyester top, PET performs, draw textured yarn, spinning yarn, knit fabric, woven fabric, knit garments and woven garments.	\$ 8,364,363 (RMB 1,801,888)	\$ 2,726,116 793,920 (Note D)	\$ 373,364 (Note L)	\$ -	\$ 3,099,480 793,920 (Note D)	100.00%	\$ (293,084)	\$ 6,563,670	\$ 853,493 (Note C)
Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Manufacture and distribution of knit garments, woven garments, non-knit garments, non-woven garments and accessories.	949,647 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	100.00%	146,257	1,221,694	-
Far Eastern Industries (Wuxi) Ltd. (FEIW)	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabric, greige woven fabric, print woven fabric, piece dyed woven fabric, bleached woven fabric.	2,234,986 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	100.00%	34,096	2,259,083	-
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Manufacture and distribution of PTA and it's by-product.	6,971,678 (RMB 1,501,870)	1,657,304 1,375,680 (Note E)	-	-	1,657,304 1,375,680 (Note E)	51.80%	1,238,960	3,934,032	-
Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing & finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	768,451 (RMB 165,543)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	100.00%	70,059	813,569	-
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,830,664 (RMB 394,370)	422,978 666,026 (Note K)	-	-	422,978 666,026 (Note K)	100.00%	(144,673)	1,194,174	-
Wu Han Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, FET sheets, PET performs and garments and it's by-product.	794,003 (RMB 171,048)	393,960	330,150	-	724,110	100.00%	17,383	793,314	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	\$ 3,653,626 (RMB 787,080)	\$ 3,421,559 (Note D)	\$ -	\$ -	\$ 3,421,559 (Note D)	100.00%	\$ (372,103)	\$ 2,764,626	\$ -
Far Eastern Industries (Jiujiang) Ltd. (Note M)	Manufacture of cotton yarns, natural fibers and chemical fibers and it's by-product.	-	258,880 (Note D)	-	-	258,880 (Note D)	100.00%	(6)	-	-
Far Eastern New Century (China) Investment Ltd.	Investment	1,692,195 (RMB 364,540)	1,577,040	-	-	1,577,040	100.00%	(411)	1,637,386	-
Sino Belgium (Suzhou) Limited	Brewer	1,014,182 (RMB 218,480)	962,577 (Note J)	-	-	962,577 (Note J)	87.5%	(210,633)	627,485	-
Martens Beer Trading (Shanghai) Co., Ltd.	Beer sales	161,050 (RMB 25,000)	-	123,565 (Note J)	-	123,565 (Note J)	87.5%	(82,776)	17,613	-
Far Eastern Tech-info Ltd. (Shanghai) (Note F)	Service of software, data processing, information provider and information integration system service.	79,975 (US\$ 2,500)	92,616 (Note G)	-	-	92,616 (Note G)	41.736%	4,851	59,107 (US\$ 1,848)	-

Accumulated Investment in Mainland China as of December 31, 2009	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$253,349 (Note H)	US\$328,058 (Note I)	(Note N)

Notes:

- A. Recognition of gains/loss was based on the investee's audited financial statements.
- B. Recognition of the investment amount was based on the investee's audited financial statements.
- C. This was the amount of cash dividends received by the Company and Yuan Ding Investment over the years from FEPI.
- D. The amount was remitted by the Company's subsidiary, Yuan Ding Investments.
- E. The amount was remitted by the Company's subsidiaries, Yuan Ding Investments and Ding Yuan International Investment.
- F. Far EasTone's subsidiary.
- G. The amount was remitted by the Company's subsidiary, Far EasTone Telecommunications Co., Ltd.

(Continued)

- H. It was the actual amount remitted to Mainland China by FENC.
- I. Investment amounts authorized by the Investment Commission under the Ministry of Economic Affairs.
- J. The amount was remitted by the Company's subsidiary, Yuan Tong Investment Corporation.
- K. The amount was remitted by the by the Company's subsidiary, Yuan Ding Investment and Yuan Tong Investment.
- L. The Company has been approved by the Ministry of Economic Affairs to invest FEIS through FEPI will start the investment in February of 2010.
- M. The liquidation of Far Eastern Industries (Jiujiang) Ltd. had been done by December 2009 and all money had been returned to the stockholders.
- N. The Company was allowed to invest in Mainland China without the restriction of maximum amount according to MOEA Approval Letter No. 09701098660.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE

YEAR ENDED DECEMBER 31, 2009

(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Co., Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Co., Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Co., Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Co., Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Co., Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Co., Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Co., Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Co., Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Co., Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Co., Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Co., Ltd.	4,800	4,800			
	Far Eastern New Century Corporation	2009.09.18	No. 09800283970	Far Eastern Polychem Industries Co., Ltd.	12,000	12,000			
	Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000		
Yuan Ding Investment Co., Ltd.		2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
Far Eastern New Century Corporation		2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Limited	11,000	11,000			
Far Eastern New Century Corporation		2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Limited	5,000	5,000			
Far Eastern Industries (Wuxi) Ltd. (FEIW)	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Yuan Ding Investment Co., Ltd.	2003.11.04	No. 092028575	Pacific Petrochemical (Holding) Co., Ltd.	\$ 20,000	\$ 20,000			
	Ding Yuan International Investment Co., Ltd.	2003.02.26	No. 091039560	PET Far Eastern (Holding) Ltd.	20,000	20,000			
	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Co., Ltd.	1,228				\$ 1,228
	Far Eastern New Century Corporation	2009.11.17	No. 09800408170	PET Far Eastern (Holding) Ltd. Far Eastern Investment (Holding) Ltd.	10,755				10,755
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	HSBC International Trustee Ltd. (B.V.) Pacific Petrochemical (Holding) Ltd. (B.V.) Far Eastern Polychem Industries Co., Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd. PET Far Eastern (Holding) Ltd.	49,500	49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Co., Ltd. PET Far Eastern (Holding) Ltd.	4,800	4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern Spinning Wearing and Dyeing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000		
Yuan Ding Investment Co., Ltd.		2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Co., Ltd. FEDP	9,352				9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Co., Ltd.	1,569			1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDP Far Eastern Polychem Industries Co., Ltd.	713				713
	Far Eastern New Century Corporation	2007.3.13	No. 09600059830	FEDP Far Eastern Polytex (Holding) Limited	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	FEDP Far Eastern Polychem Industries Co., Ltd.	4,524	4,524			
	Yuan Tong Investment Co., Ltd.	2007.07.11	No. 09600243260	FEDP FEDP	20,000	20,000			
	Far Eastern New Century Corporation.	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Co., Ltd. FEDP	4,800	4,800			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Oriental Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	\$ 19,800	\$ 19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
Far Eastern Industries (Jiujiang) Ltd. (Note D)	Yuan Ding Investment Co., Ltd.	2006.03.03	No. 09500033740	Oriental Textile (Holding) Ltd.	8,000	8,000			
Wu Han Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Limited	12,000	12,000			
	Far Eastern New Century Corporation	2009.6.29	No. 09800135640	Far Eastern Polytex (Holding) Limited	10,000	10,000			
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Limited	48,000	48,000			
Sino Belgium (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Limited	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Limited	12,000	12,000			
Martens Beer Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Limited	3,800	3,800			
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,700	2,700			

Notes:

- A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000,000 in Far Eastern Industries (Shanghai) Ltd. and US\$16,000,000 in Oriental Petrochemical (Shanghai) Ltd.
- B. The document of No. 092035971 has been eliminated and renewed to the document of No. 09800408170.
- C. The document of No. 092035970 has been eliminated and renewed to the document of No. 09800408160 and then claimed NT\$1,561 thousand.
- D. The liquidation of Far Eastern Industries (Jinjiang) Ltd. had been done by December of 2009 and all money had been returned to the stockholders.
- E. The document of No. 091039560 has been eliminated after submitting the investment execution information to MOEA. Please refer to Note 32.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
0	2009 Far Eastern New Century Corporation	Oriental Resources Development Ltd.	1	Cost of goods sold	\$ (155,580)	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Process expenses	(161,386)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Cost of goods sold	(8,250,881)	Based on agreement	1
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Accounts payable	(572,155)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Sales	131,020	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Process expenses	(910,245)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Accounts receivable	26,778	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Payment in advance	379,504	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Accrued expense - outsourced process	(73,092)	Based on agreement	-
		1	Far Eastern Polychem Industries Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	(1,610,002)
Far Eastern Investment (Holding) Ltd.	3			Accounts payable	(222,417)	Based on agreement	-
Far Eastern Investment (Holding) Ltd.	3			Interest expenses	(40,054)	Based on agreement	-
Far Eastern Industries (Suzhou) Limited	3			Other receivables	321,828	Based on agreement	-
Oriental Petrochemical (Taiwan) Co., Ltd.	3			Cost of goods sold	(666,948)	Based on agreement	-
Oriental Textile (Holding) Ltd.	3			Other payables	(224,219)	Based on agreement	-
Oriental Textile (Holding) Ltd.	3			Interest expenses	(3,076)	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Sales	665,525	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Cost of goods sold	(5,194,056)	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Accounts payable	(1,552,726)	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Other receivables	2,220,613	Based on agreement	-
2	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Other receivables	1,610,002	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	40,054	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	222,417	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other receivables	387,349	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Interest revenue	3,583	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	11,530	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	748,961	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other receivables	85,516	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	12,023	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Other receivables	79,975	Based on agreement	-
		Waldorf Services B.V.	3	Other receivables	25,592	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Other receivables	220,161	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest revenue	4,355	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		F.E.T.G. Investment (Antilles) N.V.	3	Other receivables	\$ 201,541	Based on agreement	-
		F.E.T.G. Investment (Antilles) N.V.	3	Interest revenue	7,975	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other payables	(403,287)	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest expenses	(10,712)	Based on agreement	-
3	An Ho Garment Co., Ltd.	Far Eastern Resources Development Co.	3	Other payables	(400,000)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(2,954)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest expenses	(72)	Based on agreement	-
		Ding Yuan International Investment Corp.	3	Interest expenses	(1,041)	Based on agreement	-
4	Far Eastern Apparel (Suzhou) Limited	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Accounts payable	(183,719)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	(317,283)	Based on agreement	-
		Far Eastern New Century Corporation	3	Sales	2,095,328	Based on agreement	-
		Far Eastern New Century Corporation	3	Cost of goods sold	(1,316,103)	Based on agreement	-
		Far Eastern New Century Corporation	3	Accounts receivable	193,875	Based on agreement	-
		Far Eastern New Century Corporation	3	Accounts payable	(527,065)	Based on agreement	-
5	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(8,084,484)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	(896,691)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	(1,434,764)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts payable	(51,007)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	957,264	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	366,844	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(113,969)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	(56,984)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(806,610)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(2,715,896)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	(879,654)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts payable	(215,214)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Cost of goods sold	(1,729,210)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Sales	151,843	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	(665,525)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	5,194,056	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	1,552,726	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	(2,220,613)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(12,023)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(85,516)	Based on agreement	-
7	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	(220,161)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(4,355)	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
8	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	\$ (366,844)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	51,007	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(957,264)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	113,969	Based on agreement	-
		Far Eastern Polytex (Holding) Ltd.	3	Other payables	(383,880)	Based on agreement	-
9	Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	8,084,484	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	896,691	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	1,434,764	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts receivable	270,327	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Notes receivable	520,210	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Sales	2,612,270	Based on agreement	-
10	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	Far Eastern Apparel (Suzhou) Limited	3	Accounts receivable	183,719	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	3	Sales	317,283	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(151,843)	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	273,423	Based on agreement	-
11	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(3,073,071)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	(375,746)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Notes payable	(832,920)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	215,214	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,729,210	Based on agreement	-
12	Far Eastern Industries (Suzhou) Limited	Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	(270,327)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(2,612,270)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	(520,210)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	3,073,071	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	375,746	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Notes receivable	832,920	Based on agreement	-
		F.E.D.P. (H) Ltd.	3	Other payables	(473,452)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	(321,828)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	56,984	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	806,610	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(113,743)	Based on agreement	-
13	Far Eastern Apparel (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other receivables	403,287	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	10,712	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	(273,423)	Based on agreement	-
14	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	(748,961)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(11,530)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest expenses	(896)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	224,219	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	3,076	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
15	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	\$ 155,580	Based on agreement	-
16	Sino Belgium (Suzhou) Limited	Sino Belgium (Holding) Ltd.	3	Other payables	(847,735)	Based on agreement	-
17	Ding Yuan International Investment Corp.	An Ho Garment Co., Ltd. Yuan Tong Investment Corp. Yuan Tong Investment Corp.	3 3 3	Interest revenue Other receivables Interest revenue	1,041 90,000 27	Based on agreement Based on agreement Based on agreement	- - -
18	F.E.D.P. (H) Ltd.	Far Eastern Industries (Suzhou) Limited	3	Other receivables	473,452	Based on agreement	-
19	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd. An Ho Garment Co., Ltd. An Ho Garment Co., Ltd. Yuan Tong Investment Corp. Yuan Tong Investment Corp. Kai Yuan International Investment Co., Ltd. Kai Yuan International Investment Co., Ltd.	3 3 3 3 3 3 3 3	Other receivables Interest revenue Other receivables Interest revenue Other receivables Interest revenue Other receivables Interest revenue	361,000 1,606 400,000 2,954 400,000 489 400,000 584	Based on agreement Based on agreement	- - - - - - - -
20	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Limited Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd.	3 2 2 3 3 3	Sales Sales Accounts receivable Sales Accounts receivable Sales	113,743 8,250,881 572,155 2,715,896 879,654 666,948	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- 1 - - - -
21	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern New Century Corporation	3 2	Other payables Sales	(79,975) 161,386	Based on agreement Based on agreement	- -
22	Martens Beers Trading (Shanghai) Co., Ltd.	Sino Belgium (Holding) Ltd.	3	Other payables	(575,820)	Based on agreement	-
23	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co. Far Eastern Resources Development Co. Oriental Textile (Holding) Ltd. An Ho Garment Co., Ltd. Yuan Tong Investment Corp.	3 3 3 3 3	Other payables Interest expenses Interest revenue Interest revenue Interest revenue	(361,000) (1,606) 896 72 366	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - -
24	F.E.T.G. Investment (Antilles) N.V.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Waldorf Services B.V. Waldorf Services B.V.	3 3 3 3	Interest expenses Other payables Interest revenue Other receivables	(7,975) (201,541) 8,074 205,188	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
25	Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunication Co., Ltd.	3	Sales - other	66,771	Based on agreement	-
26	Far EasTone Telecommunication Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	3	Operating expense - other	(66,771)	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
27	Yuan Tong Investment Corp.	Far Eastern Resources Development Co.	3	Other payables	\$ (400,000)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(489)	Based on agreement	-
		Ding Yuan International Investment Corp.	3	Other payables	(90,000)	Based on agreement	-
		Ding Yuan International Investment Corp.	3	Interest expenses	(27)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest expenses	(366)	Based on agreement	-
28	Waldorf Services B.V.	F.E.T.G. Investment (Antilles) N.V.	3	Interest expenses	(8,074)	Based on agreement	-
		F.E.T.G. Investment (Antilles) N.V.	3	Other payables	(205,188)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(25,592)	Based on agreement	-
29	Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd.	3	Other receivables	383,880	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(387,349)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(3,583)	Based on agreement	-
30	Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	3	Other receivables	847,735	Based on agreement	-
		Martens Beers Trading (Shanghai) Co., Ltd.	3	Other receivables	575,820	Based on agreement	-
31	Kai Yuan International Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Other payables	(400,000)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(584)	Based on agreement	-

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
0	Far Eastern New Century Corporation	Far Eastern Apparel (Suzhou) Limited	1	Accounts receivable	\$ (68,722)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Accounts payable	123,623	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Process expenses	(596,316)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Sales	241,320	Based on agreement	-
		Oriental Resources Development Ltd.	1	Accounts payable	28,880	Based on agreement	-
		Oriental Resources Development Ltd.	1	Cost of goods sold	(173,025)	Based on agreement	-
		Far Eastern Apparel Co., Ltd.	1	Cost of goods sold	(52,534)	Based on agreement	-
		Far Eastern Apparel Co., Ltd.	1	Other expenses	(10,168)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Sales	15,415	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	1	Interest revenue	39,920	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Sales	104,448	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Accounts receivable	(33,007)	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Process expenses	(111,422)	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Sales	11,911	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	1	Notes receivable	(12,318)	Based on agreement	-
		Far Eastern Resources Development Co.	1	Operating expense - rent expense	(33,040)	Based on agreement	-
		Far Eastern Resources Development Co.	1	Other expenses	(40,936)	Based on agreement	-
		Far Eastern Resources Development Co.	1	Accounts receivable	(22,239)	Based on agreement	-
Oriental Petrochemical (Taiwan) Co., Ltd.	1	Cost of goods sold	(1,430,351)	Based on agreement	-		

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Accounts payable	\$ 19,575	Based on agreement	-
		Oriental Textile (Holding) Ltd.	1	Interest revenue	11,996	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	1	Cost of goods sold	(18,339)	Based on agreement	-
		Yuan Cheng Human Resources Consultant Corp.	1	Cost of goods sold	(17,732)	Based on agreement	-
1	Yuan Ding Investment Co., Ltd.	An Ho Garment Co., Ltd.	3	Interest revenue	5,386	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	(16,000)	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest revenue	2,421	Based on agreement	-
2	Far Eastern Polychem Industries Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	1,640,000	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Accounts payable	170,405	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(14,858)	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	(15,415)	Based on agreement	-
		Far Eastern New Century Corporation	2	Interest expenses	(39,920)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Other receivables	(328,000)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(546,277)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	321,203	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other payables	524,800	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest expenses	(6,713)	Based on agreement	-
3	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Accounts receivable	(170,405)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	(1,640,000)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	14,858	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Accounts receivable	(25,028)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	(205,000)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	9,520	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Accounts receivable	(42,009)	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other receivables	(656,000)	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	6,161	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Other receivables	(188,239)	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Interest revenue	9,666	Based on agreement	-
		F.E.T.G. Investment Antilles N.V.	3	Other receivables	(373,822)	Based on agreement	-
		F.E.T.G. Investment Antilles N.V.	3	Interest revenue	19,780	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other payables	524,800	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Interest expenses	(1,611)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Interest revenue	8,756	Based on agreement	-
4	An Ho Garment Co., Ltd.	Yuan Ding Investment Co., Ltd.	3	Interest expenses	(5,386)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Other payables	16,000	Based on agreement	-
		Ding Yuan International Investment Corp.	3	Other payables	100,000	Based on agreement	-
		Ding Yuan International Investment Corp.	3	Interest expenses	(2,856)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Other payables	440,000	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(14,313)	Based on agreement	-
5	Yuan Tong Investment Corp.	F.E.D.P. (H) Ltd.	3	Interest revenue	7,974	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest expenses	(2,421)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(321)	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
6	Far EasTone Telecommunication Co., Ltd.	Far Eastern Resources Development Co.	3	Operating expense - rent expense	\$ (45,266)	Based on agreement	-
7	Far Eastern Apparel (Suzhou) Limited	Far Eastern New Century Corporation	2	Accounts payable	68,722	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	(123,623)	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	(241,320)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	596,316	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Accounts payable	76,799	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	(279,292)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Notes payable	13,885	Based on agreement	-
8	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	465,387	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	1,148,381	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	(193,288)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(7,604,058)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	878,246	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(160,497)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	121,496	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(98,239)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Other payables	478,800	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Interest expenses	(490)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts payable	274,040	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Cost of goods sold	(1,122,997)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Accounts receivable	(19,015)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Sales	123,344	Based on agreement	-
9	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Other receivables	(941,360)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Accounts payable	42,009	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(6,161)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	656,000	Based on agreement	-
10	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	188,239	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(9,666)	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts payable	33,007	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	(104,448)	Based on agreement	-
11	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	193,288	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(878,246)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	160,497	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
12	Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	\$ (465,387)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	(1,148,381)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Other receivables	(478,800)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Interest revenue	490	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts receivable	(175,187)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Notes receivable	(208,851)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Sales	2,017,136	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Ltd.	3	Accounts receivable	(42,326)	Based on agreement	-
		Shanghai Far Eastern Petrochemical Logistic Ltd.	3	Cost of goods sold	(26,790)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	7,604,058	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other payables	941,360	Based on agreement	-
		13	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	Far Eastern Apparel (Suzhou) Limited	3	Accounts receivable	(76,799)
Far Eastern Apparel (Suzhou) Limited	3			Notes receivable	(13,885)	Based on agreement	-
Far Eastern Apparel (Suzhou) Limited	3			Sales	279,292	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Accounts payable	19,015	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Cost of goods sold	(123,344)	Based on agreement	-
14	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(3,840,950)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	255,106	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	(274,040)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,122,997	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	18,339	Based on agreement	-
15	Far Eastern Industries (Suzhou) Limited	Oriental Industries (Suzhou) Ltd.	3	Sales	3,840,950	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	175,187	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(2,017,136)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	208,851	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	(272,852)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(257,772)	Based on agreement	-
		F.E.D.P. (H) Ltd.	3	Other payables	485,440	Based on agreement	-
		F.E.D.P. (H) Ltd.	3	Cost of goods sold	(220,313)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	328,000	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	(121,496)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	98,239	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(8,756)	Based on agreement	-
16	F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	3	Interest revenue	19,996	Based on agreement	-
		Waldorf Services B.V.	3	Other receivables	(377,823)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	373,822	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(19,780)	Based on agreement	-
17	Waldorf Services B.V.	F.E.T.G. Investment Antilles N.V.	3	Interest expenses	(19,996)	Based on agreement	-
		F.E.T.G. Investment Antilles N.V.	3	Other payables	377,823	Based on agreement	-
18	Far Eastern Apparel (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other receivables	(524,800)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest revenue	1,611	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
19	Shanghai Far Eastern Petrochemical Logistic Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	\$ 42,326	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Sales	26,790	Based on agreement	-
20	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Other payables	205,000	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(9,520)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Accounts payable	25,028	Based on agreement	-
		Far Eastern New Century Corporation	2	Interest expenses	(11,996)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	(524,800)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	6,713	Based on agreement	-
21	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	(28,880)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	173,025	Based on agreement	-
22	Sino Belgium (Suzhou) Limited	Sino Belgium (Holding) Ltd.	3	Other payables	951,200	Based on agreement	-
23	Ding Yuan International Investment Corp.	An Ho Garment Co., Ltd.	3	Other receivables	(100,000)	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	2,856	Based on agreement	-
24	F.E.D.P. (H) Ltd.	Far Eastern Industries (Suzhou) Limited	3	Other receivables	(485,440)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Sales	220,313	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest expenses	(7,974)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(35,119)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	22,275	Based on agreement	-
25	Far Eastern Apparel Co., Ltd.	Far Eastern New Century Corporation	2	Sales	62,702	Based on agreement	-
26	Far Eastern General Contractor Inc.	Far Eastern Resources Development Co.	3	Accounts receivable	(16,574)	Based on agreement	-
27	Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	3	Other receivables	(951,200)	Based on agreement	-
28	Far Eastern Resources Development Co.	Far Eastern General Contractor Inc.	3	Accounts payable	16,574	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	33,040	Based on agreement	-
		Far Eastern New Century Corporation	2	Other revenues	40,936	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts payable	22,239	Based on agreement	-
		Far Eastone Telecommunication Co., Ltd.	3	Sales	45,266	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	(440,000)	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	14,313	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest revenue	321	Based on agreement	-
29	Fu Kwok Garment Manufacturing Co., Ltd.	Far Eastern New Century Corporation	2	Cost of goods sold	(11,911)	Based on agreement	-
		Far Eastern New Century Corporation	2	Notes payable	12,318	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Cost of goods sold	(10,111)	Based on agreement	-

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
30	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Limited	3	Sales	\$ 257,772	Based on agreement	-
		F.E.D.P. (H) Ltd.	3	Sales	35,119	Based on agreement	-
		F.E.D.P. (H) Ltd.	3	Accounts receivable	(22,275)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	1,430,351	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	(19,575)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	546,277	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	(321,203)	Based on agreement	-
31	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	111,422	Based on agreement	-
		Fu Kwok Garment Manufacturing Co., Ltd.	3	Sales	10,111	Based on agreement	-
32	Yuan Cheng Human Resources Consultant Corp.	Far Eastern New Century Corporation	2	Sales	17,732	Based on agreement	-

Note A: The numbers of column:

- a. The Company: 0.
- b. Subsidiaries are started at 1 consecutively.

Note B: The relationship:

1. From the Company to subsidiary.
2. From the subsidiary to the Company.
3. Between subsidiaries.

Note C: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of December 31, 2008; while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2009.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INDUSTRY SEGMENT INFORMATION
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)

Industry Information	2009								2008							
	Polyester	Spinning, Weaving and Dyeing	Real Estate Development	Investment	Tele- communications	Construction	Adjustment and Eliminations	Total (Note A)	Polyester	Spinning, Weaving and Dyeing	Real Estate Development	Investment	Tele- communications	Construction	Adjustment and Eliminations	Total (Note A)
Sales from outside companies	\$ 79,777,541	\$ 18,052,088	\$ 387,465	\$ 1,549,493	\$ 60,912,666	\$ 6,294,114	\$ -	\$ 166,973,367	\$ 85,176,282	\$ 17,032,074	\$ 384,585	\$ 3,077,251	\$ 63,218,425	\$ 4,111,131	\$ -	\$ 172,999,748
Intracompany sales (Note B)	<u>37,000,999</u>	<u>3,375,497</u>	<u>79,157</u>	-	-	<u>178,057</u>	<u>(40,633,680)</u>	-	<u>22,041,434</u>	<u>577,346</u>	<u>82,679</u>	-	<u>6,054</u>	-	<u>(22,707,513)</u>	-
Total revenue	<u>\$ 116,778,540</u>	<u>\$ 21,427,585</u>	<u>\$ 466,592</u>	<u>\$ 1,549,493</u>	<u>\$ 60,912,666</u>	<u>\$ 6,472,171</u>	<u>\$ (40,633,680)</u>	<u>\$ 166,973,367</u>	<u>\$ 107,217,716</u>	<u>\$ 17,609,420</u>	<u>\$ 467,264</u>	<u>\$ 3,077,251</u>	<u>\$ 63,224,479</u>	<u>\$ 4,111,131</u>	<u>\$ (22,707,513)</u>	<u>\$ 172,999,748</u>
Segment operating income (Note C)	<u>\$ 3,921,971</u>	<u>\$ 742,615</u>	<u>\$ 246,679</u>	<u>\$ 1,532,113</u>	<u>\$ 12,209,710</u>	<u>\$ 493,833</u>	<u>\$ -</u>	\$ 19,146,921	<u>\$ 903,065</u>	<u>\$ 484,490</u>	<u>\$ 224,804</u>	<u>\$ 1,885,011</u>	<u>\$ 14,297,135</u>	<u>\$ 206,474</u>	<u>\$ -</u>	\$ 18,000,979
Equity in net income of investees								3,921,059								(168,042)
General income, net								1,708,025								3,239,383
Interest expense								(1,449,745)								(2,791,776)
General expenses (Note D)								<u>(5,240,076)</u>								<u>(5,090,451)</u>
Income before income tax								<u>\$ 18,086,184</u>								<u>\$ 13,190,093</u>
Identifiable assets (Note E)	<u>\$ 67,879,652</u>	<u>\$ 22,193,626</u>	<u>\$ 22,113,457</u>	<u>\$ 4,375,090</u>	<u>\$ 82,536,716</u>	<u>\$ 8,722,826</u>	<u>\$ -</u>	\$ 207,821,367	<u>\$ 79,258,587</u>	<u>\$ 19,934,281</u>	<u>\$ 21,917,013</u>	<u>\$ 3,556,777</u>	<u>\$ 84,788,175</u>	<u>\$ 5,281,015</u>	<u>\$ -</u>	\$ 214,735,848
Long-term stock investments								49,975,648								48,681,533
General assets								<u>9,622,652</u>								<u>7,404,557</u>
Total assets								<u>\$ 267,419,667</u>								<u>\$ 270,821,938</u>
Depreciation expense	<u>\$ 4,383,166</u>	<u>\$ 575,534</u>	<u>\$ 33,770</u>	<u>\$ -</u>	<u>\$ 10,934,347</u>	<u>\$ 5,114</u>			<u>\$ 3,646,187</u>	<u>\$ 429,959</u>	<u>\$ 32,135</u>	<u>\$ -</u>	<u>\$ 11,133,754</u>	<u>\$ 4,926</u>		
Capital expenditures	<u>\$ 2,433,515</u>	<u>\$ 371,158</u>	<u>\$ 713,592</u>	<u>\$ 889,566</u>	<u>\$ 6,853,288</u>	<u>\$ 3,334</u>			<u>\$ 3,735,160</u>	<u>\$ 878,982</u>	<u>\$ 667,105</u>	<u>\$ 1,988,674</u>	<u>\$ 7,198,774</u>	<u>\$ -</u>		

Note A: The Far Eastern New Century Corporation and subsidiaries operate principally in five segments: Polyester, spinning, weaving and dyeing and apparels; real estate development; investment; telecommunications; and construction.

Note B: Inter-division revenue from goods and services.

Note C: Represents revenue minus costs and operating expenses. Operating expenses include costs and expenses directly pertaining to an industry segment, i.e., excluding general, administrative and interest expenses.

Note D: Represents general, administrative and sales expenses that cannot be allocated to each division.

Note E: Represents tangible assets and intangible assets used by the industry segment, excluding:

- Assets maintained for general corporate purposes;
- Advances or loans to another industry segment; and
- Long-term stock investments under the equity method.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**SEGMENT INFORMATION BY REGION
YEARS ENDED DECEMBER 31, 2009 AND 2008
(In Thousands of New Taiwan Dollars)**

Industry Information	2009				2008					
	R.O.C.	P.R.C.	Other Oversea Areas	Adjustment and Eliminations	Total (Note A)	R.O.C.	P.R.C.	Other Oversea Areas	Adjustment and Eliminations	Total (Note A)
Sales from outside companies	\$ 121,376,502	\$ 42,498,049	\$ 3,098,816	\$ -	\$ 166,973,367	\$ 123,999,317	\$ 44,979,917	\$ 4,020,514	\$ -	\$ 172,999,748
Sales from the group (Note B)	<u>17,400,296</u>	<u>23,064,463</u>	<u>168,921</u>	<u>(40,633,680)</u>	<u>-</u>	<u>5,368,063</u>	<u>17,131,878</u>	<u>207,572</u>	<u>(22,707,513)</u>	<u>-</u>
Total revenue	<u>\$ 138,776,798</u>	<u>\$ 65,562,512</u>	<u>\$ 3,267,737</u>	<u>\$ (40,633,680)</u>	<u>\$ 166,973,367</u>	<u>\$ 129,367,380</u>	<u>\$ 62,111,795</u>	<u>\$ 4,228,086</u>	<u>\$ (22,707,513)</u>	<u>\$ 172,999,748</u>
Segment operating income (Note C)	<u>\$ 16,764,594</u>	<u>\$ 2,440,174</u>	<u>\$ (57,847)</u>	<u>\$ -</u>	\$ 19,146,921	<u>\$ 17,956,492</u>	<u>\$ (423,431)</u>	<u>\$ 467,918</u>	<u>\$ -</u>	\$ 18,000,979
Equity in net income of investees					3,921,059					(168,042)
General income, net					1,708,025					3,239,383
Interest expense					(1,449,745)					(2,791,776)
General expenses (Note D)					<u>(5,240,076)</u>					<u>(5,090,451)</u>
Income before income tax					<u>\$ 18,086,184</u>					<u>\$ 13,190,093</u>
Identifiable assets (Note E)	<u>\$ 156,211,264</u>	<u>\$ 47,868,856</u>	<u>\$ 3,741,247</u>	<u>\$ -</u>	\$ 207,821,367	<u>\$ 155,766,207</u>	<u>\$ 55,056,986</u>	<u>\$ 3,912,655</u>	<u>\$ -</u>	\$ 214,735,848
Long-term stock investments					49,975,648					48,681,533
General assets					<u>9,622,652</u>					<u>7,404,557</u>
Total assets					<u>\$ 267,419,667</u>					<u>\$ 270,821,938</u>
Depreciation expense	<u>\$ 13,551,135</u>	<u>\$ 2,265,632</u>	<u>\$ 115,164</u>			<u>\$ 13,686,344</u>	<u>\$ 1,471,831</u>	<u>\$ 88,786</u>		
Capital expenditures	<u>\$ 9,783,731</u>	<u>\$ 1,156,822</u>	<u>\$ 323,900</u>			<u>\$ 11,265,762</u>	<u>\$ 2,961,071</u>	<u>\$ 241,862</u>		

Note A: The Far Eastern New Century Corporation and subsidiaries operate principally in three regions: R.O.C., P.R.C. and other oversea areas.

Note B: The group's revenue from goods and services.

Note C: Represents revenue minus costs and operating expenses. Operating expenses include costs and expenses directly pertaining to an industry segment, i.e., excluding general, administrative and interest expenses.

Note D: Represents general, administrative and sales expenses that cannot be allocated to each division.

Note E: Represents tangible assets and intangible assets used by the industry segment, excluding:

- a. Assets maintained for general corporate purposes;
- b. Advances or loans to another industry segment; and
- c. Long-term stock investments under the equity method.