

**Far Eastern New Century Corporation and
Subsidiaries**

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

**Consolidated Financial Statements for the
Years Ended December 31, 2010 and 2009 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, 2010 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, 2010. 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 1, 2011

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 (the "Company", formerly Far Eastern Textile Ltd.) and subsidiaries as of December 31, 2010 and 2009 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 1.09% (NT\$3,215,645 thousand) and 0.62% (NT\$1,665,591 thousand) of the consolidated total assets as of December 31, 2010 and 2009, respectively. Their total net operating revenues were 1.34% (NT\$2,685, 636 thousand) and 1.17% (NT\$1,945,364 thousand) of the consolidated net operating revenues in 2010 and 2009, 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 0.61% (NT\$1,784,692 thousand) and 0.63% (NT\$1,679,783 thousand) of the consolidated total assets as of December 31, 2010 and 2009, respectively. The Company's equity in their net income was 1.26% (NT\$289,108 thousand) and 0.95% (NT\$172,676 thousand) of the consolidated income before income tax in 2010 and 2009, 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, 2010 and 2009 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 basic earnings per share after income tax in 2009.

Note 33 (j) 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 1, 2011

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. and Subsidiaries)

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2010		2009		LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 5)	\$ 26,256,123	9	\$ 21,141,998	8	Short-term bank loans (Notes 19 and 32)	\$ 28,633,677	10	\$ 24,146,138	9
Financial assets at fair value through profit or loss - current (Notes 2 and 6)	2,709,920	1	1,791,338	1	Short-term bills payable (Notes 20 and 32)	7,202,696	2	5,099,750	2
Hedging derivative financial assets-current (Note 2)	78,670	-	2,750	-	Financial liabilities at fair value through profit or loss - current (Notes 2 and 6)	4,461	-	20,750	-
Available-for-sale financial assets - current (Notes 2, 7 and 32)	3,373,540	1	2,815,770	1	Notes and accounts payable (Note 25)	17,255,682	6	11,343,768	4
Notes and accounts receivable, net (Notes 2 and 25)	25,686,050	9	21,805,366	8	Notes and accounts payable to affiliates (Notes 25 and 31)	1,542,707	1	995,579	-
Notes and accounts receivable from affiliates (Notes 2, 25 and 31)	1,270,516	-	1,264,013	1	Income tax payable (Notes 2 and 27)	2,047,274	1	1,398,249	1
Inventories, net (Notes 2, 4 and 9)	15,269,752	5	12,073,494	5	Accrued expenses (Note 31)	9,594,968	3	7,360,097	3
Available-for-sale - buildings and land, net (Notes 2 and 25)	30,339	-	30,339	-	Guarantee deposits received - current	680,067	-	561,727	-
Available for construction - land (Notes 2, 10, 25 and 32)	620,013	-	620,013	-	Payables for acquisition of properties	2,247,024	1	1,696,017	1
Construction-in-progress (net of billings on construction-in-progress) (Notes 2, 11, 25, 31 and 32)	8,282,288	3	5,137,539	2	Advance sales receipts	919,381	-	706,034	-
Other receivables	1,362,134	1	1,030,483	-	Advances on real estate receipts (Notes 2, 11 and 25)	1,339,041	-	988,818	-
Long-term equity investments classified as held for sale (Note 12)	-	-	241,519	-	Unearned revenue (Note 2 and 21)	1,982,833	1	1,207,211	-
Noncurrent assets classified as held for sale (Note 15)	152,825	-	-	-	Billings on construction-in-progress (net of construction-in-progress) (Notes 2, 22, 25, 31 and 32)	896,083	-	291,098	-
Deferred income tax assets - current (Notes 2 and 27)	444,381	-	606,274	-	Current portion of long-term liabilities (Notes 23 and 32)	4,995,272	2	11,961,296	5
Restricted assets (Notes 21, 25 and 32)	2,866,448	1	1,902,048	1	Deferred income tax liabilities - current (Notes 2 and 27)	943	-	-	-
Prepayments and other current assets (Notes 2, 11, 25 and 32)	4,740,998	2	3,399,888	1	Other current liabilities (Note 2 and 24)	1,601,179	1	2,184,488	1
Total current assets	93,143,997	32	73,862,832	28	Total current liabilities	80,943,288	28	69,961,020	26
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 12, 13, 14 and 32)					LONG-TERM LIABILITIES, NET OF CURRENT PORTION (Notes 2, 23, 31 and 32)				
Investments accounted for by the equity method	41,526,716	14	49,975,648	19	Long-term debt	32,870,100	11	35,999,796	13
Available-for-sale financial assets - noncurrent	4,394,149	1	2,593,229	1	Bonds payable	19,196,052	7	9,788,724	4
Held-to-maturity financial assets - noncurrent	199,666	-	199,567	-	Total long-term liabilities	52,066,152	18	45,788,520	17
Financial assets carried at cost - noncurrent	1,568,046	1	2,974,623	1	RESERVE FOR LAND VALUE INCREMENT TAX (Note 15)	6,299,417	2	6,310,976	2
Bond investments with no active market - noncurrent	258,903	-	293,454	-	OTHER LIABILITIES				
Total funds and investments	47,947,480	16	56,036,521	21	Accrued pension cost (Notes 2 and 30)	1,889,590	1	1,731,977	1
PROPERTIES (Notes 2, 15, 28, and 32)					Guarantee deposits received - noncurrent	335,750	-	470,784	-
Cost					Deferred income tax liabilities - noncurrent (Notes 2 and 27)	210,053	-	365,109	-
Land	11,040,497	4	5,138,368	2	Deferred income (Notes 2, 15 and 31)	971,124	-	1,024,856	1
Buildings	20,709,951	7	17,883,353	7	Miscellaneous (Note 2, 13 and 24)	944,104	-	623,764	-
Machinery and equipment	96,101,572	33	96,050,173	36	Total other liabilities	4,350,621	1	4,216,490	2
Telecommunication equipment	133,462,358	45	110,140,318	41	Total liabilities	143,659,478	49	126,277,006	47
Computer equipment	21,793,166	7	17,335,723	6	STOCKHOLDERS' EQUITY OF PARENT COMPANY				
Leasehold improvements	3,053,315	1	1,998,292	1	Capital stock - NT\$10.00 par value				
Operating and miscellaneous equipment	8,309,984	3	6,480,949	2	Authorized - 4,950,000 thousand shares				
Total cost	294,470,843	100	255,027,176	95	Issued and outstanding - 4,754,580 thousand shares in 2010 and 4,661,353 thousand shares in 2009	47,545,799	16	46,613,529	18
Revaluation increment	19,009,809	7	19,023,754	7	Capital surplus				
Total cost and revaluation increment	313,480,652	107	274,050,930	102	Premium on capital stock	932,814	1	932,814	-
Less: Accumulated depreciation	193,523,179	66	166,779,427	62	From long-term equity-method investments	9,287,645	3	9,240,917	4
Accumulated impairment	5,770,370	2	2,591,582	1	Others	7,672	-	7,672	-
Construction in progress and prepayments for equipment	114,187,103	39	104,679,921	39	Total capital surplus	10,228,131	4	10,181,403	4
Net properties	126,537,583	43	111,483,905	42	Retained earnings				
INTANGIBLE ASSETS					Legal reserve	9,413,371	3	8,602,110	3
Deferred pension cost (Notes 2 and 30)	55,852	-	17,061	-	Special reserve	3,034,766	1	3,034,766	1
Goodwill (Notes 2 and 16)	11,871,100	4	11,721,599	4	Unappropriated earnings	14,842,096	5	9,672,105	4
3G license fee (Notes 1, 2 and 17)	5,845,651	2	6,576,358	3	Total retained earnings	27,290,233	9	21,308,981	8
Land use rights, net (Notes 2, 28 and 32)	1,348,528	1	1,108,875	-	Other stockholders' equity				
Other intangible assets (Notes 2, 16 and 28)	634,207	-	88,813	-	Unrealized gains on financial instruments	5,370,206	2	3,276,309	1
Total intangible assets	19,755,338	7	19,512,706	7	Cumulative translation adjustments	(492,626)	-	2,490,010	1
OTHER ASSETS					Unrealized revaluation increment	8,705,127	3	8,721,219	3
Nonoperating properties, net (Notes 2, 15 and 32)	3,479,498	1	3,718,091	2	Unrecognized loss on pension cost	(98,259)	-	(80,263)	-
Deferred income tax assets, net (Notes 2 and 27)	670,183	-	1,012,370	-	Total other stockholders' equity	13,484,448	5	14,407,275	5
Refundable deposits (Notes 25 and 31)	538,387	-	471,180	-	Total stockholders' equity of parent company	98,548,611	34	92,511,188	35
Deferred charges, net (Notes 2 and 28)	807,308	1	636,370	-	MINORITY INTEREST	51,499,413	17	48,996,582	18
Restricted assets (Note 32)	422,409	-	423,003	-	Total stockholders' equity	150,048,024	51	141,507,770	53
Farmland (Note 18)	276,661	-	276,661	-	TOTAL	\$ 293,707,502	100	\$ 267,784,776	100
Miscellaneous (Notes 2, 30 and 31)	128,658	-	351,137	-					
Total other assets	6,323,104	2	6,888,812	2					

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

(With Deloitte & Touche audit report dated March 1, 2011)

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

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2010		2009	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 31)				
Net sales	\$ 130,574,982	65	\$ 102,976,116	62
Telecommunications service income	56,525,310	28	54,362,420	32
Gain on sale of investments, net (Note 12)	449,838	-	1,549,493	1
Construction revenues, net	10,679,889	6	6,289,737	4
Other operating revenues	<u>1,974,209</u>	<u>1</u>	<u>1,795,601</u>	<u>1</u>
Total operating revenues	<u>200,204,228</u>	<u>100</u>	<u>166,973,367</u>	<u>100</u>
OPERATING COSTS (Notes 2, 4, 9, 28 and 31)				
Cost of goods sold	115,707,765	58	94,094,317	56
Cost of telecommunications services	28,035,060	14	27,027,541	16
Construction cost	7,429,871	3	5,691,470	4
Other operating cost	<u>1,596,860</u>	<u>1</u>	<u>1,166,689</u>	<u>1</u>
Total operating costs	<u>152,769,556</u>	<u>76</u>	<u>127,980,017</u>	<u>77</u>
GROSS PROFIT EXCLUDING REALIZED CONSTRUCTION INCOME	47,434,672	24	38,993,350	23
REALIZED CONSTRUCTION INCOME (Notes 2 and 31)	<u>556</u>	<u>-</u>	<u>556</u>	<u>-</u>
GROSS PROFIT	<u>47,435,228</u>	<u>24</u>	<u>38,993,906</u>	<u>23</u>
OPERATING EXPENSES (Notes 2, 4, 28 and 31)				
Selling expenses	17,324,469	9	15,017,745	9
General and administrative expenses	7,622,670	4	7,651,061	5
Research and development expenses	<u>678,762</u>	<u>-</u>	<u>683,311</u>	<u>-</u>
Total operating expenses	<u>25,625,901</u>	<u>13</u>	<u>23,352,117</u>	<u>14</u>
OPERATING INCOME	<u>21,809,327</u>	<u>11</u>	<u>15,641,789</u>	<u>9</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 31)	175,042	-	211,470	-
Investment income from equity method investees, net (Notes 2 and 13)	3,266,549	2	3,921,059	3
Dividend income	349,496	-	209,016	-
Exchange gain, net (Note 2)	67,364	-	-	-

(Continued)

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

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2010		2009	
	Amount	%	Amount	%
Rental income (Note 31)	\$ 90,831	-	\$ 62,140	-
Valuation gain on financial assets, net (Notes 2 and 6)	311,593	-	283,981	-
Valuation gain on financial liabilities, net (Notes 2 and 6)	19,190	-	93,123	-
Miscellaneous income (Notes 2, 29 and 31)	<u>494,497</u>	<u>-</u>	<u>848,295</u>	<u>1</u>
Total nonoperating income and gains	<u>4,774,562</u>	<u>2</u>	<u>5,629,084</u>	<u>4</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense (Notes 11, 15 and 31)	1,074,702	1	1,449,745	1
Impairment loss on assets (Notes 2, 12, 15 and 16)	977,552	1	419,762	-
Loss on disposal of properties, net	712,416	-	310,597	-
Exchange loss, net (Note 2)	-	-	207,020	-
Miscellaneous expenses (Note 31)	<u>903,480</u>	<u>-</u>	<u>797,565</u>	<u>1</u>
Total nonoperating expenses and losses	<u>3,668,150</u>	<u>2</u>	<u>3,184,689</u>	<u>2</u>
INCOME BEFORE INCOME TAX	22,915,739	11	18,086,184	11
INCOME TAX EXPENSE (Notes 2 and 27)	<u>2,986,947</u>	<u>1</u>	<u>3,462,415</u>	<u>2</u>
CONSOLIDATED NET INCOME	<u>\$ 19,928,792</u>	<u>10</u>	<u>\$ 14,623,769</u>	<u>9</u>
BELONG TO:				
Stockholders of parent company	\$ 12,850,170	6	\$ 8,088,696	5
Minority interest	<u>7,078,622</u>	<u>4</u>	<u>6,535,073</u>	<u>4</u>
	<u>\$ 19,928,792</u>	<u>10</u>	<u>\$ 14,623,769</u>	<u>9</u>
	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Notes 4 and 27)				
Basic	<u>\$ 2.74</u>	<u>\$ 2.70</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Diluted	<u>\$ 2.73</u>	<u>\$ 2.69</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>

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

(With Deloitte & Touche audit report dated March 1, 2011)

(Concluded)

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock Issued and Outstanding (Note 26)		Capital Surplus (Notes 2 and 26)	Retained Earnings (Notes 2, 26 and 27)				Other Stockholders' Equity					Total 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	
BALANCE, JANUARY 1, 2009	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													
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)
	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	4,661,353	46,613,529	10,181,403	8,602,110	3,034,766	9,672,105	21,308,981	3,276,309	2,490,010	8,721,219	(80,263)	48,996,582	141,507,770
Appropriation of the 2009 earnings													
Legal reserve	-	-	-	811,261	-	(811,261)	-	-	-	-	-	-	-
Stock dividends - NT\$0.2 per share	93,227	932,270	-	-	-	(932,270)	(932,270)	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	-	(6,059,759)	(6,059,759)	-	-	-	-	-	(6,059,759)
	4,754,580	47,545,799	10,181,403	9,413,371	3,034,766	1,868,815	14,316,952	3,276,309	2,490,010	8,721,219	(80,263)	48,996,582	135,448,011
Consolidated net income in 2010	-	-	-	-	-	12,850,170	12,850,170	-	-	-	-	7,078,622	19,928,792
Adjustments due to changes in investees' equity in long-term investments	-	-	46,728	-	-	123,111	123,111	1,895,558	(1,214,252)	(16,092)	(17,996)	-	817,057
Translation adjustment on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	(1,768,381)	-	-	-	(1,768,381)
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	198,365	-	-	-	-	198,365
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	-	-	-	-	-	(26)	(3)	-	-	-	(29)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	(4,575,791)	(4,575,791)
BALANCE, DECEMBER 31, 2010	4,754,580	\$ 47,545,799	\$ 10,228,131	\$ 9,413,371	\$ 3,034,766	\$ 14,842,096	\$ 27,290,233	\$ 5,370,206	\$ (492,626)	\$ 8,705,127	\$ (98,259)	\$ 51,499,413	\$ 150,048,024

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

(With Deloitte & Touche audit report dated March 1, 2011)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 19,928,792	\$ 14,623,769
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of 3G concession	730,707	730,707
Depreciation and amortization	15,757,739	16,554,839
Reversal of provision for losses on inventories	(18,047)	(1,068,719)
Gain on sale of investments, net	(470,673)	(1,559,860)
Allowance for doubtful accounts	463,918	491,945
Unrealized exchange loss on financial assets	34,551	-
Cash dividends received from equity-method investments	2,413,961	2,244,511
Impairment loss on assets	977,552	419,762
Deferred income of hedging derivative assets	79,770	6,050
Investment income from equity method investees, net	(3,266,549)	(3,921,059)
Loss on redemption of exchangeable bonds	29,501	-
Loss on disposal of properties, net	712,416	310,597
Realized deferred rental income	(53,176)	(53,176)
Accrued pension cost	20,487	(181,898)
Deferred income tax	496,655	827,158
Realized construction income	(556)	(556)
Net changes in operating assets and liabilities		
Financial assets held for trading	563,738	(1,283,744)
Financial liabilities held for trading	12,959	(84,603)
Notes and accounts receivable	(3,374,751)	1,346,569
Notes and accounts receivable from affiliates	296,558	(153,551)
Inventories	(3,022,809)	2,691,356
Construction in progress, net	(2,288,990)	(2,151,127)
Other receivables	(331,651)	517,792
Prepayments and other current assets	(555,491)	(917,774)
Notes and accounts payable	5,369,113	16,444
Notes and accounts payable to affiliates	(635,291)	(16,851)
Income taxes payable	644,325	(1,099,126)
Accrued expenses	1,499,023	(460,187)
Advance sales receipts	213,347	11,214
Advance on real estate receipts	350,223	978,447
Unearned revenue	454,411	53,085
Billings on construction in progress, net	604,985	260,947
Other current liabilities	(1,199,840)	951,120
Net cash provided by operating activities	<u>36,436,907</u>	<u>30,084,081</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in receivables from affiliates	(68,478)	245,802
Proceeds of sale of investments accounted for by equity method	654,289	3,157,154

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	2010	2009
Acquisition of investments accounted for by equity method	(1,040,707)	(1,284,851)
Proceeds of the sale of available-for-sale financial assets	4,205,575	2,396,055
Acquisition available-for-sale financial assets	(2,058,337)	(2,830,183)
Acquisition held-to-maturity financial assets	-	(199,540)
Proceeds of the sale of financial assets carried at cost	504,703	-
Acquisition financial assets carried at cost	(30,669)	(233,060)
Proceeds of sale of bond investments with no active market	-	3,000
Acquisition bond investments with no active market	-	(293,454)
Proceeds of disposal of properties	335,254	380,622
Acquisition of properties	(17,896,080)	(9,905,590)
Increase in intangible assets	(53,655)	(47,913)
Cash payment for acquisition of subsidiaries	(14,875,050)	(74,012)
Cash received in advance on sale of land	428,577	-
Increase in restricted assets	(677,131)	(1,926,913)
Decrease in refundable deposits	5,041	33,287
Increase in deferred charges	(221,277)	(154,770)
Increase in other assets	(43,078)	(66,552)
Net cash used in investing activities	<u>(30,831,023)</u>	<u>(10,800,918)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	4,317,539	(3,552,255)
Increase (decrease) in short-term bills payable	2,102,946	(134,218)
Increase (decrease) in payable to affiliates	668,608	(678,272)
Increase (decrease) in long-term liabilities	969,442	(7,040,593)
(Decrease) increase in guarantee deposits	(47,189)	605
Payments of cash dividends, remuneration to directors and supervisors and bonus to employees	(11,523,112)	(9,232,830)
Cash received from issuing common stock	-	163,785
Decrease in minority interest	(87,992)	(1,396,916)
Decrease in other liabilities	(105,905)	(16,373)
Net cash used in financing activities	<u>(3,705,663)</u>	<u>(21,887,067)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(1,435,875)</u>	<u>732,874</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	464,346	(1,871,030)
CASH AND CASH EQUIVALENTS ARISING FROM INCREASING SUBSIDIARIES	4,649,779	66,494
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>21,141,998</u>	<u>22,946,534</u>

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	2010	2009
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 26,256,123</u>	<u>\$ 21,141,998</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 1,031,805	\$ 1,477,623
Less: Capitalized interest	<u>76,760</u>	<u>53,930</u>
Interest paid (excluding capitalized interest)	<u>\$ 955,045</u>	<u>\$ 1,423,693</u>
Income tax paid	<u>\$ 1,893,735</u>	<u>\$ 4,025,521</u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 4,995,272</u>	<u>\$ 11,961,296</u>

SUPPLEMENTARY INFORMATION ON SUBSIDIARIES ACQUIRED

- a. In the first quarter of 2009, a 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. and Subsidiaries)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

- b. In August, 2010, Yuan Cing Infocomm Tech Co., Ltd. (“YCIC”) acquired 67.82% of New Century InfoComm Tech Co., Ltd.’s (“NCIC”) common shares. In December 2010, ARCOA Communication Co., Ltd. (ARCOA) acquired 70% of Data Express Infotech Co., Ltd.’s (“DE Infotech”) common shares. The fair values of total assets and total liabilities at the time of acquisition were as follows:

	DE Infotech	NCIC
Cash and cash equivalents	\$ 26,258	\$ 4,623,521
Financial assets at fair value through profit or loss - current	-	1,678,379
Available-for-sale financial assets - current	-	1,573,567
Held-to-maturity financial assets - current	-	800,000
Notes receivable	39	46,320
Accounts receivable, net	80,327	843,165
Accounts receivable - related parties, net	-	175,455
Other receivables - related parties	-	59,128
Other financial assets - current	-	1,297,860
Inventories, net	141,124	122,057
Prepaid expense	15,911	90,825
Restricted assets - current	29,000	113,991
Other current assets	70,976	204,907
Equity-method investments	-	21,362
Held-to-maturity financial assets - noncurrent	-	1,007,478
Financial assets carried at cost - noncurrent	-	4,500
Properties, net	3,921	17,345,899
Intangible assets - operating rights, net	-	904,000
Intangible assets - dealership	104,660	-
Rental assets, net	-	169,995
Idle properties, net	-	7,219
Refundable deposits	8,805	86,032
Deferred charge, net	23,614	125,927
Pledged certificates of deposits - noncurrent	19,009	124,675
Other assets	-	48,357
Short-term bank loans	(170,000)	-
Notes payable	(5,682)	(7,349)
Accounts payable	(53,258)	(652,829)
Accounts payable - related parties	-	(139,915)
Income tax payable	(4,700)	-
Accrued expenses	(7,865)	(727,629)
Other payables - related parties	-	(197,579)
Payables for acquisition of properties	-	(605,343)
Hedging derivative financial liabilities - current	-	(5,830)
Unearned revenues	(20,324)	(300,887)
Other current liabilities	(653)	(187,263)
Long-term bank loans	(9,470)	-

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	DE Infotech	NCIC
Accrued pension cost	\$ -	\$ (141,043)
Deferred revenues	-	(154,930)
Guarantee deposits received - noncurrent	(970)	(29,525)
Other liabilities - other	<u>(61,731)</u>	<u>(309,084)</u>
	188,991	28,015,413
Percentage of ownership acquired	<u>70%</u>	<u>67.82%</u>
	132,292	19,000,044
Goodwill	<u>9,458</u>	<u>275,904</u>
Total acquisition cost of DE Infotech and NCIC	141,750	19,275,948
Deduct: Increase in other current liabilities	<u>14,634</u>	<u>-</u>
Cash payment for acquisition DE Infotech and NCIC	<u>\$ 127,116</u>	<u>\$ 19,275,948</u>

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

(With Deloitte & Touche audit report dated March 1, 2011)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

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

1. ORGANIZATION AND OPERATIONS

Far Eastern New Century Corporation (FENC or the “Company”; formerly Far Eastern Textile Ltd.), 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 Taiwan 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 Gre Tai Securities Market and became listed on the 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 Republic of China (“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 in 1999, 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 NT\$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.

On June 15, 2010, the stockholders of Far EasTone resolved to issue up to 444,341,020 common shares by private placement, with a total issuance amount of up to NT\$17,773,641 thousand, to catch up on industry development trends and to meet Far EasTone’s future operating needs. This resolution replaced their private placement resolution made on June 16, 2009. The subscriber for these privately placed shares will be China Mobile Limited’s 100% indirect subsidiary incorporated in the ROC. On June 25, 2010, 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 Far EasTone’s common shares falls below NT\$35.00 or exceeds NT\$50.00 within 14 consecutive trading days prior to and including 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, 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, provided that any upward or downward adjustment is not more than NT\$5 per Far EasTone share and the new price should not be lower than 70% of the reference price on that date. The private placement will proceed after obtaining the authorities’ approval under the related regulation.

In 2004, Far EasTone incorporated KG Telecommunication Co., Ltd., (“KG Telecom”, formerly Yuan Ho Telecommunications Co., Ltd.) to proceed with the merger with the former KG Telecommunications Co., Ltd. (the “former KGT”). Through the completion of the merger with the former KGT, KG Telecom became licensed to provide island-wide 2G wireless communications services under a type I license - GSM1800, with an annual license fee at 2% of total 2G wireless communications service revenues. The DGT also issued the former KGT a type I license 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 (formerly Far EasTone’s 100% subsidiary), the boards of directors of both companies resolved to approve their merger on February 26, 2009, with Far EasTone as the survivor entity. On August 28, 2009, the NCC approved this merger, and the record date of this merger was January 1, 2010.

Q-ware Communication Corp. (“Q-ware Com.”) was incorporated on February 13, 2007. It mainly provides type II telecommunications services. On July 3, 2007, Q-ware System Inc. spun off its WiFly business to Q-ware Com.; thus, Q-ware Com. became licensed to provide WiFly business in Taipei City 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 to provide Internet services for three years from 2007 for a fixed annual license fee based on Q-ware Com.’s paid-in capital. The term of validity of Q-ware Com.’s type II license was approved to be extended until May 2013.

Arcoa Communication Co., Ltd. (“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. ARCOA’s shares have been listed as emerging market stock on the OTC exchange since December 27, 2002. On December 22, 2004, the board of directors of ARCOA decided to withdraw its stock from the OTC exchange and became a private company. The DGT issued to ARCOA a type II license, allowing it to provide mobile virtual network operator services from July 2006 to July 2013 for a fixed annual fee based on ARCOA’s paid-in capital. The term of validity of ARCOA’s type II license was approved to be extended until July 2013.

On August 22, 2007, Far Eastern Electronic Toll Collection Co. (“FEETC”), which is owned by Yuan Tong Investment Co., Ltd (“Yuan Tong”) and Far EasTone, and the Taiwan Area National Freeway Bureau (“TANFB”) 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. (“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 comprising 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 under construction. The first building has operated in August 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.

To simplify the Group’s 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 (“OUCC”). Related proposal is as follows:

- a. Acquired 63 thousand shares of Far Eastern Apparel (Holding) Ltd. (“FEAH”) from Yuan Ding Investment Corporation (“YDI”) for US\$34,513 thousand, with each share priced at US\$546.09;
- b. Acquired 487 thousand shares of FEDP (Holding) Ltd. (“FEDP”) for US\$49,961 thousand from Yuan Tong, FEPI, and Far Eastern Polytex (Holding) Ltd. (“Polytex”), with each share priced at US\$102.65.
- c. Acquired 119 thousand shares of PETH for US\$50,945 thousand from Ding Yuan International Investment Corp., FEPI, and affiliate OUCC with each share priced at US\$426.6.

As of December 31, 2010, the above acquisitions and disposals, except the Company’s acquisition of the common shares of PETH from Ding-Yuan, OUCC; FEDP’s common shares from Yuan Tong and Polytex, are expected to be approved by the Investment Commission under the MOEA. After this approval, the share transfer procedures will be finalized. In addition, the actual transaction amount will be adjusted at the net value of the shares on the share transfer date.

FENC and its consolidated subsidiaries (collectively, the “Group”) had 23,875 and 20,834 employees as of December 31, 2010 and 2009, respectively.

The intercompany relationships, percentages of ownership and major operations of subsidiaries as of December 31, 2010 are shown in Schedules A and B.

2. 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 assets, duty on decommissioned assets, 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 or over which there is defacto control) 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.

An FENC subsidiary, Sino Belgium (Holding) Ltd. ("SINO"), issued 2,415 new shares at US\$2 thousand per share, for a total amount of US\$4,830 thousand in February 2009. Another subsidiary, Yuan Tong did not buy any shares; thus, Yuan Tong's holding in SINO decreased from 100% to 87.5%.

In February 2009, an FENC subsidiary, SINO, acquired 30% ownership of Martens Beer Trading (Shanghai) Ltd. ("Martens Shanghai") from another subsidiary, Far Eastern Industries (Wuxi) Ltd. ("FEIW"), and then bought remaining 70% 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 the accounts of this investee were included in the consolidated financial statements beginning from March 2009.

On July 31, 2009, the board of Far Eastern Industries (Jujiang) Ltd. ("FEIJ", an FENC subsidiary), 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 proceeds of the liquidation had been turned over to the original stockholders.

In February 2010, the Company acquired 42,347 thousand shares of PETH for NT\$659,422.5 thousand from OCUU. Thus, the equity interest of the Company and subsidiaries in PETH increased from 87.07% to 100%.

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

To integrate the resources and enhance the operating efficiency of the Company's subsidiaries, 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.

To prepare for service convergence, the Company's subsidiary, Far EasTone aims to enhance the business cooperation between its mobile and fixed-line components by group integration to provide more comprehensive telecom services to consumers as well as to reach the long-term synergy in operating costs. On June 25, 2010, the board of directors of another subsidiary, YCIC, resolved to conduct a tender offer to acquire the common shares of New Century InfoComm Tech Co., Ltd. ("NCIC") with the tender offer price at NT\$10.93 per share.

As of August 16, 2010, the expiry date of the tender offer, YCIC had acquired 1,762,945 thousand of NCIC's common shares, which included 577,732 thousand shares acquired from related parties for NT\$6,314,615 thousand, as follows: Yuang Tong Investment Corporation - 312,221 thousand shares; YDI- 100,694 thousand shares; Der Ching Investment Corporation - 63,000 thousand shares; Bai Ding Investment Ltd. - 24,386 thousand shares; New Diligent Co., Ltd. - 16,822 thousand shares; Yuan Ding Co., Ltd. ("Yuan Ding") - 16,337 thousand shares; Bai Yang Investment Co. - 11,251 thousand shares; Tranquil Enterprise Ltd. - 10,945 thousand shares; Yue-Tung Investment Corporation - 8,800 thousand shares; Far Eastern International Leasing Corp. - 8,000 thousand shares; Far Eastern New Century Corporation - 2,605 thousand shares; Asia Investment Corp. - 2,605 thousand shares and Yue Ding Industry Co., Ltd. - 66 thousand shares.

Through the tender offer with Far EasTone's own holding of 695,096 thousand shares, Far EasTone and YCIC jointly owned 94.56% of NCIC's total issued common shares. Thus, NCIC's and its subsidiaries' revenues and expenses were included in the consolidated financial statements since August 16, 2010.

On August 31, 2010, the boards of directors of Far EasTone and YCIC resolved to merge NCIC and YCIS through a two-stage process. In the first stage, YCIC will conduct a share swap with NCIC based on Article 29 of the Enterprise Merger and Acquisition Law ("EM&A Law"). The share swap was resolved by both special stockholders' meetings of YCIC and NCIC on October 5, 2010, respectively. As a result, with the swap ratio of 1:1, NCIC became a 100% owned subsidiary of YCIC on January 17, 2011, the record date of the share swap. The issued common shares of YCIC increased from 1,500,100,000 shares to 2,336,603,547 shares, of which, Far EasTone owned 2,195,196,070 shares, representing 93.95% ownership. The remaining 6.05% ownership went to minority. The above share swap was approved on February 16, 2011 after the registration with the MOEA. After the share swap, Far EasTone will have a cash merger with YCIC at the target price of NT\$10.93 per share, with Far EasTone as the survivor entity in the second stage. Thus, NCIC will become a 100% owned subsidiary of Far EasTone. Under related laws and regulations, each phase of this two-stage merger and acquisition has to be approved by the board of directors, separately. On December 29, 2010, the National Communications Commission approved the merger.

To meet YCIC's tender offer payment needs and enhance its working capital, Far EasTone's board of directors resolved on June 25, 2010 that Far EasTone subscribed for YCIC's shares issued for capital increase at NT\$15,000,000 thousand in cash and would lend to YCIC a maximum of NT\$6,000,000 thousand. Far EasTone's board of directors also approved to authorize the chairman to allow YCIC to make a drawdown on the loan within the approved ceiling of NT\$6,000,000 thousand within one year from the loan grant date. As of March 1, 2011, Far EasTone had already lent NT\$4,300,000 thousand to YCIC.

The entities in the "Consolidated Financial Statements of Affiliates" are the same as those in the consolidated financial statements as required under Statement of Financial Accounting Standards ("Statement" or "SFAS") No. 7 - "Consolidated Financial Statements"; thus, no consolidated financial statements of affiliates will be compiled. That is, the information needed for the combined financial statements of affiliates is already in the consolidated financial statements.

Current and Noncurrent Assets and Liabilities

Current assets are purpose-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 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. ("FEGC") engages in civil engineering construction. The operating cycles of the two companies are over one year. Thus, the contract-related assets and liabilities are classified as current or noncurrent depending on their operating cycles.

Cash Equivalents

Commercial paper and bonds purchased under resell agreements acquired with maturities of up to three months from the date of purchase are classified as cash equivalents. Their carrying values approximate their fair values.

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 Group 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 plus transaction costs directly attributable to the acquisition of the assets. 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 derecognized, the difference between selling price and carrying value or the amount paid and carrying amount 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 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. 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 values determined using valuation techniques.

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 profit or loss in the 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 timing of recognition and derecognition of available-for-sale financial assets is the same as that of financial instruments at fair value through profit or loss.

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 at 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. The recognition of revenues by revenue category is follows:

Revenue Categories	Recognition Bases
Revenues of wireless services, mobile virtual network operator services, fixed network service, international simple resale services, interconnection services, Internet access services and voice on IP services	Revenues are recognized on the basis of minutes or data of traffic processed, net of any applicable discount.
Monthly fees and leased-circuit service revenues	Revenues are accrued each month.
Revenues of prepaid card and recharge card	Revenues are recognized on the basis of customer usage.
Sale of cellular phone, telephone and accessories	Revenues are recognized when the products are delivered to and accepted by the customers.
Revenues from individual broadband service, enterprise leased lines and Internet data centers	Revenues are recognized on the basis of minutes or data of traffic processed in the service provision period.

Service revenue is recognized according to the contract when users pass the electronic toll collection, E-toll. When citizens paid the tolls to FEETC, it was classified as payable before paying to TANFB; unearned tolls from enterprise was classified as unearned receipts, and subsequently paid to TANFB on the basis of actual passing times and appointed rate of fee. Sales returns and allowances are subtracted from gross sales, and the related costs are then deducted from cost of goods sold as these costs are incurred.

Operating revenues are measured at fair values based on the prices negotiated between the Group and the customers. If the terms of sales receivables are within one year, the amount of receivables is not significantly different from fair value and the transaction is frequent; therefore, the sales receivables are not discounted to fair value.

Rental revenues are recognized when the service is rendered and the earnings process is virtually completed and revenues are realized or realizable.

The Company and Far Eastern Apparel Co., Ltd. do not recognize revenues on transactions involving the delivery of materials to subcontractors for further processing since these transactions do not involve a transfer of ownerships and the risks of materials.

An allowance for doubtful accounts is provided on the basis of the review of the collectibility of accounts receivable. The Group assesses the probability of collectibility of accounts receivable by an aging analysis of the outstanding receivables and by assessing the values of the collaterals provided by customers, credit ratings and economic environments.

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 includes raw materials, supplies, finished products, work-in-process and merchandise. As stated in Note 4, inventory is stated at the lower of cost or net realizable value beginning January 1, 2009. Any write-down is made by item. 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 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 reclassified 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 should be deducted from the related expense when the expenses are incurred.

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, 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

An FENC subsidiary, FECC, uses the completed-contract method for its construction projects. Presold 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.

FECC's presold property under the percentage-of-completion method 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. When the estimated loss decreases in the following periods, the cumulative loss recognized in excess of the estimated loss is recognized as revenues.

FECC recognizes construction 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 unsold parts under the current construction projects are reclassified as real estate ready for sale.

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

FECC treats its marketing expenses for presold real estate as deferred marketing expenses and recognizes them as current expenses when the construction is completed but the ownership of real estate 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 immediately; 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 year of adjustments. Under the completed-contract method, when construction is completed, the balance of billings on construction-in-progress and construction-in-progress is 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 are carried at amortized cost using the straight line method. Held-to-maturity financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. Profit or loss is recognized when the financial assets are derecognized, impaired, or amortized. All regular way purchases or sales of financial assets are accounted for using a trade date basis.

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

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Group's percentage of ownership in the investee; however, if the Group has control over the investee, all the profits are eliminated. Profits from upstream transactions with an equity-method investee are eliminated in proportion to the Group's percentage of ownership in the investee.

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 Group 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.

The Group estimates and capitalizes the costs of dismantling, removing properties and restoring the cellular site on which they are located and to record these costs as properties and accrues asset retirement cost.

An infeasible right of use (“IRU”) is a right to use a specified amount of capacity for a specific time period that cannot be revoked or voided. Costs of IRU acquisition are included in properties and depreciated over the economic useful life of the IRU, using the straight-line method over the useful lives of IRU. The estimated useful life of the IRU is 15 to 25 years. IRUs still being used beyond their initial estimated service lives are depreciated over the estimated remaining service lives.

Idle Assets

Properties not currently used in operations are transferred to other assets at the lower of net carrying value or fair value. However, starting from January 1, 2006, based on related regulations, idle assets should be depreciated 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 SFAS No. 5 - “Long-term Investments in Equity Securities” goodwill is no longer amortized starting from 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.

Operating rights and dealership are identified by evaluation the fair value of a subsidiary’s net asset value, which is included in intangible assets - other.

Operating rights are measured in accordance with the Integrated network business license issued by the NCC. Operating rights are amortized by the straight-line method, based on the useful life of the fixed network telecommunications business license. Dealership is also amortized by the straight-line method, based on expected duration of dealer agreements.

Deferred Charges

Deferred charges, which are derived mainly from costs of routers provided to customers, retail store renovation and computer software of Far EasTone are amortized using the straight-line method over the terms of lease. The cost of issuing corporate 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, land use rights 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. Any excess amount is treated as an increase in the unrealized revaluation increment.

For impairment testing,, 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 investments in which a Company subsidiary, Far EasTone exercises significant influence but not control, the recoverable amount and the investment value are compared to calculate the impairment loss on 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 into the Company's holding shares with an agree upon target at a fixed price or amount, the exchangeable bonds are measured at issued price after deducting the fair value of embedded derivatives. The liability component of non-derivative instrument is measured at amortized cost using the effective interest method (or the straight-line method if the difference between using the effective interest method or straight-line method is not material) and the related interest or redemption loss or gain is charged to profit or loss. If bondholders exercise exchange right before the maturity date, the bonds should be adjusted their liability components (including bond and embedded derivative component) to fair value. The Company uses the aggregate adjusted carrying amount of the liability and equity components of the bonds at the time of exchange as a basis to record the exchanged gain or loss. 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.

Pension cost under a defined benefit plan is determined by actuarial valuations. Contributions made under a defined contribution plan are recognized as pension cost during the year in which employees render services.

Curtailment or settlement gains or losses of the defined benefit plan are recognized as part of the net periodic pension cost for the year.

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 with no employees do not have pension plans.

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. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not 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 FERD 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 and payables.

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

The financial statements of foreign operations are translated into New Taiwan dollars at the following exchange rates:

- a. Assets and liabilities - at exchange rates prevailing on the balance sheet date;
- b. Stockholders' equity - at historical exchange rates;
- c. Dividends - at the exchange rate prevailing on the dividend declaration date; and
- d. Income and expenses - at average exchange rates for the year.

Exchange differences arising from the translation of the financial statements of foreign operations are recognized as a separate component of Stockholders' equity. These exchange differences are recognized in profit or loss in the year in which the foreign operations are disposed of.

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

- a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
- b. Recognized in profit and loss if the changes in fair value is recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

Hedging Derivative Financial Instruments

Derivatives that qualify as effective hedging instruments are measured at fair value, with subsequent changes in fair value recognized either in profit or loss, or in shareholders' equity, depending on the nature of the hedging relationship.

Hedge Accounting

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the 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, 2009 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the year ended December 31, 2010.

3. PRO-FORMA FINANCIAL INFORMATION

Assuming that the Company and its subsidiaries acquired a majority in NCIC and Martens Beers Trading (Shanghai) Co., Ltd. on January 1, 2009, the pro forma financial information of the Company and its subsidiaries in 2010 and 2009 would have been as follows:

	(In Thousands, Except EPS)	
	Years Ended December 31	
	2010	2009
Operating revenue	\$ 205,834,718	\$ 174,971,305
Income before income tax	22,742,793	18,105,870
Consolidated net income	19,746,724	14,641,785
After tax basic earnings per share (EPS)	2.68	1.74

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 both NCIC and Martens Beers Trading (Shanghai) Co., Ltd. on January 1, 2009 and the future consolidated financial status.

4. CHANGE 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 that belongs to stockholders of parent company and NT\$0.03 in after tax basic earnings per share for 2009.

5. CASH AND CASH EQUIVALENTS

	December 31	
	2010	2009
Cash		
Cash on hand	\$ 24,957	\$ 22,687
Demand and checking accounts	8,374,007	9,214,962
Time deposits: Interest - 0.20%-3.15% in 2010 and 0.14%-2.25% in 2009	<u>15,402,117</u>	<u>7,293,658</u>
	<u>23,801,081</u>	<u>16,531,307</u>

(Continued)

	December 31	
	2010	2009
Cash equivalents		
Commercial paper purchased under resell agreements: Interest - 0.40%-0.48% in 2010 and 0.17%-0.23% in 2009	\$ 481,604	\$ 3,969,118
Treasury bills purchased under resell agreements: Interest - 0.27%-0.38% in 2010 and 0.135%-0.15% in 2009	<u>439,145</u>	<u>325,166</u>
	<u>920,749</u>	<u>4,294,284</u>
Management discretionary accounts		
Demand accounts	1,494,693	296,607
Time deposits: Interest - 0.69%-0.75% in 2010 and 0.45% in 2009	<u>39,600</u>	<u>19,800</u>
	<u>1,534,293</u>	<u>316,407</u>
	<u>\$ 26,256,123</u>	<u>\$ 21,141,998</u>
		(Concluded)

As of December 31, 2010 and 2009, demand deposits in foreign banks were as follows:

Deposits in Foreign Bank	December 31	
	2010	2009
Belgium (US\$1,379 thousand in 2010 and US\$5,163 thousand in 2009)	\$ 40,170	\$ 165,172
China -Hong Kong (HK\$14,276 thousand)	53,506	-
China -Hong Kong (US\$1 thousand in 2010 and US\$3 thousand in 2009)	29	96
U.S.A. - New York (US\$3 thousand in 2010 and US\$19 thousand in 2009)	<u>101</u>	<u>623</u>
	<u>\$ 93,806</u>	<u>\$ 165,891</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:

	December 31	
	2010	2009
<u>Financial assets held for trading</u>		
Mutual funds - beneficial certificates	\$ 1,705,229	\$ 1,290,717
Domestic quoted stocks	987,275	447,393
Cotton futures contracts	15,251	32,768
Forward exchange contracts	2,165	11,460
Exchangeable bonds collection right	<u>-</u>	<u>9,000</u>
	<u>\$ 2,709,920</u>	<u>\$ 1,791,338</u>
<u>Financial liabilities held for trading</u>		
Exchangeable bonds exchange right	\$ 4,461	\$ -
Exchangeable bonds redemption right	<u>-</u>	<u>20,750</u>
	<u>\$ 4,461</u>	<u>\$ 20,750</u>

YDI, KG Telecom (dissolved due to the merger with Far EastOne on January 1, 2010) and Yuan Tong individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (trustee) to manage discretionary funds. Moreover, NCIC and its subsidiaries individually contracted and fully authorized Oriental Securities Investment Advisory Co., Fuh Hwa Securities Investment Trust Co., Ltd., SinoPac Securities Investment Trust Co., Ltd., Prudential Financial Securities Investment Trust Enterprise, Jin Sun Securities Investment Trust Co., Ltd. and Yuanta Securities Investment Trust Co., Ltd. to manage discretionary funds. As of December 31, 2010 and 2009, the funds fully entrusted to the trustee were NT\$2,760,727 thousand, and NT\$1,100,000 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 included in the discretionary funds were NT\$1,534,293 thousand in 2010 and NT\$316,407 thousand in 2009, which were classified under cash equivalents (Note 5).

The Company entered into cotton futures contracts and forward exchange contracts to hedge the fluctuation of cotton prices and exchange rates on account receivables during the years ended December 31, 2010 and 2009. The strategy is to hedge against the Company's market risk exposure. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Company had no outstanding cotton futures contracts as of December 31, 2010 and 2009, respectively.

The main purpose that the Company entered into put option contracts and non-hedging purpose forward exchange contracts was to profit on royalties and on the difference between exchange rate fluctuations in 2010 and 2009.

The Company had no outstanding option contracts as of December 31, 2010 and 2009, respectively.

The outstanding forward exchange contracts as of December 31, 2010 and 2009 were as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2010</u>			
Sell	EUR/USD	2011.1.28-2011.2.25	EUR8,000/USD10,437
	USD/NTD	2011.1.11-2011.3.29	USD21,400/NTD640,505
<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

For 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.

A Company subsidiary, Far Eastern Investment (Holding) Ltd. ("FEIH"), uses forward contracts to hedge against the effect of adverse exchange rate fluctuations on liabilities denominated in foreign currencies in 2010 and 2009. FEIH was authorized by affiliates Wuhan Far Eastern New Material Ltd. in 2010 and 2009 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, 2010 and 2009, respectively.

An FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. ("OPTC"), used forward exchange contracts in 2010 and 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 2010 and 2009.

An FENC subsidiary, Far Eastern Fibertech Co., Ltd. (“FEFC”), used forward exchange contracts in 2010 and 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 2010 and 2009.

An FENC subsidiary, Yuan Tong, 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, Polytex, 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.

The Group’s net gains on financial assets were NT\$314,991 thousand in 2010 and NT\$280,941 thousand in 2009. The net gains on financial liabilities were NT\$19,190 thousand in 2010 and NT\$93,123 thousand in 2009.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2010	2009
Current		
Open-end mutual funds - beneficial certificates	\$ 1,236,618	\$ 2,130,876
Private fund - beneficial certificates	1,665,473	358,938
Domestic quoted stocks	<u>471,449</u>	<u>325,956</u>
	<u>\$ 3,373,540</u>	<u>\$ 2,815,770</u>
Noncurrent		
Domestic quoted stocks	\$ 3,314,361	\$ 2,593,229
Private placement shares (Note 12)	<u>1,079,788</u>	<u>-</u>
	<u>\$ 4,394,149</u>	<u>\$ 2,593,229</u>

8. BOND INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2010	2009
Noncurrent		
Convertible bond - Bockhold N.V.	<u>\$ 258,903</u>	<u>\$ 293,454</u>

On February 26, 2009, an FENC subsidiary, Yuan Tong, bought convertible bonds amounted to EUR\$6,670 thousand issued by Bockhold N.V. The maturity date of the bond was February 26, 2014. The maturity date of the bond was February 26, 2014. The 7.5% interest on these three-year convertible bonds was payable semiannually, and the bonds can be converted to 933 common stock shares of Bockhold N.V. proportionally. The amount on the host debt contract was recognized as bond investment with no active market.

9. INVENTORIES, NET

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Merchandise	\$ 1,487,697	\$ 1,034,309
Finished goods	4,756,332	3,588,502
Work in process	2,046,806	1,453,688
Raw materials	6,396,879	5,427,851
Supplies	<u>582,038</u>	<u>569,144</u>
	<u>\$ 15,269,752</u>	<u>\$ 12,073,494</u>

The allowances for inventory devaluation as of December 31, 2010 and 2009 were NT\$671,660 thousand and NT\$684,151 thousand, respectively.

The costs of goods sold were NT\$115,707,765 thousand and NT\$94,094,317 thousand for the years ended December 31, 2010 and 2009, respectively. Reversals of provision for losses on decline in value of inventory amounting to NT\$18,047 thousand and NT\$1,068,719 thousand were included in the cost of goods sold for the years ended December 31, 2010 and 2009, respectively. Previous write-downs had been reversed as a result of increased selling prices in certain markets.

10. AVAILABLE FOR CONSTRUCTION - LAND

	Area (Square Meters)	<u>December 31</u>	
		<u>2010</u>	<u>2009</u>
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 FECC, Ltd. as of December 31, 2010 and 2009 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, 2010</u>										
Completed-contract method										
Ban Ciao - New Section No. 9	\$ -	\$ -	\$ 738,051	\$ 757,479	\$ -	\$ 1,495,530	\$ -	\$ -	-	2012
Percentage of completion method										
Yuan Yang California	9,116,210	5,216,680	<u>1,225,278</u>	<u>130,798</u>	<u>2,035,968</u>	<u>3,392,044</u>	<u>49,730</u>	<u>1,339,041</u>	70	2011
			<u>\$ 1,963,329</u>	<u>\$ 888,277</u>	<u>\$ 2,035,968</u>	<u>\$ 4,887,574</u>	<u>\$ 49,730</u>	<u>\$ 1,339,041</u>		
<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	<u>-</u>	<u>24,808</u>	<u>198,198</u>	<u>223,006</u>	<u>2,029</u>	<u>473,340</u>	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>		

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 Co., Ltd. (“FEDS”). The allocation of housing units was based on percentages of land ownership (36.07% for FECC and 63.93% for FEDS).

For the years ended December 31, 2010 and 2009, FECC’s capitalized interest which generally referred to construction-in-progress and prepaid construction, was NT\$40,049 thousand and NT\$21,090 thousand, respectively. The capitalization rates were 0.4352-1.5324% in 2010 and 1.4249%-4.218% in 2009.

Construction-in-progress (net of billings on construction-in-progress) of FEGC as of December 31, 2010 and 2009 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, 2010</u>							
Percentage of completion method							
Min Yin Camp (1)	\$ 395,368	\$ 406,531	\$ 395,448	\$ 390,540	-	2011	\$ (11,163)
Min Yin Camp (2)	484,010	498,016	485,674	481,175	-	2011	(14,006)
Zhong-Ben	2,568,919	2,618,919	1,671,630	882,926	66	2012	(50,000)
Kaohsiung Rapid Transit	7,921,849	7,105,296	7,906,252	7,658,624	99	2011	808,387
Headquarter, Bank of Panhsin	3,687,619	3,458,324	2,240,163	2,156,162	95	2011	217,830
Yuan Yang California	2,914,631	2,798,046	1,982,944	-	70	2011	37,964
BanCiao communication park	235,524	234,445	213,162	-	91	2011	342
Wu Yang C904B	3,279,048	3,084,319	760,771	709,589	23	2012	44,788
Lot of O.I.T.	166,667	162,000	154,908	146,057	93	2011	4,340
			<u>15,810,952</u>	<u>12,425,073</u>			
Completed-contract method							
Hshinchu Big City	-	-	6,875	-	-	2011	-
Miscellaneous	-	-	1,960	-	-	2011	-
			<u>8,835</u>	<u>-</u>			
			<u>15,819,787</u>	<u>\$ 12,425,073</u>			<u>\$ 1,038,482</u>
			<u>\$ 3,394,714</u>				
<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>17,315,206</u>	<u>\$ 14,011,764</u>			<u>\$ 924,200</u>
			<u>\$ 3,303,442</u>				

12. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	December 31, 2010		December 31, 2009	
	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	223,533	13
Kaohsiung Rapid Transit Corporation	146,638	5	108,313	2
Alberia & Orient Glycol Company Ltd.	100,499	25	137,698	25
Hantech Venture Capital Corp.	104,714	7	104,714	7
Chung Nan Textile Corp.	81,405	5	81,405	5
Nippon Parison Co.	63,546	10	69,899	10
Dah Chung Bills Finance Corp.	30,669	1	-	-
Yi Tong Fiber Co., Ltd.	28,519	4	28,519	4
Ya-Li Precast Prestressed 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	33,047	-	28,690	-
	<u>1,560,151</u>		<u>1,530,352</u>	
Fund				
Domestic private mutual fund	-		150,000	
Convertible bond				
Bockhold NV	7,895		7,895	
	<u>\$ 1,568,046</u>		<u>\$ 2,974,623</u>	

The above equity and fund investments, which had no quoted prices in an active market and of which fair values could not be reliably measured, were carried at cost.

Investment in Alberta and Orient Glycol Co., 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). However, because FEIH planned to dispose of Kai Yuang Trust Fund within one year, the investment was reclassified in 2009 as a long-term equity investment for disposal. The Kai Yuang Trust Fund had been liquidated and recognized disposal gains amounting to NT\$104,675 thousand in the first quarter, 2010 and the proceeds of the liquidation had been turned over to the original stockholders.

In January 2009, an FENC subsidiary, Yuan Tong, 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.

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. However, because of the poor performance by KRTC in many years, Far Eastern General Contractor Inc. recognized an impairment loss of NT\$24,939 thousand and NT\$79,856 thousand after the assessment of KRTC in 2010 and 2009.

YDI and Kai Yuan International Investment Co., Ltd. (“Kai Yuan”) participated in FEIB’s private placement, and this investment was treated in the category of restriction of transfer of ownership as stated in Section 8 of Article 43 of the ROC Securities and Exchange Act. The Group reclassified the carrying value of the FEIB shares to financial assets carried at cost as of December 31, 2009, and the remaining carrying value of FEIB was reclassified to available-for-sale financial assets - noncurrent as of December 31, 2010.

13. EQUITY-METHOD INVESTMENTS

	December 31, 2010		December 31, 2009	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed companies				
Asia Cement Corp.	\$ 14,700,842	25	\$ 13,749,534	24
Far Eastern Department Stores	4,918,631	19	4,229,574	18
Oriental Union Chemical Corp.	3,259,260	23	3,073,670	23
Everest Textile Co., Ltd.	846,238	27	1,232,584	27
	<u>23,724,971</u>		<u>22,285,362</u>	
Unlisted companies				
Oriental Securities Corp.	4,942,594	46	4,978,006	46
Yuan Ding Co., Ltd.	4,378,030	50	4,099,707	50
Pacific Liu Tong Investment Co., Ltd.	3,116,758	40	2,602,982	40
Far Eastern International Leasing Corp.	2,053,266	34	2,004,473	34
Liquid Air Far East Co., Ltd.	1,214,109	35	1,136,367	35
Da Ju Fiber Corp.	458,503	42	423,755	42
Far Eastern Leasing Corp.	376,448	46	359,363	46
Kowloon Cement Corp.	348,189	49	380,159	49
Yu Ding Industry Co., Ltd.	338,302	29	319,952	29
Freudenberg Far Eastern Spunweb Co., Ltd.	303,613	30	274,931	30
Yue Ming Corp.	93,904	46	70,195	46
Malaysia Garment Manufactures PTE Ltd.	51,038	38	45,051	38
Ding Ding Integrated Marketing Service Co., Ltd.	45,806	20	39,519	15
Ding Ding Hotel Corp.	31,143	19	28,962	19
Com 2B Corp.	25,795	20	28,051	20
iScreen	24,247	40	30,030	40
New Century InfoComm Tech Co., Ltd.	-	-	10,158,936	43
Pacific Petrochemical (Holding) Ltd.	-	-	709,847	25
Far Eastern International Garments	(10,629)	41	(27,098)	41
Cemtex Apparel Inc.	(6,787)	50	(4,588)	50
	<u>17,784,329</u>		<u>27,658,600</u>	

(Continued)

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Credit balance of long-term investments reclassified to other receivables	\$ 17,416		\$ 31,686	
	<u>\$ 41,526,716</u>		<u>\$ 49,975,648</u>	(Concluded)

Investments in Far Eastern Department Stores Ltd. (“FEDS”), Ding Ding Hotel Corp. in 2010 and investments in Far Eastern Department Stores Ltd., Ding Ding Hotel Corp., and Ding Ding Integrated Marketing Service Co. (“DDIM”) in 2009 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.

Since the Group decide to support the operation of Far Eastern International Garments and Cemtex Apparel Inc., therefore, the book value of equity-method investment bring forth credit balance (classified under other liabilities - other).

In 2009, the Group bought 7,352 thousand shares of Asia Cement Corp. (“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 2010, YDI, Yuan Tong, Kai Yuan and Ding Yuan International Investment Corp. bought total 22,067 thousand shares of ACC for NT\$676,173 thousand; thus, the Group’s equity in ACC increased from 23.85% to 24.58%.

In 2009, two FENC subsidiaries, YDI 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%. In 2010, YDI and Kai Yuan sold 320 thousand shares of OUCC for NT\$9,241 thousand; Ding Yuan International Investment Corp., bought 230 thousand shares of OUCC for NT\$5,780 thousand. Thus, the Group’s equity in OUCC decreased from 22.74% to 22.73%.

In 2009, FENC subsidiaries, Yuan Tong, Kai Yuan and Ding Yuan International Investment Corp. sold 20,674 thousand shares of FEDS for NT\$649,752 thousand and YDI bought 2,419 thousand shares of FEDS for NT\$86,231 thousand. The Group’s equity in FEDS thus decreased from 19.58% to 18.04%. In 2010, Yuan Tong, Kai Yuan and Ding Yuan International Investment Corp. bought 11,869 thousand shares of FEDS for NT\$363,048 thousand. Thus, the Group’s equity in FEDS increased from 18.04% to 19.01%.

On June 10, 2009, the stockholders of Far Eastern International Bank (“FEIB”) 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, FENC subsidiaries, YDI and Kai Yuan 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. On June 10, 2009, FEIB had a board of directors’ election. FENC and one of its subsidiaries, YDI 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. purchased 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 addition, Ding Yuan International Investment Corp., bought 17 thousand shares of Everest Textile Co., Ltd. for NT\$97 thousand in March 2010.

In November 2009, YDI and Kai Yuan 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%.

In July 2009, an FENC subsidiary, YDI, acquired 5,302 thousand shares issued by Da Ju Fiber Co., Ltd. for NT\$127,258 thousand.

In July 2009, an FENC subsidiary, 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%.

To simplify the Group's investment structure, an FENC subsidiary, YDI sold out all shares, 20 thousand shares, of Pacific Petrochemical (Holding) Ltd. to OUCC for NT\$645,047 thousand in 2010.

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

As of August 16, 2010, the expiry date of the tender offer, Far Eastone and YCIC jointly own 94.56% of NCIC's issued common shares; thus, the revenues and expenses of NCIC and its subsidiaries were included in the consolidated financial statements since then (Note 2). Thus, the Group's equity in DDIM increased from 20% to 15% when add the NCIC's ownership of NCIC to DDIM as of December 31, 2010.

Market prices of the equity-method investments were as follows:

	Years Ended Dec 31	
	2010	2009
Listed companies	<u>\$ 43,765,312</u>	<u>\$ 38,215,850</u>

Movement of the aforementioned difference allocated to goodwill or amortizable assets for the years ended December 31, 2010 and 2009 were as follows. Nevertheless, in the decrease amount of goodwill in 2009, there are NT\$252,188 thousand were due to reclassified FEIB from equity method investee to financial assets carried at cost and available-for-sale financial assets - noncurrent since the Group ceased to have significant influence over Far Eastern International Commercial Bank. Amortizable assets were all written-off in 2010 since the Group has gained the authority of control over NCIC.

	Beginning Balance	Increase	Decrease	Ending Balance
<u>2010</u>				
Goodwill	\$ 586,438	\$ 249,703	\$ 145,435	\$ 690,706
Amortizable assets	<u>867,535</u>	<u>-</u>	<u>867,535</u>	<u>-</u>
	<u>\$ 1,453,973</u>	<u>\$ 249,703</u>	<u>\$ 1,012,970</u>	<u>\$ 690,706</u>
<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>

14. HELD-TO-MATURITY FINANCIAL ASSETS - NONCURRENT

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Corporate bonds		
Asia Cement Corporation	<u>\$ 199,666</u>	<u>\$ 199,567</u>

In September 2009, a subsidiary, KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) bought a five-year corporate bond of ACC, amounting to \$199,540 thousand (par value of \$200,000 thousand), with the effective interest rate of 2.004% and coupon interest rate of 1.95%. The interest is payable on September 22 annually.

15. PROPERTIES

a. Accumulated depreciation consisted of:

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Cost		
Buildings and equipment	\$ 8,421,230	\$ 7,245,221
Machinery and equipment	62,111,500	58,395,058
Telecommunications equipment	95,767,272	80,192,573
Computer equipment	18,408,341	14,470,653
Leasehold improvements	2,399,383	1,483,049
Miscellaneous equipment	<u>6,034,544</u>	<u>4,610,339</u>
	<u>193,142,270</u>	<u>166,396,893</u>
Appreciation		
Buildings and equipment	210,536	211,806
Machinery and equipment	165,293	165,648
Miscellaneous equipment	<u>5,080</u>	<u>5,080</u>
	<u>380,909</u>	<u>382,534</u>
Total accumulated depreciation	<u>\$ 193,523,179</u>	<u>\$ 166,779,427</u>

Accumulated impairment losses consisted of:

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 116,175	\$ -
Buildings and equipment	150,644	37,642
Machinery and equipment	3,081,816	2,553,568
Telecommunications equipment	2,189,483	-
Computer equipment	186,035	-
Leasehold improvements	24,701	-
Miscellaneous equipment	<u>21,516</u>	<u>372</u>
	<u>\$ 5,770,370</u>	<u>\$ 2,591,582</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 Dunhua South Road in Taipei. Under an agreement with the Company and ACC on March 31, 1989, Yuan Ding paid for the construction of a multi-functional building on this land and owned the 30-year right of superficies. However, the ownership of the building was registered in the name of the Company, ACC and Yuan Ding by 12%, 12% and 76%, respectively. Upon expiration of the agreement, the Company and ACC will acquire Yuan Ding's 76% ownership of the building with the carrying value of the building.

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, FERD, 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 FERD.

The subsidiary, FERD granted Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation a superficies right of 9 parcels of lands in Yongfeng Road, Bade City, Taoyuan County for 35 year and received royalties of NT\$228,571 thousand for right of superficies which was recognized as deferred incomes. The rental revenue will be recognized periodically during the superficies period.

The subsidiary, OPTC bought land, in five sections of the Gongye Section in Guanyin Township, Taoyuan Country, building and machinery for NT\$2,438,800 thousand. Part of forgoing machinery NT\$152,825 thousand expects to be disposal in one year and classified under noncurrent assets held for sale.

In 2010, the Company, Far Eastern Industries (Suzhou) Ltd. ("FEIZ") and Sino Belgium (Suzhou) Ltd. ("SBBZ"), had impairment losses of NT\$150,000 thousand, NT\$17,141 thousand and NT\$397,732 thousand, respectively. In 2009, three FENC subsidiaries, Far Eastern Industries (Shanghai) Ltd. ("FEIS"), FEIZ and SBBZ, had impairment losses of NT\$59,322 thousand, NT\$19,514 thousand and NT\$49,388 thousand, respectively.

Capitalized interests on properties were NT\$36,711 thousand in 2010, with an interest rate of 0.04% to 2.7%, and NT\$32,840 thousand in 2009, with an interest rate of 0.6% to 6.38%.

Depreciation expenses were NT\$15,165,146 thousand in 2010 and NT\$15,931,931 thousand in 2009.

16. GOODWILL

a. 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.

In conformity with SFAS No. 35 - "Impairment for Assets," FENC subsidiaries, Far EasTone and its subsidiaries, was divided into several identifiable cash-generating units: To enhance the operating effectiveness, Far EasTone and its subsidiaries, integrated its telecommunications resources actively in 2010 and 2009. Thus, in 2010, the identifiable cash-generating units were defined as mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated internet business; in 2009, the identifiable cash-generating units were defined as mobile telecommunications service business, telecommunications equipment business and WiFly business, which were divided by distinct business functions.

On December 31, 2010 and 2009, the carrying values of the tangible and intangible assets used by FENC subsidiaries, Far EasTone and its subsidiaries, were \$71,937,671 thousand and \$57,910,640 thousand, respectively. Far EasTone and its subsidiaries' management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2010 and 2009: Mobile telecommunications service business - 8.33% and 10.61%, respectively; telecommunications equipment business - 9.71% and 10.42%, respectively; WiFly business - both 10.00%, integrated network business - 5.94%. The operating revenue forecast was based on the expected future growth rate of the telecom industry along with the prospective advancement of the Far EasTone and its subsidiaries' own business.

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

- 1) Expected future growth rate of the telecommunications industry
 - a) Mobile voice service (MVS): The anticipated MVS is measured based on the actual effective customer base and minutes of usage of previous years, while the development trend of the market is taken into account.
 - b) Mobile data service (MDS): The anticipated MDS is measured based on the proportion of MDS to the total telecommunications service revenues of previous years, while the demands and changes of the market are taken into account.
 - c) Business of selling cellular phone units: The anticipated selling cellular phone is based on the historical sales revenues and quantities of previous years, while the trend of the market is taken into account.
 - d) WiFly business: The anticipated Wifly is based on present operating experience and the demand of WiFly, while the trend of the industry is taken into account.
 - e) Integrated network business (INB): The anticipated INB is measured based on the actual effective customer base and service revenues of previous years, while the trend of the market is taken into account.
- 2) Expected ratio of service EBITDA (earnings before interest, taxes, depreciation and amortization) to operating revenue: The expected ratio is anticipated based on the historical ratio of EBITDA to operating revenues, while the possible influence of each revenue, cost and expense are taken into account.

Management of FENC subsidiaries, Far EasTone and its subsidiaries, believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2010, there was no indication of impairment loss. Estimated impairment losses of \$44,315 thousand for 2009 were recorded.

b. Operating Rights (Accounted for Other Intangible Assets)

Under SFAS No. 25 - "Business Combinations" and SFAS No. 37 - "Intangible Assets," FENC subsidiaries, Far EasTone and its subsidiaries, should measure the fair value of the acquired assets and identify major intangible assets as well as the amortization periods. On August 16, 2010, YCIC acquired 67.82% of NCIC's common shares by a tender offer at NT\$10.93 per share, and on November 30, 2010, ARCOA acquired 70% of DE Infotech's common shares. Thus, the identifiable cash-generating units of NCIC and its subsidiaries were defined as integrated network business, and the operating rights on the integrated network business was identified and recognized accordingly. The identifiable cash-generating unit of DE Infotech was defined as a part of the telecommunications equipment business, and the dealership on the telecommunications equipment business was identified and recognized accordingly.

17. INTANGIBLE ASSETS - 3G CONCESSION, NET

	2010	2009
Cost	\$ 10,169,000	\$ 10,169,000
Accumulated amortization		
Beginning balance	3,592,642	2,861,935
Amortization	<u>730,707</u>	<u>730,707</u>
Ending balance	<u>4,323,349</u>	<u>3,592,642</u>
Intangible assets, net	<u>\$ 5,845,651</u>	<u>\$ 6,576,358</u>

18. FARMLAND

	2010	2009
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

	2010	2009
Unsecured loans: Interest - 0.01%-5.53% in 2010 and 0.50%-6.40% in 2009	\$ 24,639,595	\$ 17,073,984
Secured loans: Interest - 0.69%-2.80% in 2010 and 0.58-3.99% in 2009	3,533,458	4,764,800
Warrant loans: Interest - 1.15%-3.90% in 2010 and 0.57%-6.96% in 2009	<u>460,624</u>	<u>2,307,354</u>
	<u>\$ 28,633,677</u>	<u>\$ 24,146,138</u>

An FENC subsidiary, FECC, 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. FECC got another loan of NT\$430,000 thousand from the Bank of Panhsin. The construction had completed in 2010 and this loan had been fully repaid.

In addition, on December 17, 2009, FECC 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 FECC'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, uneffectible by reference rate	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, uneffectible by reference rate	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 guaranteed by the financial institution and with one-year maturities were issued at discount rates ranging from 0.17% to 2.14% in 2010 and 0.17% to 1.90% in 2009.

21. UNEARNED REVENUES

	December 31	
	2010	2009
Unearned telecom revenues from prepaid cards	\$ 1,015,973	\$ 1,007,906
Unearned telecom revenues from postpaid	700,074	39,482
Other	<u>266,786</u>	<u>159,823</u>
	<u>\$ 1,982,833</u>	<u>\$ 1,207,211</u>

FENC subsidiaries, Far EasTone and NCIC, entered into contracts with Far Eastern International Bank Co., Ltd. ("FEIB") in accordance with NCC's prepaid card related regulation of the mandatory and prohibitory provisions of standard contracts of telecommunication products (services) certificate. For the year ended December 31, 2010, Far EasTone and NCIC consigned the proceeds of its sale of prepaid cards and international calling cards to FEIB as trust funds, which were included in the restricted assets - current. FEIB was designated as in charge of the trust funds to protect Far EasTone's prepaid cards customers' and NCIC's international calling cards customers' rights under the trust deeds. Moreover, Far EasTone provided a performance guarantee amounting to \$450,000 thousand (before December 31, 2009) to KG Telecom and \$45,000 thousand to KGEx.com for prepaid cards already bought by customers. KG Telecom also provided Far EasTone with a similar guarantee amounting to \$850,000 thousand (before December 31, 2009).

22. 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, 2010</u>							
Percentage of completion method							
Er-Chung Tainan Science Park - Taipower Company	\$ 136,551	\$ 138,799	\$ 136,378	\$ 136,551	-	2011	\$ (2,248)
Panhsin Decoration	894,236	986,694	838,447	894,236	99	2011	(92,458)
Taichung C706	1,701,724	1,605,249	796,396	894,439	76	2011	73,321
Taichung C704	3,018,591	2,927,665	2,475,335	2,751,946	82	2011	74,559
Taichung C704	2,314,286	2,159,356	1,213,143	1,318,704	52	2012	80,564
Taichung C709A	2,965,991	2,788,031	2,168,050	2,323,024	73	2012	129,910
Far Eastern Memorial Hospital	692,381	670,244	107,041	145,317	15	2012	3,320
Wu YangC905	2,723,810	2,647,055	488,069	537,318	18	2012	13,816
Wu YangC908	2,272,381	2,202,956	370,913	466,381	16	2012	11,108
Zhong-Ben	588,571	588,571	15,688	37,627	3	2012	-
			<u>\$ 8,609,460</u>	<u>9,505,543</u>			
				<u>\$ 896,083</u>			<u>\$ 291,892</u>
<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	361,161	516,844	16	2011	24,789
			<u>2,302,104</u>	<u>2,589,866</u>			
Completed-contract method							
Manhattan	-	-	90,216	93,265	-	2010	-
Others	-	-	2,392	2,679	-	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>

23. LONG-TERM LIABILITIES

	Current	Long-term	Total
<u>December 31, 2010</u>			
Long-term debts			
Bank loans	\$ 735,883	\$ 30,871,983	\$ 31,607,866
Commercial paper	-	1,998,117	1,998,117
	<u>735,883</u>	<u>32,870,100</u>	<u>33,605,983</u>
Bonds			
Nonconvertible bonds (local)	4,260,000	18,040,000	22,300,000
Discounted nonconvertible bonds	(611)	(33,998)	(34,609)
	<u>4,259,389</u>	<u>18,006,002</u>	<u>22,265,391</u>
Exchange bonds	-	1,239,300	1,239,300
Exchange bonds discount	-	(49,250)	(49,250)
	<u>-</u>	<u>1,190,050</u>	<u>1,190,050</u>
	<u>4,259,389</u>	<u>19,196,052</u>	<u>23,455,441</u>
	<u>\$ 4,995,272</u>	<u>\$ 52,066,152</u>	<u>\$ 57,061,424</u>

(Continued)

	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)	5,800,000	9,790,000	15,590,000
Discounted nonconvertible bonds	<u>(302)</u>	<u>(1,276)</u>	<u>(1,578)</u>
	<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>
			(Concluded)

Bank Loans

The foregoing loans are repayable quarterly or in lump sum on maturity in New Taiwan dollars and will be fully repaid in December 2014. Bank interest rates were 0.65% to 3.26% in 2010 and 0.50% to 6.966% in 2009.

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 (earnings before income tax) ratios within certain ranges. The Company's stand-alone financial reports of 2010 and 2009 showed that the Company was in compliance with these ratio requirements.

On July 1, 2008, a Company subsidiary, SINO, 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, served as the guarantor of SINO and thus committed to keep its current, liability, tangible asset-equity and EBIT ratios within certain ranges. Yuan Tong's stand-alone financial reports of 2010 and 2009 showed that Yuan Tong was in compliance with these ratio requirements.

On January 4, 2007, a Company subsidiary, FECC, 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 July 30, 2010, FECC Ltd. fully repaid the above loan.

On December 4, 2009, an FENC subsidiary, 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 2010 and 2009 showed that OPTC was in compliance with these ratio requirement.

Commercial Paper

Commercial paper with one-year maturity had an annual discount rate ranging from 1.179%-1.988% as of December 31, 2010 and had an annual discount rate ranging from 1.03% to 1.998% as of December 31, 2009. Under a revolving credit agreement, a consortium of banks guaranteed the commercial paper to be reissued by the Group.

Bonds

FENC

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

To hedge against the interest-related risks on the 72nd secured convertible bond, the Company used interest rate swap contracts and redeemed the secured convertible bond.

On October 31, 2007, the Company made a two-part bond issuance, with the first issuance of three-year unsecured bond. The bond had an aggregate face value of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bond was repayable in lump sum on maturity, with 2.62% interest calculated and paid annually. NCIC and ADCast (merged with NCIC on March 16, 2009) subscribed for the bond at NT\$600,000 thousand and NT\$200,000 thousand, respectively. The Company redeemed the bond in October 2010.

On November 22, 2007, the Company made a second issuance of three-year unsecured bond. The bond had an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bond was repayable in lump sum on maturity. The Company redeemed the bond in November 2010.

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

On June 20, 2008, the Company made a second issuance of five-year unsecured bond. The bond had an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. Repayments at 30%, 30% and 40% of the total issuance amounts are due at the end of the third year, fourth year and fifth year, respectively, from the issuance date, with 2.83% interest calculated and paid annually.

On July 18, 2008, the Company made a third issuance of five-year unsecured bond. The bond had 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 year, fourth year, fifth year, respectively, from the issuance date, with 2.95% interest calculated and paid annually.

On October 29, 2009, the Company issued five-year unsecured bond (the 1st tranche of 2009) with an aggregate face value of NT\$3,000,000 thousand, with face value of NT\$1,000 thousand. The bond will be repaid at 50% of the total issuance amount in the fourth year starting from the issuance date and 50% in the fifth year, with 1.85% interest. The interests have been calculated by the simple interest method (based on the net balance of the bond) annually starting from the issuance dates and paid annually.

On May 27, 2010, the Company issued five-year unsecured bond (the 1st tranche of 2010) with an aggregate amount of NT\$5,500,000 thousand and a face value of NT\$1,000 thousand. The bond will be repaid at 50% of the total issuance amount in the fourth year starting from the issuance date and 50% in the fifth year, with 1.68% interest rate. The interests have been calculated by the simple interest method (based on the net balance of the bond) annually starting from the issuance dates and paid annually.

On September 16, 2010, the Company issued five-year unsecured bond (the 2nd tranche of 2010) with an aggregate amount of NT\$6,000,000 thousand and a face value of NT\$1,000 thousand. The bond will be repaid at 50% of the total issuance amount in the fourth year starting from the issuance date and 50% in the fifth year, with 1.59% interest. The interests have been calculated by the simple interest method (based on the net balance of the bond) annually starting from the issuance dates and paid annually.

Exchangeable Bond

On September 14, 2007 the Company issued five-year unsecured exchangeable bond 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 as separate assets (Note 6) and liabilities.

Other bond issuance terms are as follows:

a. Exchangeable period:

The bondholders can exchange their bond for ACC shares under the bond terms at any time between October 15, 2007, the 31st 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 bond into 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) After issuing these exchangeable bond, except for the convertible or exchangeable securities issued by ACC, the exchange price of the issued bond will be adjusted in any one of these situations: (a) if the quantity of the ACC's common shares increases in the market (including capital increase for cash, capital increase through capitalization of earnings, capital increase through capitalization of capital reserve, capital increase through capitalization of employee bonus, capital increase through enterprise merger and acquisition, stock split and capital increase through issuing global depository receipts); (b) ACC issues new convertible or exchangeable securities with the price lower than market conversion price; (c) if the quantity of ACC's common shares decreases due to capital reduction (excluding the cancellation of ACC's treasury shares); (d) if the ratio of cash dividends to the market value of the common stock is higher than 1.5%. The original exchange price of NT\$43.74 was unchanged as of December 31, 2010.

c. Call option:

If the closing price of ACC's shares in each of the 30 consecutive trading days on the Taiwan Stock Exchange reach more than 50% of the exchange price during the period between October 15, 2007, one month after the issuance date of the exchangeable bond, and August 5, 2012, the 40th day before the maturity date of the exchangeable bond, the Company will send a bond redemption notice to the bondholders and redeem the outstanding bond at the face value within 30 business days. In addition, if total amount of the outstanding bond is less than NT\$250,000 thousand (10% of total amount of the bond), the Company has the right send a bond redemption notice to the bondholders and redeem the outstanding bond at face value in cash at any time.

d. Put option:

Bondholders may request the Company to redeem their bond holdings at 100% of the face value on September 14, 2010, three years after the issuance date and the Company would redeem them in cash within five business days after September 14, 2010. Bondholders have already requested the Company to redeem their holdings amounting to NT\$1,260,700 thousand. The Company should redeem the bond within five trading days after the bondholders' notifying the Company of their request for bond redemption. The redemption rights have expired on December 31, 2010

e. As of December 31, 2010, the amount of the outstanding exchangeable bond, i.e., not yet exchanged into ACC's common shares, was still NT\$1,239,300 thousand.

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

YDI issued five-year nonconvertible bond (the 9th tranche) on June 10, 2004. The bond had an aggregate face value of NT\$1,000,000 thousand (Bond A - NT\$500,000 and Bond B - NT\$500,000), with each unit having a face value of NT\$10,000 thousand. The bond, repayable in lump sum on maturity, had been fully redeemed in 2009.

To hedge against the risk adverse interest rate fluctuations of nonconvertible bond (the 9th tranche), YDI used interest rate swap contracts. The bond had been fully redeemed by the end of 2009.

YDI issued five-year nonconvertible bond (the 2nd tranche) on June 13 to 16, 2005. The bond had 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 and repayable annually. The bond, repayable in lump sum on maturity, were fully redeemed in 2010.

YDI issued three-year nonconvertible bond (the 3rd tranche) on January 16, 2006. The bond had aggregate face values of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bond, which was repayable in lump sum on maturity, was fully redeemed in 2009.

YDI issued three-year nonconvertible bond (the 4th tranche) on June 22, 2006. The bond had aggregate face values of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bond, which was repayable in lump sum on maturity, were fully redeemed in 2009.

YDI issued five-year nonconvertible bond (the 5th tranche) on October 11, 2006. The bond, which is 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, YDI, made a domestic private placement of unsecured bond with an aggregate value of NT\$1,000,000 thousand and a par value of NT\$10,000 thousand. This three-year unsecured bond will be repayable in lump sum on maturity, with a 2.00% interest payable annually. The bondholders of the domestic private placement of unsecured bond are ARCOA and NCIC, FENC subsidiaries. Above transactions were not included in the consolidated financial statements, since ARCOA and NCIC became FENC's subsidiaries.

On July 19, 2010, YDI made its first issuance of unsecured bond in 2010, with an aggregate value of NT\$2,000,000 thousand and a par value of NT\$1,000 thousand. These five-year unsecured bond will be paid at 30%, 30% and 40% of the aggregate value at the end of 3rd year, 4th year and 5th year, respectively, and the simple interests will be calculated at 1.62% and paid annually.

24. DEFERRED INCOME (CLASSIFIED UNDER OTHER LIABILITIES - OTHER)

	December 31	
	2010	2009
Government grant revenue	\$ 332,241	\$ 394,891
Advance lease payment	<u>169,049</u>	<u>-</u>
	501,290	394,891
Current portion (classified under other liabilities)	<u>(15,406)</u>	<u>-</u>
Deferred income, net	<u>\$ 485,884</u>	<u>\$ 394,891</u>

NCIC entered into a landing party agreement (LPA) with C2C Pte., Ltd. (C2C). Under the LPA, NCIC (i) identified an appropriate location for cable landing; (ii) constructed landing stations, some of which were leased to C2C; (iii) helped in installing terminal equipment and other facilities; and (iv) rendered related operation and maintenance services. NCIC also received an advance lease payment from C2C for the usage of space at the landing station for 25 years. This payment was recognized as rental income based on an operating lease.

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of FECC and FEGC 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, 2010		
	Within One Year	Over One Year	Total
Assets			
Accounts and notes receivable	\$ 245,233	\$ 22,163	\$ 267,396
Receivable from related parties	148,313	-	148,313
Available-for-sale - land and building	30,339	-	30,339
Construction in progress, net	5,946,872	2,335,416	8,282,288
Available for construction - land	-	620,013	620,013
Deferred marketing expenses	49,730	-	49,730
Prepayment for construction (Note)	561	-	561
Restricted assets - current	175,358	1,072,824	1,248,182
Refundable deposits - current (Note)	1,402	6,413	7,815
Liabilities			
Accounts and notes payable	1,822,858	-	1,822,858
Payable to affiliates	259,221	-	259,221
Advances on land and building	1,339,041	-	1,339,041
Billings on construction-in-progress method, net off construction-in-progress	430,616	465,467	896,083
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 - current	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

Note: Accounted for prepayments and other current assets.

26. STOCKHOLDERS' EQUITY

Under the Company Law, capital surplus can only be used to offset a deficit. However, capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, premiums on capital stocks resulting from newly issued stocks after enterprise merger and acquisition and treasury stock transaction) and donations may be capitalized within a certain percentage of the Company's paid-in capital. In addition, capital surplus from equity-method investments may not be used for any purpose.

Based on the Company's Articles of Incorporation, net income should be used to pay its business income tax and offset deficits. From any remaining net income plus last year's unappropriated earnings will be appropriated 10% as legal reserve and a special reserve as required by government regulations. After adding last years unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the following appropriations:

	%
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 year, and disclosed in the financial statements of the year, following the year of earnings generation. The Company's dividends should be appropriated at a percentage based on the Company's Articles of Incorporation in order to keep the stability of dividends distributed and take into account the future economic condition, cash demands and taxation. The cash dividends should be at least 10% of total dividends declared, unless cash is required for investments, productivity expansion, any significant future capital expenditures or plans to improve financial structure.

The Company's employee bonus payable was estimated at NT\$470,346 thousand for 2010 and NT\$300,732 thousand for 2009; the remuneration payable to directors and supervisors was estimated at NT\$352,759 thousand for 2010 and NT\$225,549 thousand for 2009.

The bonuses to employees and the remuneration to directors and supervisors were estimated at 4% and 3%, respectively, of the earnings expected to distribute. 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.

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 2009 and 2008 earnings were approved by the stockholders on June 22, 2010 and June 26, 2009, respectively.

	<u>Appropriation and Distribution</u>		<u>Dividend Per Share (Dollars)</u>	
	2009	2008	2009	2008
Legal reserve	\$ 811,261	\$ 405,825		
Cash dividend	6,059,759	3,655,963	\$ 1.3	\$ 0.8
Stock dividend	<u>932,270</u>	<u>913,991</u>	0.2	0.2
	<u>\$ 7,803,290</u>	<u>\$ 4,975,779</u>		

In the case described above, capital increase from stock dividend of NT\$932,270 thousand had been approved by Financial Supervisory Commission Executive Yuan on July 14, 2010. The effective date of this distribution approved by the Company's board of directors was August 31, 2010 and it was registered on September 15, 2010.

The bonus to employees and the remuneration to directors and supervisors for 2009 and 2008 approved in the stockholders' meetings on June 22, 2010 and June 26, 2009, respectively, were as follows:

	Years Ended December 31			
	2009		2008	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	<u>\$ 300,732</u>	<u>\$ 225,549</u>	<u>\$ 196,557</u>	<u>\$ 147,418</u>
Amounts recognized in respective financial statements	<u>\$ 300,732</u>	<u>\$ 225,549</u>	<u>\$ 196,557</u>	<u>\$ 147,418</u>

The approved amounts of the bonus to employees and the remuneration to directors and supervisors were the same as the accrual amounts reflected in the financial statements for the years ended December 31, 2010 and 2009. Total bonus to employees are paid by cash.

Information on the bonus of employees approved by stockholder's meeting can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange Corporation (<http://emops.tse.com.tw>).

27. 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 a subsidiary, FERD.

Certain income tax information is as follows:

	2010	2009
a. Income tax expense components:		
Income tax expenses - current	\$ 2,371,545	\$ 2,580,309
Income tax benefits - deferred	496,655	827,158
Prior year's adjustments	80,807	32,741
Income on short-term negotiable instruments subject to separate income tax	-	1,855
10% undistributed earnings tax	<u>37,940</u>	<u>20,352</u>
Income tax expense - current	<u>\$ 2,986,947</u>	<u>\$ 3,462,415</u>

In 2010 and 2009, the Legislative Yuan passed the following amendments to tax laws:

- 1) January 2009 - the amendment of Article 39 of the Income Tax Law, which extends the operating loss carryforward period from 5 years to 10 years;
- 2) March 2009 - the amendment of Article 24 of the Income Tax Law, which requires the profit-seeking enterprise that invests in short-term notes for which the issuance dates are on and after January 1, 2010 to include the related interest income, which was taxed separately prior to January 1, 2010, in its taxable income;
- 3) May 2009 - the amendment of Article 5 of the Income Tax Law, which reduced the income tax rate from 25% down to 20%, effective 2010;
- 4) April 2010 - Article 10 of the Statute for Industrial Innovation, which states a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year; this incentive is effective from January 1, 2010 till December 31, 2019;
- 5) May 2010 - the amendment of Article 5 of the Income Tax Law, which reduced a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 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.

	2010	2009
b. Deferred income taxes:		
Current		
Deferred income tax assets - current, net (included in other current assets)		
Bad-debt expense in excess of the tax - deductible amount	\$ 427,221	\$ 516,626
Loss carryforwards	190,902	91,580
Investment tax credit	74,754	141,620
Allowance for losses on inventories	61,159	93,316
Others	<u>45,943</u>	<u>45,948</u>
	799,979	889,090
Less: Valuation allowance	<u>(355,185)</u>	<u>(282,816)</u>
	444,794	606,274
Deferred income tax liability		
Unrealized exchange gains	<u>(1,356)</u>	<u>-</u>
Deferred income tax asset, net	<u>\$ 443,438</u>	<u>\$ 606,274</u>
Noncurrent		
Deferred income tax assets:		
Loss carryforwards	\$ 2,929,792	\$ 2,091,692
Allowance for impairment losses on assets	1,274,202	704,039
Accrued pension costs	362,451	402,480
Cumulative equity in the net loss of investees	348,333	455,082
Investment tax credit	170,461	180,790
Realized losses on long-term investment in shares of stock	33,828	39,797
Deferred income - sale of building and land	19,928	23,557
		(Continued)

	2010	2009
Others	<u>\$ 157,520</u>	<u>\$ 116,209</u>
	5,296,515	4,013,646
Less: Valuation allowance	<u>(3,787,540)</u>	<u>(2,713,745)</u>
	<u>1,508,975</u>	<u>1,299,901</u>
Deferred income tax liabilities		
Expected earnings appropriated from foreign investees	(376,362)	(20,000)
Goodwill amortization	(672,352)	(632,024)
Others	<u>(131)</u>	<u>(616)</u>
	<u>(1,048,845)</u>	<u>(652,640)</u>
Deferred income tax assets - net	<u>\$ 460,130</u>	<u>\$ 647,261</u>
Deferred income tax asset, net - current	\$ 444,381	\$ 606,274
Deferred income tax liabilities, net - current	<u>(943)</u>	<u>-</u>
	<u>\$ 443,438</u>	<u>\$ 606,274</u>
Deferred income tax asset, net - noncurrent	\$ 670,183	\$ 1,012,370
Deferred income tax liabilities, net - noncurrent	<u>(210,053)</u>	<u>(365,109)</u>
	<u>\$ 460,130</u>	<u>\$ 647,261</u>
		(Concluded)

c. Unused investment tax credits and loss carryforwards as of December 31, 2010:

FENC

Regulatory Basis of Tax Credits	Items	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Purchase of automated machinery and equipment	\$ 16,025	\$ 16,025	2011-2013
	Research development	202,742	202,742	2011-2013
	Personnel training	<u>7,869</u>	<u>7,869</u>	2011-2013
		<u>\$ 226,636</u>	<u>\$ 226,636</u>	

ISSDU

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Research development	<u>\$ 1,708</u>	<u>\$ 1,708</u>	2012

Q-Ware Com.

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>\$ 526</u>	<u>\$ 526</u>	2011

NCIC

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	\$ 5,925	\$ 5,925	2011
	Purchase of automated equipment or technology	6,930	6,930	2012
	Personnel training	<u>740</u>	<u>740</u>	2011
		<u>\$ 13,595</u>	<u>\$ 13,595</u>	

ORDL

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>	

OPTC

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Machinery equipment	\$ 50	\$ 50	2011
	Machinery equipment	<u>850</u>	<u>850</u>	2013
		<u>\$ 900</u>	<u>\$ 900</u>	

Loss carryforwards of company subsidiaries, ARCOA, KGEx.com Co., Ltd., Q-Ware Com., ADCast, O-music Co., Ltd., Yuan Cing Co., Ltd., NCIC, New Diligent Co., Ltd., Simple Infocomm Co., Ltd., Information Security Service Digital United Co., Ltd. (“ISSDU”), as of December 31, 2010 were as follows:

Expiry Year	Unused Investment Tax Credits
2013	\$ 327,987
2014	361,122
2015	210,361
2016	253,552
2017	207,994
2018	208,310
2019	296,952
2020	<u>105,819</u>
	<u>\$ 1,972,097</u>

Loss carryforwards of the subsidiaries as of December 31, 2010 were as follows:

Expiry Year	FEETC	FECC	OPTC	ORDL
2013	\$ 10,621	\$ 1,454	\$ -	\$ 1,627
2014	29,935	-	-	2,450
2015	54,756	-	-	3,863
2016	151,819	3,871	-	3,443
2017	109,929	-	56,527	2,819
2018	103,587	-	473,260	11,533
2019	75,206	18,613	-	4,030
2020	<u>29,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 565,107</u>	<u>\$ 23,938</u>	<u>\$ 529,787</u>	<u>\$ 29,765</u>

d. Information on the integrated income tax system:

	FENC	Fu Kwok Garment Manufacturing Co.	OPTC	Far Eastern Fibertech Co., Ltd.	YDI
Year-end balances of imputation credit account (ICA)					
December 31, 2010	<u>\$ 362,953</u>	<u>\$ 22,944</u>	<u>\$ 11</u>	<u>\$ 25,954</u>	<u>\$ 16,890</u>
December 31, 2009	<u>\$ 475,496</u>	<u>\$ 21,361</u>	<u>\$ 1</u>	<u>\$ 27,781</u>	<u>\$ 16,044</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	2.49%	33.83%	-	20.48%	0.35%
2009 (actual)	21.41%	33.31%	0.61%	33.33%	26.61%
Unappropriated earnings (up to 1997)					
December 31, 2010	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,735</u>
December 31, 2009	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,735</u>
Latest year of income tax return that tax authorities had examined and cleared	2006	2008	2008	2008	2008

	Far EasTone	Yuan Faun Ltd.	Far Eastern Apparel Co., Ltd.	KG Telecom	Yuan Cheng Human Resources Consultant Corp.	Yuan Cing Co., Ltd.
Year-end balances of imputation credit account (ICA)						
December 31, 2010	<u>\$ 933,662</u>	<u>\$ 17,617</u>	<u>\$ 18,660</u>	<u>\$ -</u>	<u>\$ 444</u>	<u>\$ 6,808</u>
December 31, 2009	<u>\$ 293,676</u>	<u>\$ 16,502</u>	<u>\$ 23,513</u>	<u>\$ 1,741</u>	<u>\$ 533</u>	<u>\$ 5,597</u>
Creditable tax ratios of imputation tax credits to undistributed earnings						
2010 (estimated)	20.67%	20.48%	20.48%	-	20.57%	-
2009 (actual)	26.78%	48.15%	33.33%	-	32.99%	-
Unappropriated earnings (up to 1997)						
December 31, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2009	<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	2008	2008	2004	2008	2008

	Kai Yuan International Investment Co.	Ding Yuan International Investment Corp.	Yuan Tone Investment Corp.	An Ho Garment Co., Ltd.	FERD
Year-end balances of imputation credit account (ICA)					
December 31, 2010	<u>\$ 1,988</u>	<u>\$ 88,765</u>	<u>\$ 214,016</u>	<u>\$ 15,575</u>	<u>\$ -</u>
December 31, 2009	<u>\$ 10,674</u>	<u>\$ 86,221</u>	<u>\$ 119,545</u>	<u>\$ 20,706</u>	<u>\$ -</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	1.45%	20.48%	-	5.13%	-
2009 (actual)	21.04%	33.33%	-	28.61%	-
Unappropriated earnings (up to 1997)					
December 31, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2008	2008	2008	2008	2006

	ARCOA	FEETC	FECC	FEGC	NCIC
Year-end balances of imputation credit account (ICA)					
December 31, 2010	<u>\$ 16,196</u>	<u>\$ 1,823</u>	<u>\$ 4,780</u>	<u>\$ 56,573</u>	<u>\$ 228,758</u>
December 31, 2009	<u>\$ 12,316</u>	<u>\$ 1,823</u>	<u>\$ 4,924</u>	<u>\$ 15,455</u>	<u>\$ -</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	7.74%	-	0.25%	26.25%	-
2009 (actual)	10.13%	-	17.40%	33.34%	-
Unappropriated earnings (up to 1997)					
December 31, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2008	2008	2008	2008	2008

	New Diligent Co., Ltd.	Simple Infocomm Co., Ltd.	KGEx.com Co., Ltd.	Data Express Info tech Co., Ltd.	Ming Ding Co., Ltd.
Year-end balances of imputation credit account (ICA)					
December 31, 2010	\$ 5,391	\$ 177	\$ 3	\$ 426	\$ 1,129
December 31, 2009	\$ -	\$ -	\$ 3	\$ -	\$ 1,133
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	-	-	-	-	20.48%
2009 (actual)	-	-	-	-	33.33%
Unappropriated earnings (up to 1997)					
December 31, 2010	\$ -	\$ -	\$ -	\$ -	\$ -
December 31, 2009	\$ -	\$ -	\$ -	\$ -	\$ -
Latest year of the returns examined and cleared by the tax authorities	2008	2009	2008	2008	2006

As of December 31, 2010 and 2009, the following had no appropriated earnings (2010- Yuan-Cing Co., Oriental Resources Development Ltd. (“ORDL”), KG Telecom, NCIC, New Diligent Co., Ltd., Simple InfoComm Co., Ltd., Data Express Infotech Co., Ltd., Yuan Tong and FEETC; and 2009- Yuan-Cing Co., ORDL, KG Telecom, Q-ware Com., ADCast, YCIC, Yuan Tong and FEETC). 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 2010 earnings appropriation may be adjusted when the imputation credits are distributed.

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

Far EasTone

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 expense.

KG Telecom (merged with Far EasTone on January 1, 2010)

Income tax returns through 2004 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 expense.

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 tax expense.

Digital United Inc. (merged with NCIC on March 16, 2009)

Income tax returns through 2006 of Digital United Inc. had been examined by the tax authorities. However, Digital United Inc. disagreed with the tax authorities' assessment of its 2006 returns. Thus, Digital United Inc. filed an appeal for the reexamination of its 2006 returns. Nevertheless, Digital United Inc. accrued the related tax expense.

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 no 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 24, 2009. On February 22, 2010, OPTC filed a suit with the Supreme Administrative Court (SAC), but, as of March 1, 2011, 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 2010 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 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 Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, 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 2010 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 Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, 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 2006 income tax return, the tax authorities declared in November 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 Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, 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 Taipei High Administrative Court, but as of March 1, 2011, 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.

Since 2008, the income tax returns of Q-ware Com., ADCast, ISSDU, Linkwell Tech. Co., Ltd. ("Linkwell") and ORDL have not been examined and cleared by tax authorities. Since 2009, YCIC has not been examined and cleared by tax authorities.

28. EMPLOYEE, DEPRECIATION AND AMORTIZATION EXPENSES

	2010		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 5,671,944	\$ 4,866,344	\$ 10,538,288
Insurance	410,141	361,834	771,975
Pension	208,068	234,647	442,715
Miscellaneous	<u>268,026</u>	<u>650,136</u>	<u>918,162</u>
	<u>\$ 6,558,179</u>	<u>\$ 6,112,961</u>	<u>\$ 12,671,140</u>
Depreciation	<u>\$ 13,955,613</u>	<u>\$ 1,209,533</u>	<u>\$ 15,165,146</u>
Amortization	<u>\$ 239,638</u>	<u>\$ 100,884</u>	<u>\$ 340,522</u>

	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>\$ 268,528</u>	<u>\$ 125,225</u>	<u>\$ 393,753</u>

29. EARNINGS PER SHARE

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

	<u>Amounts (Numerator)</u>		Shares in Thousands (Denominator)	<u>Earnings Per Share</u>	
	Income Before Income Tax	Net Income		Income Before Income Tax	Net Income
<u>2010</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 13,009,200	\$ 12,850,170	4,754,580	<u>\$ 2.74</u>	<u>\$ 2.70</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>18,568</u>		
Diluted EPS					
Earning for the year attributable to the Company's stockholders plus effect of potential dilutive common stock	<u>\$ 13,009,200</u>	<u>\$ 12,850,170</u>	<u>4,773,148</u>	<u>\$ 2.73</u>	<u>\$ 2.69</u>
<u>2009</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 8,135,707	\$ 8,088,696	4,754,580	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>12,884</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>4,767,464</u>	<u>\$ 1.71</u>	<u>\$ 1.70</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 weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance of employee stock bonuses distributed out of earnings for the year ended December 31, 2009 and stock dividends. This adjustment caused the basic and diluted after income tax EPS for the year ended December 31, 2009 decreased from NT\$1.74 to NT\$1.70 and from NT\$1.73 to NT\$1.70, respectively.

30. PENSION PLAN

- a. The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, rate of monthly contributions by the Group to the employees' individual pension fund accounts is at 6% of monthly wages and salaries. The pension costs under the defined contribution plan amounted to NT\$277,955 thousand and NT\$244,068 thousand for the years ended December 31, 2010 and 2009, respectively.
- b. The Company, Far EasTone, KG Telecom (dissolved due to merger with Far EasTone on January 1, 2010), ARCOA, Yuan Cing Co., Ltd., NCIC, ISSDU, ADCast, ORDL, Far Eastern Apparel Co., Ltd., FERD, Yuan Cheng Human Resources Consultant Corp., Fu Kwok Garment Manufacturing Co., FECC, FEGC, FEETC, OPTC, and FEFC in 2010 and Yuan Faun Ltd. in 2009, have a defined benefit pension plan for all regular employees under the Labor Standards Law. Under this pension plan, employees can accumulate two base points for every service year within the first 15 service years and one base point for every service year thereafter. Employees can accumulate up to 45 base points. The aforementioned companies accrued pension costs on the basis of actuarial calculations and make monthly contributions to their respective pension funds, which are administered by their respective pension plan committees and deposited in each committee's name in the Bank of Taiwan. In addition, the Company and FEFC paid extra pension expenses amounting to NT\$2,038 thousand and NT\$1,292 thousand in 2009, respectively.
- c. Other information on the defined benefit pension is as follows:
 - 1) Net pension cost consisted of:

	Years Ended December 31	
	2010	2009
Service cost	\$ 160,823	\$ 182,675
Interest cost	147,833	163,089
Expected return on plan assets	(224,753)	(150,312)
Amortization of net transition obligation (assets) and unrecognized pension loss (gain)	114,349	194,646
Curtailment and settlement gain	(18,236)	-
Deferred pension cost	<u>(53)</u>	<u>290</u>
Net pension cost	<u>\$ 179,963</u>	<u>\$ 390,388</u>

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

	December 31	
	2010	2009
Benefit obligation		
Vested benefit obligation	\$ 2,625,690	\$ 2,390,794
Non-vested benefit obligation	<u>2,987,391</u>	<u>2,620,060</u>
Accumulated benefit obligation	5,613,081	5,010,854
Additional benefits based on projected and future salaries	<u>1,510,921</u>	<u>1,422,192</u>
Projected benefit obligation	7,124,002	6,433,046
Fair value of plan assets	<u>(5,268,174)</u>	<u>(4,346,798)</u>
Fund status	1,855,828	2,086,248
Unrecognized net transition asset (obligation)	(184,620)	(309,994)
Unamortized of prior service cost	279,367	295,920
Unamortized pension loss	(143,919)	(406,493)
Additional liability	70,712	34,643
Included in prepaid pension cost	<u>22,751</u>	<u>31,653</u>
Accrued pension cost	<u>\$ 1,900,119</u>	<u>\$ 1,731,977</u>

Note: In 2010, YCIC conducted a tender offer to acquire the common shares of NCIC; therefore, the accrued pension cost amounting to NT\$10,529 thousand was not included in the consolidated financial statements.

- 3) Vested benefit

December 31	
2010	2009
<u>\$ 3,634,949</u>	<u>\$ 3,346,442</u>

- 4) Actuarial assumptions were as follows:

	December 31	
	2010	2009
Discount rate used in determining present value	2.00%-2.50%	2.00%-2.50%
Rate of future salary increase	1.00%-3.75%	1.00%-3.50%
Expected rate of return on plan assets	1.50%-6.00%	1.50%-6.00%

31. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. These transactions in 2010 and 2009 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules C, D, and E.

32. 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.

	2010	2009
Available-for-sale financial assets - current	\$ 73,152	\$ 74,880
Available-for-sale financial assets - noncurrent	113,304	99,113
Available for construction - land	612,283	612,283
Construction-in-progress	1,963,329	1,114,594
Restricted assets - current		
Pledged deposits	1,394,373	498,692
Other	21,391	15,101
Equity-method investments	2,752,588	3,472,799
Properties, net	22,364,602	27,929,569
Land use rights	592,125	611,627
Nonoperating properties, net	1,973,080	1,681,027
Restricted assets - noncurrent		
Pledged deposits	<u>422,409</u>	<u>423,003</u>
	<u>\$ 32,282,636</u>	<u>\$ 36,532,688</u>

In April 2004, YDI, an FENC subsidiary, placed with the Taipei District Court the common shares of Far EasTone in line with the withdrawal of the order for the provisional seizure of the property of Pacific SOGO Department Store Co., Ltd. as demanded by Cathay United Bank. In 2009, YDI had furnished the Taipei District Court with 133,312 thousand common shares and obtained back all of the shares as of December 31, 2009. Additionally, also as of December 31, 2010 and 2009, FENC and some of its subsidiaries had provided 234,332 thousand and 235,932 thousand common shares of Far EasTone respectively, as collaterals for short-term bank loans, commercial paper, long-term liabilities and credit lines of related parties.

33. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Group as of December 31, 2010:

- a. Issued but unused letters of credit aggregated approximately NT\$1,775,915 thousand.
- b. Unpaid building construction and equipment installation contracts amounting to approximately NT\$5,081,361 thousand; acquired but not yet accepted cellular phone equipment amounting to NT\$3,172,948 thousand.
- c. Undelivered cotton contracts amounting to NT\$1,107,404 thousand.
- d. Project contracts already signed by FEGC amounting to NT\$38,962,157 thousand.
- e. Endorsement and guarantees provided to the related parties: Schedule G (attached).

- f. 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
2011	\$ 3,004,930
2012	2,993,305
2013	3,024,213
2014	3,079,472
2015	3,141,620

- g. 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 appeal against the authorities on June 1, 2005. Afterwards, the authorities rejected the appeal; the Company accrued the losses for this case in 2005. On January 18, 2006, the Company filed a lawsuit 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 with SAC 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.
- h. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. (“TYIT”) resolved to merge Mobitai communications Ltd. (“Mobitai”) in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT is the successor company after 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 disposed the investment in Mobitai and recognized a disposal gain of NT\$31,814 thousand. However, the Company regarded Mobitai’s purchase price was too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of the report date the lawsuit was still in the procedure at the Taipei district court.
- i. 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 Tung 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 Tung Investment held by Far Eastern Department Stores Ltd. (FEDS), FEDS’s subsidiaries and the Group was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. In March 25, 2010 the judgment was abandoned by the Supreme Court and returned the case to the Taiwan High Court for reexamination.
- j. The registered capital of Pacific Liu Tung Investment Co. (“PLT”), an investee of the Company, was originally 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 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.

On January 27, 2010, PLT filed an administrative appeal against the Taiwan High Prosecutors Office (“THPO”) pleading for the revocation of the letter sent to the Department of Commerce (“DOC”) on the registration nullifications and requested the stay of execution of registration cancellation. On March 9, 2010, referencing Article 77-8 of the Administrative Appeal Act, the Petitions and Appeals Committee (PAC) of the Executive Yuan declared that the letter did not as being subject to an administrative disposition and thus beyond the scope of administrative appeal. On May 18, 2010, PLT filed a suit against THPO with the Taipei High Administrative Court, and subsequently the chairman of the board of PLT revoked the suit with official form.

Moreover, on February 10, 2010, PLT filed an administrative appeal against the MOEA for the revocation of the decision on administrative disposition and requested the stay of execution of registration cancellation. On May 20, 2010, referencing Article 79-1 of the Administrative Appeal Act, PAC dismissed the administrative appeal. Accordingly, on July 26, 2010, referencing Article 4-1 of the Administrative Procedure Law, PLT filed a suit against the MOEA with the Taipei High Administrative Court. Subsequently the chairman of the board of PLT revoked the suit with official form.

Furthermore, FEDS filed an administrative appeal against the MOEA on February 24, 2010 for the withdrawal of the administrative disposition and requested the stay of execution of registration cancellation. On April 14, 2010, referencing Article 77-3 of the Administrative Appeal Act, PAC decided that the case was not entertained because FEDS was not a party to whom an administrative disposition was issued nor an interested party at stake. Thus, on June 15, 2010, referencing Article of 4-1 of the Administrative Procedure Law, FEDS filed a suit against the MOEA with the Taipei High Administrative Court.

Referencing Article 4-3 of the Administrative Procedure Law, Far Eastern Department Stores (FEDS, an equity-method investee of the Company), as an interested party of PLT, filed a suit against THPO with the Taipei High Administrative Court on July 27, 2010. On November 30, 2010, the Taipei High Administrative Court dismissed the lawsuit, commenting that this lawsuit was the same case as the suit FEDS filed against the MOEA on June 15, 2010 and did not conform with Article 4-3 of the Administrative Procedure Law.

Also, on February 10, 2010, FEDS filed a suit against PLT to confirm the existence of FEDS’s rights as PLT stockholder. However, FEDS notified the Taipei District Court on June 25, 2010 that FEDS and PLT had agreed by consent to stay the proceeding for a period of time. During this period FEDS applied for proceeding before expiration. This suit is tried by the Taipei High Administrative Court.

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 percentage ownership of PLT held by the Group reached 39.68%. Based on the local GAAP, these holdings were accounted for by the equity method.

- k. A subsidiary of FENC, FEGC, contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. 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, 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. Additionally, the construction contract further stated that the construction would be started with manual excavation.

However, on the request by people living in the vicinity of the construction, STSP instructed FEGC to obtain a third-party notarization unit's evaluation of tunnel construction safety before starting the construction. The evaluation report showed that manual excavation would result in land collapse. In consideration of public safety, FEGC requested STSP to do mechanical excavation instead. But STSP refused the request because of its insistence that the contractor should assume all the responsibility and related expenses for any contract change. Nevertheless, FEGC started the construction with mechanical excavation and incurred an additional operating expense of NT\$14,315 thousand. Thus, FEGC applied for conciliation with the PCC, but the conciliation failed because FEGC and STSP could not reach a compromise. FEGC will file a suit for indemnification with the Tainan District Court after receiving the certification of conciliation failure.

Furthermore, because of several problems involved in the pipe jacking required for this construction, FEGC suggested the change of the construction completion date to April 6, 2009. However, STSP disagreed with this extension, refused to pay the extra costs of NT\$3,080 thousand for FEGC's removal of the scrap piles and imposed a fine of NT\$39,406 thousand for the construction expiration. Thus, FEGC applied for conciliation with the PCC, but the conciliation failed because FEGC and STSP failed to reach a compromise. FEGC will file a suit for indemnification with the Tainan District Court after receiving the certification of conciliation failure and also asked STSP return all of the extra costs and the fine for the construction expiration, which both totaled to NT\$42,486 thousand.

An additional operating expense of NT\$30,997 thousand was incurred by FEGC because several new items were added to the construction. However, STSP underpaid the contract amount by NT\$4,121 thousand without a reasonable excuse and rejected FEGC's request for the full payment. Thus, FEGC filed a suit with the Tainan District Court.

The original construction period of 840 days was decided and then was extended by 601 days because of several force majeure incidents (560 days out of 601 days had been approved by STSP and the remaining 41 days was still controversial). However, the extension which had reached 80% of the original construction period entailed the operating expenses of NT\$40,257 thousand, but STSP was not willing to pay these added expenses, thus, FEGC filed a suit with the Tainan District Court.

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

1. An FENC subsidiary, FEGC, 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 with the Kaohsiung District Court. The Court has completed the investigation about the action.

FEGC also claimed that, under Article 20.2 of the contract, KRT should pay an amount of NT\$312,844 thousand 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. The Court was investigating the action second time.

- 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 1, 2011, the date of the accompanying independent auditors' report, this case was still in the procedure in the Administrative Enforcement Agency.
- n. FEETC was entrusted by the TANFB to collect electronic tolls on freeways and has signed a third-party benefit trust contract with FEIB to manage the tolls collected. The trust property for this agreement amounted to NT\$1,099,874 thousand as of December 31, 2010.

34. SUBSEQUENT EVENT

Under an approval based on Rule No. 1000001624 issued by the Financial Supervisory Commission (FSC) under the Executive Yuan on January 20, 2011, the Company changed its method of calculating depreciation expenses from the fixed-percentage-of-declining method to straight-line method, and changing main equipment's service lives to 15 years from January 1, 2011.

35. FINANCIAL INSTRUMENTS

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

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 26,256,123	\$ 26,256,123	\$ 21,141,998	\$ 21,141,998
Financial assets at fair value through profit or loss - current	2,692,504	2,692,504	1,738,110	1,738,110
Available-for-sale financial assets - current	3,373,540	3,373,540	2,815,770	2,815,770
Notes and accounts receivable, net	25,686,050	25,686,050	21,805,366	21,805,366
Receivable from related parties - current	1,270,516	1,270,516	1,264,013	1,264,013
Other financial assets - current	1,362,134	1,362,134	1,030,483	1,030,483
Available-for-sale financial assets - noncurrent	4,394,149	4,394,149	2,593,229	2,593,229
Financial assets carried at cost - noncurrent	1,568,046	-	2,974,623	-
Held-to-maturity financial assets	199,666	203,931	199,567	199,172
Bonds carried at amortized cost - noncurrent	258,903	-	293,454	-
Restricted assets (including current portion)	3,289,251	3,289,251	2,325,051	2,325,051
Refundable deposits	562,244	562,244	471,180	471,180

(Continued)

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Liabilities</u>				
Short-term bank loans	\$ 28,633,677	\$ 28,633,677	\$ 24,146,138	\$ 24,146,138
Commercial paper	7,202,696	7,202,696	5,099,750	5,099,750
Notes and accounts payable	17,255,682	17,255,682	11,167,451	11,167,451
Payable to related parties - current	1,542,707	1,542,707	1,171,896	1,171,896
Accrued expenses	9,594,968	9,594,968	7,360,097	7,360,097
Payable to supplies of machinery and equipment	2,247,024	2,247,024	1,696,017	1,696,017
Bonds payable (including current portion)	23,455,441	23,675,328	17,930,765	18,115,193
Long-term bank loans (including current portion)	33,605,983	33,605,983	39,819,051	39,819,051
Guarantee deposits (including current portion)	1,015,817	1,015,817	1,032,511	1,032,511
<u>Derivative financial instruments</u>				
Cotton futures contracts				
- FENC	15,251	15,251	32,768	32,768
Forward contracts				
- FENC	2,165	2,165	11,460	11,460
- NCIC	64,850	64,850	-	-
Cross currency swap contract				
- KG Telecom(dissolved due to the merger with Far EasTone on January 1, 2010)	-	-	2,750	2,750
- Far EasTone	13,820	13,820	-	-
Exchangeable bonds exchange right				
- FENC	(4,461)	(4,461)	-	-
Exchangeable bonds sell right				
- FENC	-	-	(20,750)	(20,750)
Exchangeable bonds redemption right				
- FENC	-	-	9,000	9,000
				(Concluded)

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

- 1) 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
- 2) 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.
- 3) If quoted market prices are available, these are used as fair values of financial instruments at available-for-sale financial assets. The fair values of financial assets carried at cost - noncurrent and bonds carried at amortized cost, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, fair values cannot be reasonably measured..
- 4) If quoted market prices are available, these are used as fair values of held-to-maturity financial assets - noncurrent; otherwise, fair values will be measured by carrying values.
- 5) Fair values of long-term loans, bonds payable, and commercial paper (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. The fair values of publicly traded bonds are measured at trading prices
- 6) Refundable deposits and guarantee deposits (including the current portion) receivable are recorded at their carrying values because the fair value approximates the 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:

	<u>Quoted Price</u>		<u>Estimated Price</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Derivative financial instruments</u>				
<u>Financial assets at fair value through profit or loss</u>				
Cotton futures contracts				
- FENC	\$ -	\$ -	\$ 15,251	\$ 32,768
Exchangeable bonds collection right				
- FENC	-	-		9,000
Forward exchange contract				
- FENC	-	-	2,165	11,460
<u>Hedging derivative assets - current</u>				
Cross currency swap contract				
- KG Telecom(dissolved due to the merger with Far EasTone on January 1, 2010)	-	-	-	2,750
- Far EasTone	-	-	13,820	-
Forward exchange contract				
- NCIC	-	-	64,850	-
<u>Financial liabilities at fair value through profit or loss</u>				
Exchangeable bonds exchange right				
- FENC	-	-	(4,461)	-
Exchangeable bonds sell right				
- FENC	-	-	-	(20,750)

- d. As of December 31, 2010 and 2009, the financial assets with fair value risk resulted from interest rate fluctuations amounting to NT\$18,240,141 thousand and NT\$10,345,774 thousand, respectively and the financial liabilities with fair value risk resulted from interest rate fluctuations amounting to NT\$76,379,558 thousand and NT\$75,074,427 thousand, respectively. As of December 31, 2010 and 2009, the financial assets with cash flow risk resulted from interest rate fluctuations amounting to NT\$9,139,904 thousand and NT\$13,337,273 thousand, respectively and the financial liabilities with cash flow risk resulted from interest rate fluctuations amounting to NT\$17,534,057 thousand and NT\$13,160,971 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 against the effect of adverse exchange rate fluctuations on net foreign currency-denominated 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 corporate bonds 72nd tranche. The Company had redeemed the entire 72nd tranche as of December 31, 2009.

YDI engaged in interest rate swap contracts to hedge against adverse interest rate fluctuations of secured unconvertible corporate bonds - 9th tranche. YDI had redeemed the entire ninth issue as of December 31, 2009.

Cross currency swap contracts

FENC subsidiaries, Far EasTone and KG Telecom (dissolved on its merger with Far EasTone on January 1, 2010) used cross-currency swap contracts to hedge against the adverse effects of exchange rate fluctuations on foreign currency-denominated assets in 2010 and 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 against adverse fluctuations of cotton prices (Note 6).

Others

Fair values of mutual funds and domestic quoted stocks held by the Company and its subsidiaries 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 is periodically evaluated by the foregoing subsidiaries.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Group if the counter-parties or third parties breach financial instrument contracts. Financial instruments with positive fair values at the balance sheet date are evaluated for credit risk. The counter-parties to the foregoing financial instruments are reputable financial institutions and business organizations. Thus, management does not expect the Group's exposure to default by those parties to be material.

3) Liquidity risk

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 have no active market; thus, material liquidity risk on these assets is anticipated.

Some investments in equity instruments have no active markets; therefore, the liquidity risk is expected to be high.

On February 26, 2009, an FENC subsidiary, Yuan Tong 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.

FENC and some of its subsidiaries invested in domestic quoted stocks, bonds and mutual funds that have quoted prices in active markets and can be sold immediately at prices close to their fair values. However, Far EasTone also invested in some private fund with no quoted prices in an active market; thus, this investment was expected to have material liquidity risks.

The subsidiaries of YDI and Kai Yuan acquired privately placed shares of FEIB. Under Article 43-8 of the Securities and Exchange Law, the privately placed securities are subjected to restrictions on holding period and trading volume. As a result, liquidity risk on these securities is anticipated.

The subsidiaries of Far EasTone and KG Telecom (dissolved on its merger with Far EasTone on January 1, 2010), used cross-currency swap contracts in 2010 and 2009, which resulted in simultaneous cash inflows and outflows upon maturity; thus, the cash demand is not expected to be significant.

An FENC subsidiary, NCIC, used forward exchange contract in 2010, which resulted in simultaneous cash inflows and outflows upon maturity; thus, the cash demand is not expected to be significant.

4) Cash-flow risk from interest rate fluctuations

The Group has bank deposits and, short-term and long-term loans with floating interest rates. As a result, their effective interest rates will change as the market interest rates change.

f. Cash flow hedge

The Company's 72nd tranche of secured nonconvertible bonds, YDI's 9th tranche of secured nonconvertible bonds and the liability of Far EasTone Telecom Co., Ltd. may cause material cash flow risks because these instruments have floating interest rates; thus, these companies used interest rate swaps to hedge against the risks. Above bonds had been redeemed as of the end of 2009.

Two subsidiaries, Far EasTone and KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) used cross currency swap to hedge against adverse cash flow fluctuations on its foreign currency-denominated assets.

A subsidiary, NCIC, used forward exchange contract to hedge against cash flow fluctuations on its foreign currency-denominated 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			
		2010	2009		
Foreign currency-denominated assets	Cross currency swap contract				
	- Far EasTone	\$ 13,820	\$ -	2011	2011
	- KG Telecom (dissolved on the merger with Far EasTone on January 1, 2010)	-	2,750	2010	2010
	Forward contracts				
	- NCIC	64,850	-	2011	2011

36. OTHER

The Group's significant foreign currency-denominated assets and liabilities as of December 31, 2010 and 2009 were as follows:

	(In Thousands, Except Exchange Rate)					
	December 31, 2010			December 31, 2009		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Monetary assets</u>						
United States Dollars	\$ 402,358	29.185	\$ 11,742,826	\$ 431,103	31.99	\$ 13,790,972
EURO	29,841	38.816	1,158,309	21,453	46.1	988,971
Chinese Renminbi	4,985,690	4.4675	22,273,570	6,119,019	4.6858	28,672,500
Malaysia Ringgit	24,886	9.069	225,695	25,726	8.967	230,683
<u>Equity-method investments</u>						
United States Dollars	884	29.185	25,795	23,067	31.99	737,898
Hong Kong Dollars	92,826	3.751	348,189	92,137	4.126	380,159
<u>Non-monetary assets</u>						
United States Dollars	50,331	29.104	1,464,832	16,004	31.032	496,626
EURO	5,175	44.723	231,428	5,175	44.723	231,428
<u>Monetary liabilities</u>						
United States Dollars	762,758	29.185	22,261,088	489,010	31.99	15,643,432
EURO	2,056	38.816	79,818	6,433	46.1	296,545
Hong Kong Dollars	101,319	3.751	380,048	245,976	4.126	1,014,896
Chinese Renminbi	1,064,482	4.4675	4,755,575	961,228	4.6858	4,504,124
Malaysia Ringgit	29,382	9.069	266,463	43,746	8.967	392,271

37. 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: none.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule K (attached).

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule L(attached).
 - 9) Names, locations, and related information of investees on which the Company exercises significant influence: Schedule M (attached).
 - 10) Derivative financial transactions: Notes 6 and 35.
- 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 N and N-1 (attached).
 - 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 31 and Schedule K, L (attached).
- d. Additional disclosure for consolidated financial statements:
- 1) Significant transactions between the Group and among subsidiaries: Schedule O (attached).
 - 2) Reasons, amounts, number of shares held and subsidiaries' names, which owns FENC's shares: None.

39. SEGMENT INFORMATION

- a. Industry Segment information. Summarized segment information is shown in Schedule P.
- b. Geographic information. Summarized segment information is shown in Schedule Q.
- c. Export sales

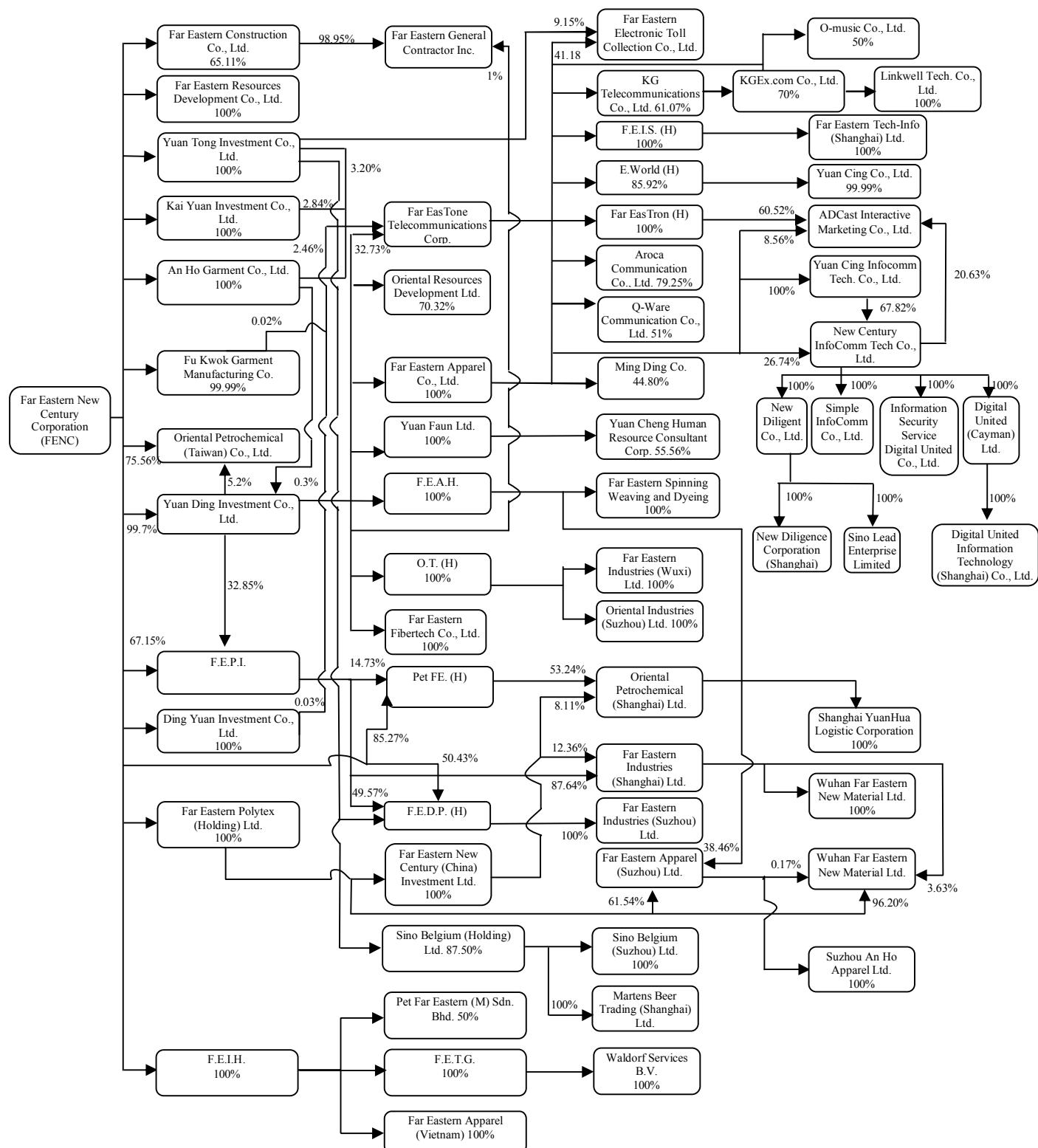
The export sales of the Company and its subsidiaries were less than 10% of consolidated net sales in 2010 and 2009.

- d. Major customers

There were no major customers in 2010 and 2009.

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

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2010



SCHEDULE B**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**
(Formerly Far Eastern Textile Ltd. and Subsidiaries)**OPERATIONS**
DECEMBER 31, 2010

Consolidated Entity	Setup Date	Location	Operations
Far Eastern New Century Corporation (formerly Far Eastern Textile Ltd.)	1954/01/13	36F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	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 Co., Ltd.	1998/10/02	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Yuan Tong Investment Co., Ltd.	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.	1971/03/06	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 Co., Ltd.	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, Dunhua S. Rd. Sec. 2, 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.	2001/01/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Sino Belgium (Holding) Ltd.	2007/08/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Investment (Holding) Ltd.	1989/08/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
PET Far Eastern (Holding) Ltd.	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment.
FEDP (Holding) Ltd.	2002/03/20	Clarendon House 2 Church street Hamilton HM 11, Bermuda	Investment.
F.E.T.G. Investment Antilles N.V.	1989/10/05	Kaya W.F.G Mensing 14, Curacao, Nederlandse Antillen	Investment.
Waldorf Services B.V.	1990/01/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment.
PET Far Eastern (M) Sdn. Bhd.	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) Ltd.	2006/03/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Apparel (Holding) Ltd.	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment.
Far Eastern Polychem Industries Ltd.	1995/04/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Industries (Shanghai) Ltd.	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) Ltd.	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) Ltd.	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 Beer (Suzhou) Ltd.	2007/09/04	Mainland China	Brewer.
Far Eastern New Century (China) Investment Corp.	2007/06/18	Mainland China	Investment.
Far Eastern Industries (Wuxi) Ltd.	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) Corp.	2003/01/21	Mainland China	Manufacture and distribution of PTA and its by-products.
Far Eastern Industries (Suzhou) Ltd.	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, ROC	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, ROC	Manufacture and distribution of PTA
Martens Beer Trading (Shanghai) Ltd.	2007/10/26	Mainland China	Beer sales
Far EasTone Telecommunications Co., Ltd.	1997/04/11	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Telecommunication
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 (Shanghai) Ltd.	2002/11/18	Mainland China	Computer software programming and MIS maintenance and consultancy.
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, Da'an Dist., 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, Da'an Dist., 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, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	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	Marquee 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
New Century InfoComm Tech Co., Ltd.	2000/6/1	1F-11F., No. 218, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Type II communications service, integrated network business and sale of phone equipment and accessories.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
New Diligent Co., Ltd.	2001/5/2	1F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Business consulting and souvenir selling.
Simple InfoComm Co., Ltd.	2001/10/23	12F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Type II communications service.
Information Security Service Digital United Co., Ltd.	2004/12/22	6F., No.71, Zhouzi St., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Internet information security and monitoring.
Digital United (Cayman) Ltd.	2000/8/16	P.O.Box 2681,Zephyt House, Mary Street, George Town, Grand Cayman, British West Indies	Investment.
New Diligence Corp. (Shanghai)	2000/10/8	Mainland China	Providing business consulting and machinery selling.
Sino Lead Enterprise Ltd.	2006/4/11	Hong Kong Trade Centre,7/F 161-167 Des Voeux Road Central, Hong Kong	Providing Internet services, information software services and electronic information providing services.
Digital United Information Technology (Shanghai) Co., Ltd.	2005/8/23	Mainland China	Design and research of computer system.
O-music Co., Ltd.	2010/10/5	12F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing electronic information service.
Data Express Infotech Co., Ltd.	2004/7/22	6F.-1, No. 778, Sec. 4, Bade Rd., Nangang Dist., Taipei City 115, Taiwan, ROC	Communication products wholesale.
Linkwell Tech. Co., Ltd.	2005/4/8	2F., No. 2, Guanqian Rd., Zhongzheng Dist., Taipei City 100, Taiwan, ROC	Communication products wholesale.

(Concluded)

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

RELATED PARTIES
DECEMBER 31, 2010

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.	a
9	Ding Ding Hotel Co., Ltd.	a
10	Da Ju Fiber Co., Ltd.	a
11	iScreen Corp.	a
12	Yue Ming Co., Ltd.	a
13	Ding Ding Integrated Marketing Service Co., Ltd.	a
14	Malaysia Garment Manufactures PTE Ltd.	a
15	Far Eastern International Garments Inc.	a
16	Far Eastern Grant Co., Ltd.	b
17	Far Eastern. Y. Z. Hsu Science and Technology Memorial Foundation	b
18	U-Ming Marine Transport Corp.	b
19	Tranquil Enterprise Ltd.	b
20	New Tranquil Enterprise Ltd.	b
21	Yuan-Ze University	b
22	Oriental Institute of Technology	b
23	Far Eastern Memorial Hospital	b
24	Bai Ding Investment Corp.	b
25	Far Eastern Department Stores Co., Ltd.	a and b
26	Oriental Union Chemical Corporation	a and b
27	Asia Cement Corporation	a and b
28	Yu Chang Vocational School	c
29	Pacific SOGO Department Stores Co., Ltd.	d
30	Pacific Petrochemical (Holding) Ltd.	e
31	Far Eastern Recreation Center Employee's Welfare Committee	f
32	Far Eastern Recreation Center Employee's Welfare Committee of FENC Golf Club	f
33	Oriental Petrochemical (Yangzhou) Corporation	g
34	Hong Ton Development Corporation	h
35	F.E. Memorial Foundation	h
36	Far Eastern Medical Foundation	h
37	TECO Electric & Machinery Co., Ltd.	i
38	Systemex Corporation	i
39	MITAC Inc.	i
40	Telecommunication & Transportation Foundation	j

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
41	NTT DoCoMo Inc.	k
42	Everest Textile (Shanghai) Ltd.	l
43	Everest Investment (Holding) Ltd.	l
44	Far Eastern Asset Management Co., Ltd.	m
45	Far Eastern International Bank	n
46	Far Eastern Technical Consultants Co., Ltd.	o
47	YDT Technology International Co., Ltd.	o
48	Ya Tung Ready Mixed Concrete Co., Ltd.	p
49	Ya-Li Precast Prestressed Concrete Industries Corp.	p
50	Chiahui Power Corporation	p
51	Fu Ming Transport Co., Ltd.	p
52	Fu Dar Transportation Co., Ltd.	p
53	Asia Investment Corp.	p
54	Bai Yang Investment Co.	q
55	Far Eastern Citysuper Ltd.	q
56	Ya Tung Department Stores Co., Ltd.	q
57	Ding Ding Management Consultants Co.	r
58	Deutsche Far Eastern Asset Management Co., Ltd.	r
59	New Century InfoComm Tech Co.	s
60	Digital United Inc.	t
61	Information Security Service Digital United Co., Ltd.	u
62	U-Ming Marine Transport (Singapore) Private Ltd.	v

- Note:
- a. Equity-method investee and the share holding is less than 50%.
 - b. Same Chairman or general manager.
 - c. The chairman is the relative of the Company's chairman.
 - d. The subsidiary of Pacific Liu Tong Investment Co.
 - e. Equity-method investee of the subsidiary as of June 30, 2009 and have merged by OUCC in February 2010.
 - f. The principal of the organization is the Company's senior manager.
 - g. The subsidiary of OUCC.
 - h. The chairman of the Company is the investee's director.
 - i. The 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. The director of Far EasTone Telecommunication Co., Ltd.
 - l. The subsidiary of Everest Textile Co., Ltd.
 - m. Far Eastern International Bank is the institutional director of the investee.
 - n. The vice chairman of the investee is the chairman of the Company.
 - o. The subsidiary of Yuan Ding Co., Ltd.
 - p. The subsidiary of Asia Cement Corporation.
 - q. The subsidiary of Far Eastern Department Stores Ltd.
 - r. The chairman of the investee is the vice president of the Company.
 - s. Equity-method investee and the share holding is less than 50%. As of August 2010, the investee has become a subsidiary.
 - t. The subsidiary of New Century InfoComm Tech Co., Ltd. (merged with New Century InfoComm Tech Co., Ltd. on March 16, 2009).
 - u. The subsidiary of New Century InfoComm Tech Co., Ltd. covered by consolidated statements in August 2010.
 - v. The subsidiary of U-Ming Marine Transport Corp.

(Concluded)

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

CONSOLIDATED RELATED-PARTY TRANSACTIONS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	Notes	2010		2009	
		Amount	%	Amount	%
Sales					
New Century InfoComm Tech Co.		\$ 868,790	-	\$ 1,235,854	1
Others	b.	<u>2,939,138</u>	<u>2</u>	<u>1,649,493</u>	<u>1</u>
		<u>\$ 3,807,928</u>	<u>2</u>	<u>\$ 2,885,347</u>	<u>2</u>
Purchases					
Oriental Union Chemical Corp.		\$ 1,172,328	1	\$ 935,955	1
Others	b.	<u>2,137,746</u>	<u>1</u>	<u>2,138,137</u>	<u>2</u>
		<u>\$ 3,310,074</u>	<u>2</u>	<u>\$ 3,074,092</u>	<u>3</u>
Operating expense					
Ding Ding Integrated Marketing Service Co.		\$ 131,166	1	\$ 163,760	1
Yuan Ding Corp.		158,289	1	158,336	1
Others	b.	<u>399,471</u>	<u>1</u>	<u>333,627</u>	<u>1</u>
		<u>\$ 688,926</u>	<u>3</u>	<u>\$ 655,723</u>	<u>3</u>
Nonoperating revenue					
New Century Info Comm Tech. Co., Ltd.		\$ 27,614	1	\$ 31,603	1
Others	b.	<u>17,929</u>	<u>-</u>	<u>46,517</u>	<u>1</u>
		<u>\$ 45,543</u>	<u>1</u>	<u>\$ 78,120</u>	<u>2</u>
Nonoperating expense					
Yuan-ZE University		\$ 101,777	11	\$ -	-
Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation		92,659	10	90,000	11
Telecommunication & Transportation Foundation		<u>7,000</u>	<u>1</u>	<u>9,000</u>	<u>1</u>
		<u>\$ 201,436</u>	<u>22</u>	<u>\$ 99,000</u>	<u>12</u>

Note:

- a. For the relationships between FENC and subsidiaries, please refer to Schedule C.
- b. The transaction amount between related-parties was not over 5% of the total amount of the account.

(Continued)

c. The terms of FENC's sales to and purchases from the related parties were the based on agreement.

d. Salaries and bonuses of directors, supervisors and management executives:

	2010	2009
Salaries and bonuses (including bonuses to employees)	\$ 115,396	\$ 103,449
Remunerations to directors and supervisors	397,625	288,269
Directors' business-related expenses	<u>9,119</u>	<u>8,971</u>
	<u>\$ 522,140</u>	<u>\$ 400,689</u>

(Concluded)

SCHEDULE E**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**
(Formerly Far Eastern Textile Ltd. and Subsidiaries)**CONSOLIDATED RELATED-PARTY TRANSACTIONS**
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

	Notes	2010		2009	
		Amount	%	Amount	%
Accounts/notes receivable from affiliates					
Frendenberg Far Eastern Spunweb Co., Ltd.		\$ 165,183	13	\$ 110,225	9
Far Eastern Department Stores Ltd.		117,962	9	44,180	3
Pacific Sogo Department Stores Co., Ltd.		109,890	9	80,364	6
Everest Textile Co.		81,941	6	48,590	4
Everest Textile (Shanghai) Ltd.		53,164	4	135,678	11
Yuan Ding Co.		26,394	3	79,329	6
New Century InfoComm Tech Co.		-	-	279,911	22
Others	e.	<u>221,245</u>	<u>17</u>	<u>59,477</u>	<u>5</u>
		<u>\$ 775,779</u>	<u>61</u>	<u>\$ 837,754</u>	<u>66</u>
Refundable deposits					
Ding Ding Integrated Marketing Service Co., Ltd.		\$ 38,535	7	\$ 43,233	9
Yuan Ding Co.		33,738	6	33,355	7
Others	e.	<u>15,174</u>	<u>3</u>	<u>19,747</u>	<u>4</u>
		<u>\$ 87,447</u>	<u>16</u>	<u>\$ 96,335</u>	<u>20</u>
Accounts and notes payable to affiliates					
Ya Tung Ready Mixed Concrete Co., Ltd.		\$ 241,499	16	\$ 172,799	17
Oriental Union Chemical Corp.		114,682	7	96,450	10
Ding Ding Integrated Marketing Service Co.		77,644	5	75,280	8
Everest Textile (Shanghai) Ltd.		8,004	1	173,984	17
New Century InfoComm Tech Co.		-	-	263,997	27
Others	e.	<u>329,902</u>	<u>21</u>	<u>110,701</u>	<u>11</u>
		<u>\$ 771,731</u>	<u>50</u>	<u>\$ 893,211</u>	<u>90</u>
Advance construction receipts					
Far Eastern Department Stores Ltd.		\$ 891,479	4	\$ 473,037	3
Oriental Institute of Technology		146,057	1	-	-
Far Eastern Memorial Hospital		<u>145,317</u>	<u>1</u>	<u>2,679</u>	<u>-</u>
		<u>\$ 1,182,853</u>	<u>6</u>	<u>\$ 475,716</u>	<u>3</u>

(Continued)

	Notes	2010		2009	
		Amount	%	Amount	%
Deferred income					
Rental revenue					
Yuan Ding Co.	b.	\$ 610,295	63	\$ 656,941	65
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	c.	208,980	22	215,510	21
Sales of lands and buildings					
Oriental Securities Co., Ltd.	d.	115,591	12	116,147	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>\$ 971,124</u>	<u>100</u>	<u>\$ 1,024,856</u>	<u>100</u>
Deferred charges (classified under other assets - other)					
Oriental Union Chemical Corp.		<u>\$ 2,158</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

Financing to affiliates:

	Year Ended December 31, 2010			
	Highest Outstanding Balance	Balance on December 31, 2010	Interest Rate (%)	Interest Revenue
Da Ju Fiber Corporation	\$ 250,000	\$ 250,000	0.93-1.76	\$ 1,166
Malaysia Garment Manufactures Pte Ltd.	268,259	244,737	0-1.44571	1,636
Yue Ding Industry Co., Ltd.	40,000	<u>-</u>	0.93-1.71	<u>441</u>
		<u>\$ 494,737</u>		<u>\$ 3,243</u>
	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>

(Continued)

Financing from affiliates:

	Year Ended December 31, 2010			
	Highest Outstanding Balance	Balance on December 31, 2010	Interest Rate (%)	Interest Expense
Accounts and notes payable to affiliates				
Pacific Petrochemical (Holding) Ltd.	\$ 601,211	\$ 601,211	-	\$ -
Oriental Petrochemical (Yangzhou) Corporation	899,554	<u>169,765</u>	1.25-3	<u>6,473</u>
		<u>\$ 770,976</u>		<u>\$ 6,473</u>
	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>

- 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 Dunhua 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. On March 9, 2009, 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 NT\$448,329 thousand in order to start the construction of its new medical building and the gain on this transaction brought NT\$331,124 thousand to the subsidiary.
- g. NCIC (covered by consolidated financial statement of FENC in August 2010) and ADCast (dissolved due to the merged with NCIC on March 16, 2009) subscribed three-year unsecured bonds (the 1st tranche of 2007), FENC issued for NT\$600,000 thousand and NT\$200,000 thousand on October 31, 2007, respectively. FENC has already redeemed the full amount in October 2010 (Note 23).

NCIC and ARCOA bought a domestic private placement of unsecured bond of Yuan Ding Investment Corporation on August 14, 2009 (Note 23), amounting to NT\$990,000 thousand and NT\$10,000 thousand, respectively. The above transactions between the Company and NCIC subsidiary were written off on December 31, 2010; part of ARCOA was written off on December 31, 2009. Interest expense from above bonds were NT\$20,000 thousand (including write-off of NT\$7,425 thousand) and NT\$7,671 thousand (including write-off of NT\$77 thousand), in 2010 and 2009, respectively; interest payable were NT\$7,671 thousand (all is write-off) and NT\$7,671 thousand (including write-off of NT\$77 thousand), as of December 31, 2010 and 2009, respectively.

(Continued)

- h. The subsidiary, Far EasTone bought from FEILC the Neihu switch center, the Taichung land for switch center and the Kaohsiung office space for NT\$239,177 thousand (including VAT) in 2010 based on appraisal reports and market prices. The ownership of these properties had been transferred to Far EasTone.
- i. Far Eastern Resources Development Co., Ltd. sold the land located in Ya-Tung Section of Banciao to Far Eastern Memorial Foundation at total amount of NT\$432,907 thousand. Far Eastern Resources Development Co., Ltd. receive \$428,577 thousand in advance while contracting in 2010, classified under advances on real estate receipts. The ownership of these properties have not transferred to Far Eastern Memorial Foundation until December 31, 2010.
- j. The terms of sales to and purchases from the related parties were based on the agreement.

(Concluded)

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

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	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		
Far Eastern New Century Corporation	An Ho Garment Co., Ltd.	Receivables from related parties	\$ 400,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,927,431 (Note B)	\$ 49,274,306 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
	Yuan Ding Investment Co., Ltd.	"	1,800,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
Yuan Ding Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	"	180,000	180,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Far Eastern Resources Development Co.	"	650,000	650,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	An Ho Garment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Da Ju Fiber Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
Far Eastern Investment (Holding) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	Receivables from affiliates	US\$ 30,000	US\$ 30,000	-	1%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Flying Dutchman Ltd.	Other receivables	US\$ 5,000	US\$ 5,000	-	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Waldorf Services B.V.	Receivables from affiliates	US\$ 10,000	US\$ 10,000	US\$ 800	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	F.E.T.G. Investment Antilles N.V.	"	US\$ 15,000	US\$ 15,000	US\$ 236	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 68,600	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Pet Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,500	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,786	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 20,000	US\$ 20,000	MYR 19,206	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,000	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 5,000	US\$ 5,000	US\$ 2,500	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 30,800	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 1,900	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)	

(Continued)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	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		
Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	\$ 90,000	\$ -	\$ -	1.57%-1.71%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 130,054 (Note B)	\$ 1,300,538 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	90,000	90,000	87,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	An Ho Garment Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Da Ju Fiber Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Yue Ding Industry Co., Ltd.	"	90,000	90,000	-	-	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	US\$ 98,000	US\$ 98,000	US\$ 98,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Industries (Shanghai) Ltd.	"	US\$ 66,000	US\$ 66,000	US\$ 30,000	-	1	HK\$ 1,191,416	-	-	Promissory note	-	4,469,001 (Note H)	4,469,001 (Note H)
	Far Eastern Industries (Suzhou) Ltd.	"	US\$ 10,000	US\$ 10,000	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Petrochemical (Shanghai) Corp.	"	US\$ 4,000	US\$ 4,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	"	US\$ 25,000	US\$ 25,000	US\$ 18,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Apparel (Suzhou) Ltd.	"	US\$ 30,000	US\$ 30,000	US\$ 11,900	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Investment (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	-	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	"	US\$ 15,000	US\$ 15,000	US\$ 340	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Yuan Tong Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Yuan Ding Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	RMB 60,000	RMB 60,000	RMB 60,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	"	RMB 40,000	RMB 40,000	RMB 30,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	RMB 40,000	RMB 40,000	RMB 40,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Industries (Suzhou) Ltd.	"	RMB 20,000	RMB 20,000	-	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Sino Belgium (Suzhou) Ltd.	"	RMB 10,000	RMB 10,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	US\$ 5,000	US\$ 5,000	US\$ 4,600	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Chuang Yuan Co., Ltd.	Other receivables	US\$ 10,000	US\$ 10,000	US\$ 6,380	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	US\$ 64,900	US\$ 64,900	US\$ 48,800	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	US\$ 138,000	US\$ 138,000	US\$ 70,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)

(Continued)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	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		
PET Far Eastern (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	Receivables from affiliates	US\$ 25,000	US\$ 25,000	US\$ 2,000	1.44571%-1.75%	2	-	For revolving fund	\$ -	Promissory note	-	\$ 4,927,431 (Note C)	\$ 14,782,292 (Note D)
	Far Eastern Apparel (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 300	1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Petrochemical (Shanghai) Co., Ltd.	"	US\$ 42,000	US\$ 42,000	US\$ 32,700	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Industries (Suzhou) Ltd.	"	US\$ 42,800	US\$ 42,800	US\$ 30,400	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Far Eastern Resources Development Co.	An Ho Garment Co., Ltd.	Receivables from related parties	400,000	-	-	0.93%-1.71%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Yue Ding Industry Co., Ltd.	"	180,000	-	-	0.93%-1.71%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Da Ju Fiber Co., Ltd.	"	300,000	200,000	160,000	0.93%-1.57%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	0.93%-1.61%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	0.93%-1.71%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Yuan Ding Investment Co., Ltd.	"	870,000	870,000	870,000	0.93%-1.71%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Receivables from affiliates	US\$ 29,600	US\$ 29,600	US\$ 29,600	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)
Far Eastern Polytex (Holding) Ltd.	FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	-	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Martens Beers Trading (Shanghai) Ltd.	"	US\$ 3,600	US\$ 3,600	US\$ 3,600	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Wuhan Far Eastern New Material Ltd.	"	US\$ 12,000	US\$ 12,000	US\$ 12,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Receivables from related parties	10,000	10,000	10,000	1.5%	2	-	For revolving fund	-	Promissory note	-	17,033 (Note I)	56,776 (Note J)
Far EasTone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd.	"	6,000,000	6,000,000	4,300,000	0.787%-0.821%	2	-	For the tender offer payment and business operations	-	-	-	7,128,083 (Note F)	35,640,416 (Note E)

- Notes:
- Reasons for financing are as follows:
 - Business relationship.
 - For short-term financing.
 - The upper limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
 - The upper limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
 - The upper limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
 - The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010. If necessary for short-term financing, the upper limit is equivalent to 15%.
 - The upper limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
 - The upper limit is equal to 25% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
 - The upper limit is the lower amount of 50% of the net value of FENC (based on audited financial statements) or business transaction amount between both parties as of December 31, 2010.
 - The upper limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
 - The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010. For short-term financing, the upper limit is 30%.

(Concluded)

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

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Endorsement/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Value of Collateral Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%) (Note N)	Maximum Collateral/Guarantee Amounts Allowable
	Name	Nature of Relationship							
Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 49,274,306 (Note G)	\$ 10,743,000	\$ 10,141,750	\$ 3,298,000	\$ -	3.35	\$ 98,548,611 (Note H)
Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	18,316,126 (Note G)	156,000	156,000	-	-	-	36,632,251 (Note H)
	Oriental Resources Development Ltd.	(Note A)	18,316,126 (Note G)	119,000	119,000	57,500	-	0.16	36,632,251 (Note H)
	Far Eastern Apparel Co., Ltd.	(Note A)	18,316,126 (Note G)	135,000	135,000	-	-	-	36,632,251 (Note H)
	Oriental Textile (Holding) Ltd. (O.T (H))	(Note A)	18,316,126 (Note G)	1,768,710	1,695,630	1,692,707	-	4.62	36,632,251 (Note H)
	Far Eastern Apparel (Holding) Ltd.	(Note A)	18,316,126 (Note G)	902,860	818,580	792,269	-	2.16	36,632,251 (Note H)
	Oriental Industries (Suzhou) Ltd.	(Note A)	18,316,126 (Note G)	1,559,425	818,580	808,294	-	2.21	36,632,251 (Note H)
	FEDP (Holding) Ltd.	(Note E)	18,316,126 (Note G)	312,900	292,350	292,350	-	0.80	36,632,251 (Note H)
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	49,274,306 (Note O)	US\$ 91,069	US\$ 27,500	US\$ 5	-	-	98,548,611 (Note M)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	14,661,255 (Note L)	1,641,000	1,641,000	488,650	-	33.58	14,661,255 (Note L)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	49,274,306 (Note O)	US\$ 10,000	US\$ 10,000	US\$ 988	-	0.08	98,548,611 (Note M)
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	49,274,306 (Note O)	US\$ 10,000	-	-	-	-	98,548,611 (Note M)
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	(Note A)	49,274,306 (Note K)	1,612,250	1,461,750	1,227,870	-	1.25	98,548,611 (Note I)
Far EastTone Telecommunications Co., Ltd.	Q-Ware Communication Corp.	(Note A)	35,640,416 (Note G)	149,840	149,840	89,904	-	0.21	71,280,832 (Note H)
	KGEx.com	(Note A)	35,640,416 (Note G)	45,000	45,000	23,554	-	0.06	71,280,832 (Note H)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	RMB 1,626,501 (Note H)	RMB 160,000	RMB 110,000	RMB 41,862	-	0.19	RMB 3,253,002 (Note F)
	Wuhan Far Eastern New Material Ltd.	(Note E)	RMB 1,626,501 (Note H)	RMB 110,000	RMB 80,000	RMB 5,712	-	0.03	RMB 3,253,002 (Note F)
	Everest Textile (Shanghai) Ltd.	(Note C)	RMB 1,626,501 (Note H)	RMB 80,000	RMB 45,000	RMB 12,254	-	0.06	RMB 3,253,002 (Note F)
Oriental Textile (Holding) Ltd. (O.T (H))	Far Eastern Industries (Wuxi) Ltd.	(Note A)	49,274,306 (Note O)	US\$ 3,750 RMB 195,000	US\$ 10,000 RMB 70,000	-	-	-	98,548,611 (Note M)
	Oriental Industries (Suzhou) Ltd.	(Note A)	49,274,306 (Note O)	US\$ 69,000 RMB 50,000	US\$ 38,000 RMB 50,000	US\$ 18,000	-	0.53	98,548,611 (Note M)
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note A)	49,274,306 (Note O)	US\$ 28,166	-	-	-	-	98,548,611 (Note M)
Far Eastern Polytex (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	49,274,306 (Note O)	RMB 30,000	-	-	-	-	98,548,611 (Note M)
Far Eastern Resources Development Co.	Far Eastern New Century Corp.	(Note D)	49,274,306 (Note K)	10,001,748	9,461,448	6,730,238	9,461,448	6.83	98,548,611 (Note I)
Far Eastern New Century (China) Investment Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note B)	49,274,306 (Note O)	US\$ 1,217	-	-	-	-	98,548,611 (Note M)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	49,274,306 (Note O)	RMB 50,000	RMB 50,000	-	-	-	98,548,611 (Note M)
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	(Note A)	49,274,306 (Note O)	US\$ 3,000	US\$ 3,000	-	-	-	98,548,611 (Note M)
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note E)	49,274,306 (Note O)	US\$ 6,000	US\$ 6,000	-	-	-	98,548,611 (Note M)

(Continued)

Endorsement/ Guarantee Provider	Counter-party		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Value of Collateral Property, Plant, or Equipment	Ratio of Accumulated Amount of Collateral to Net Equity of the Latest Financial Statements (%) (Note N)	Maximum Collateral/Guarantee Amounts Allowable
	Name	Nature of Relationship							
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	49,274,306 (Note O)	RMB 30,000		-	-	-	98,548,611 (Note M)
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	US\$ 24,658 (Note J)	RMB 100,000	RMB 100,000	RMB 26,439	-	0.12	US\$ 24,658 (Note J)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	49,274,306 (Note O)	RMB 120,000	RMB 40,000	RMB 6,000	-	0.03	98,548,611 (Note M)

- Notes:
- A. The subsidiary whose more than 50% of the common shares holding is directly or indirectly owned by the parent company.
 - B. Equity-method investees.
 - C. Business relationship.
 - D. Parent company of the investee.
 - E. The subsidiary has the same ultimate parent company.
 - F. The amount of the collateral/guarantee is equal to 200% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.
 - G. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.
 - H. Limit is calculated using the net value of the guarantor (based on audited financial statements) as of December 31, 2010.
 - I. Limit is computed using the net value of parent company (based on audited financial statements) as of December 31, 2010.
 - J. The amount of the collateral/guarantee is equal to 20% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.
 - K. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
 - L. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.
 - M. The amount of the collateral/guarantee is equal to the net value of FENC (based on audited financial statements) as of December 31, 2010.
 - N. The ratio is calculated in accordance with the Regulations Governing Loaning of Funds and Marking of Endorsements/Guarantees by Public Companies.
 - O. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010..

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

DECEMBER 31, 2010

(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	686,631	\$ 12,740,990	22.33	\$ 22,143,872	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	208,750	4,168,670	16.80	10,176,534	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,229,666	9.17	2,776,107	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,112	0.03	996	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	36,135,804	99.70	36,522,355	-
	Far Eastern Resources Development Co.	(Note A)	Equity method investments	487,279	16,626,087	100.00	17,583,860	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	6,992,662	100.00	7,299,449	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	1,700	5,188,276	100.00	5,188,276	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	678,205	5,866,919	67.15	5,866,919	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	302,844	4,524,100	100.00	4,524,069	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	385,760	5,263,384	75.56	5,301,170	-
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity method investments	46	3,609,797	100.00	3,598,247	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	186,926	3,387,234	37.13	3,461,684	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	154,372	3,126,343	65.11	3,181,981	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,601,135	100.00	2,601,075	-
	Oriental Securities Corp.	(Note A)	Equity method investments	140,278	2,050,470	19.65	2,043,996	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	202	4,514,131	85.28	4,587,800	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,595,014	100.00	1,663,991	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	67,500	1,383,864	16.83	1,291,775	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	3,999	129,833	99.99	132,993	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	5,386	31,143	19.00	31,145	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	244	721,679	50.43	721,680	-
	Hantech Venture Capital Corp.	-	-	Financial assets carried at cost	4,939	53,667	3.73	64,732
Far Eastern International Bank	(Note C)	-	Available-for-sale financial assets - noncurrent	62,343	919,563	3.11	919,563	-
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,454	1,306,374	9.12	2,761,880	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	796,141	25.23	916,482	-
	Asia Cement Corporation	(Note A)	Equity method investments	5,358	103,986	0.17	172,783	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,926	139,451	0.40	240,131	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	23,285,632	32.73	45,119,617	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	86	5,305,641	100.00	5,305,641	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	331,717	2,870,116	32.85	2,870,116	-
	Oriental Securities Corp.	(Note A)	Equity method investments	185,247	2,813,063	25.96	2,699,878	105,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	111	2,203,064	100.00	2,203,064	-
	Air Liquide Far Eastern Ltd.	(Note A)	Equity method investments	69,115	1,214,109	35.00	1,211,046	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	64,759	1,170,931	12.86	1,198,957	43,500 thousand shares pledged or mortgaged as collaterals for loans
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	59,827	1,140,123	14.92	1,145,127	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,026,282	16.87	1,037,815	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	818,300	100.00	808,336	-
	Yuan Ding Leasing Corp.	(Note A)	Equity method investments	36,706	376,448	46.20	378,085	-
	Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	22,024	354,443	100.00	354,371	-
Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	544,894	41.86	555,110	-	
Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	303,613	29.80	303,332	-	

(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	
	Oriental Resources Development Ltd.	(Note A)	Equity method investments	21,322	\$ 131,326	70.32	\$ 135,249	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	26,528	354,636	5.20	364,824	-
	Yuan Faun Ltd.	(Note A)	Equity method investments	5,000	115,574	100.00	113,551	-
	Yue Ming Co., Ltd.	(Note A)	Equity method investments	1,280	93,904	45.50	95,933	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	1,270	17,980	1.00	16,691	-
	Yue Yuan Investment Co., Ltd.	(Note D)	Financial assets carried at cost	95,838	677,240	19.05	2,133,987	-
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost	2,985	81,405	5.27	115,791	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,688	56,019	3.54	61,450	-
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost	909	22,493	0.16	49,308	-
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost	1,400	14,000	1.16	15,285	-
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,000	10,000	1.11	9,047	-
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80	13,929	-
	Nan Shan Insurance Co., Ltd.	-	Financial assets carried at cost	5	221	-	1,030	-
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost	1	10	-	11	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	914	6,597	9.81	2,734	-
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost	2,165	30,669	0.50	32,056	-
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	55,050	0.83	55,050	-
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	2,994	190,119	0.35	190,119	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	15,771	232,625	0.79	232,625	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent (private)	69,044	683,536	3.44	683,536	-
	<u>Under asset management contracts (Note E)</u>							
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	182	13,796	-	13,796	-
	China Steel Chemical Corporation	-	Financial assets at fair value through profit or loss - current	75	9,000	-	9,000	-
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	720	23,616	-	23,616	-
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss - current	300	21,300	-	21,300	-
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	360	24,300	-	24,300	-
	Ability Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	420	21,042	-	21,042	-
	Phihong Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	369	19,446	-	19,446	-
	Cathay Financial Holdings	-	Financial assets at fair value through profit or loss - current	120	6,204	-	6,204	-
	Yuanta Financial Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss - current	400	8,720	-	8,720	-
	Dynapack Corporation	-	Financial assets at fair value through profit or loss - current	100	9,500	-	9,500	-
	Chipbond Technology Corporation	-	Financial assets at fair value through profit or loss - current	125	6,363	-	6,363	-
	ADLINK Technology Inc.	-	Financial assets at fair value through profit or loss - current	261	13,702	-	13,702	-
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	215	20,855	-	20,855	-
	ACBEL Polytech Inc.	-	Financial assets at fair value through profit or loss - current	540	13,716	-	13,716	-
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	400	10,780	-	10,780	-
	DWS Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	1,833	20,537	-	20,537	-

(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\$ 15,726	100.00	US\$ 15,726	-
	Filsyn Corporation	(Note A)	Equity method investments	45,066	US\$ -	21.85	PESO 109,756	-
	PET F.E. (M) Sdn. Bhd.	(Note A)	Equity method investments	Common stock: 5,000 Preferred stock: 3,000	US\$ 6,818	50.00	US\$ 6,818	-
	Com2B	(Note A)	Equity method investments	9,000	US\$ 884	20.00	US\$ 884	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 6,244	100.00	US\$ 6,244	-
	Opas Fund Segregated Portfolio Company	-	Financial assets carried at cost	-	US\$ 51	34.00	US\$ 51	-
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	12,096	382,665	0.39	390,096	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,526	111,815	0.36	220,643	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	8,523	48,985	1.81	65,712	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	10,045	222,374	1.25	377,692	-
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity method investments	920	40,444	0.03	38,916	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	9,683	199,579	13.20	116,564	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	19,659	220,254	-	220,254	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	63,024	929,607	3.14	929,607	7,682 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	57,843	-	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	16,096	375,174	0.52	519,087	-
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity method investments	92,462	2,407,026	2.84	3,911,144	71,984 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	25,303	490,870	3.14	951,388	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	10,947	296,242	0.88	533,688	-
	Kowloon Cement Co., Ltd.	(Note A)	Equity method investments	1,127	348,189	49.00	376,334	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	74,970	1,026,984	16.80	1,033,552	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	DFE DWS Taiwan Thematic	-	Available-for-sale financial assets - current	5,000	71,750	-	71,750	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	36,489	538,208	1.82	538,208	-
Far Eastern International Bank (Private)	(Note J)	Available-for-sale financial assets - noncurrent	40,025	396,252	2.00	396,252	-	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	HK\$ 1,698,003	87.64	RMB 1,425,207	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	35	HK\$ 210,439	14.72	US\$ 27,133	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	240	HK\$ 189,587	49.57	US\$ 24,306	-
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	HK\$ 16,941	10.00	JPY 277,572	-
Far Eastern Construction Co., Ltd.	<u>Stocks</u>							
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	100,952	0.19	100,952	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	125,639	1,606,386	98.95	1,651,562	-
Asia Cement Corporation	(Note A)	Equity method investments	16,217	416,558	0.53	523,005	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 17,147	38.46	RMB 112,018	-
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 60,287	100.00	RMB 394,311	-
Far Eastern Apparel Co., Ltd.	Ming Ding Co., Ltd.	(Note A)	Equity method investments	448	6,570	44.80	6,570	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	6	60	0.01	60	-
Far Eastern General Constructor Inc.	<u>Mutual funds</u>							
	Invesco ROC Bond Fund	-	Financial assets at fair value through profit or loss - current	2,407	37,007	-	37,007	-
	UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss - current	11,853	190,030	-	190,030	-
	Shin Kong Chi-Shin Fund	-	Financial assets at fair value through profit or loss - current	11,239	167,004	-	167,004	-
FSI TC Bond Fund	-	Financial assets at fair value through profit or loss - current	760	130,003	-	130,003	-	

(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	
	Capital Income Fund	-	Financial assets at fair value through profit or loss - current	8,407	\$ 130,003	-	\$ 130,003	-
	PAC Well Pool Fund	-	Financial assets at fair value through profit or loss - current	6,910	90,003	-	90,003	-
	TLG Solomon Bond Fund	-	Financial assets at fair value through profit or loss - current	6,610	80,016	-	80,016	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	3,347	49,025	-	49,025	-
	<u>Stocks</u>							
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	47,403	0.09	47,403	-
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - noncurrent	20,000	79,939	2.00	81,708	-
	Ya-Li Precast Prestressed Concrete Industries Corp.	(Note I)	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	18,648	-
	Far Eastern Technical Consultants Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	450	3,864	9.00	5,665	-
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity method investments	2	US\$ 15,900	100.00	US\$ 15,900	-
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	US\$ (233)	50.00	US\$ (233)	-
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity method investments	30	US\$ 1,749	37.90	US\$ 1,749	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	US\$ (364)	41.00	US\$ (364)	-
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	-	US\$ 3,444	25.00	CAD 21,897	-
	Filsyn Corporation	-	Financial assets carried at cost	20,513	US\$ -	9.94	PESO (49,930)	-
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	80,172	\$ 1,936,940	2.46	\$ 3,391,276	40,829 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity method investments	2,843	107,153	0.09	91,687	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	11,494	138,663	15.66	138,365	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	4,841	94,508	1.21	92,660	-
	Oriental Securities Corp.	(Note A)	Equity method investments	5,000	79,061	0.70	72,872	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	5,502	152,568	0.30	109,907	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,694	231,486	0.78	231,486	-
Yuan Faun Ltd.	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	37,286	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	3,326	49,053	0.17	49,053	-
	Yuan Cheng Human Resources Consultant Co., Ltd.	(Note A)	Equity method investments	472	9,634	55.56	11,914	-
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	520	19,574	0.02	21,030	-
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	104,216	2,838,098	3.20	4,408,337	78,374 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	35,048	32,995	9.15	37,836	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	7,094	202,452	0.57	345,833	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	439	9,977	0.05	16,506	-
	Asia Cement Corporation	(Note A)	Equity method investments	16,781	574,317	0.55	541,187	-
	Sino Belgium (Holding) Ltd.	(Note A)	Equity method investments	17	22,471	87.50	22,603	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	25,021	280,323	-	25,021	-
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	9,862	101,677	-	9,862	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,166	223,700	0.76	223,700	-
	Bockhold N.V.	-	Financial assets carried at cost	1	223,533	12.51	75,319	-
	Bockhold N.V.	-	Financial assets carried at cost	-	7,895	-	-	-
	Bockhold N.V.	-	Bond investments with no active market	-	258,903	-	-	-

(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	
	<u>Under asset management contracts (Note E)</u>							
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	999	\$ 32,767	-	\$ 32,767	-
	USI Corporation	-	Financial assets at fair value through profit or loss - current	540	15,768	-	15,768	-
	Chung Hwa Pulp Corporation	-	Financial assets at fair value through profit or loss - current	1,242	19,437	-	19,437	-
	Hsin Kuang Steel Co., Ltd.	-	Financial assets at fair value through profit or loss - current	423	13,705	-	13,705	-
	CSBC Corp., Taiwan	-	Financial assets at fair value through profit or loss - current	108	2,970	-	2,970	-
	Macronix International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,339	27,316	-	27,316	-
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	1,296	26,438	-	26,438	-
	Stark Technology Inc.	-	Financial assets at fair value through profit or loss - current	410	12,587	-	12,587	-
	EVA Airways Corporation	-	Financial assets at fair value through profit or loss - current	450	16,560	-	16,560	-
	HannStar Touch Solution Incorporated	-	Financial assets at fair value through profit or loss - current	540	13,446	-	13,446	-
	Green Energy Technology Inc.	-	Financial assets at fair value through profit or loss - current	288	24,192	-	24,192	-
	Giga Solution Tech. Co.	-	Financial assets at fair value through profit or loss - current	207	4,606	-	4,606	-
	Rechi Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	645	11,868	-	11,868	-
	Gloria Material Technology Corporation	-	Financial assets at fair value through profit or loss - current	895	24,299	-	24,299	-
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	54	1,534	-	1,534	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	350	32,410	-	32,410	-
	Taiwan Cooperative Bank	-	Financial assets at fair value through profit or loss - current	990	25,047	-	25,047	-
	Wistron Neweb Corporation	-	Financial assets at fair value through profit or loss - current	533	37,257	-	37,257	-
	Prime View International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	648	38,297	-	38,297	-
	Wah Hong Industrial Corp.	-	Financial assets at fair value through profit or loss - current	107	7,629	-	7,629	-
Far EasTone Telecommunications Co., Ltd.	<u>Stocks</u>							
	Yuan Cing Infocomm Tech Co., Ltd.	(Note A)	Equity method investments	1,500,100	15,076,670	100.00	15,076,670	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	695,096	6,170,177	26.74	6,170,177	-
	ARCOA Communication Co., Ltd.	(Note A)	Equity method investments	82,009	1,175,797	61.07	1,175,797	-
	KGEx.com Co., Ltd.	(Note A)	Equity method investments	89,089	726,564	79.25	726,564	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	174,185	100.00	174,185	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	157,714	169,347	41.18	169,347	-
	E. World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	77,979	85.92	77,979	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	4,725	34,346	15.00	34,346	-
	Far EasTron Holding Ltd.	(Note A)	Equity method investments	4,487	26,920	100.00	26,920	-
	iScreen Corporation	(Note A)	Equity method investments	4,000	24,247	40.00	24,247	-
	O-music Co., Ltd.	(Note A)	Equity method investments	2,500	23,833	50.00	23,833	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	387	3,834	8.56	3,834	-
	Q-ware Communications Co., Ltd.	(Note A)	Other liabilities - other	36,460	(114,466)	51.00	(114,466)	-
	TCC	-	Available-for-sale financial assets - current	550	18,040	-	18,040	-
	ACC	-	Available-for-sale financial assets - current	2,091	67,432	-	67,432	-

(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	
	DAIOKU	-	Available-for-sale financial assets - current	100	\$ 6,400	-	\$ 6,400	-
	TSRC	-	Available-for-sale financial assets - current	150	10,125	-	10,125	-
	WEC	-	Available-for-sale financial assets - current	900	7,749	-	7,749	-
	CHROMA	-	Available-for-sale financial assets - current	160	13,936	-	13,936	-
	LPI	-	Available-for-sale financial assets - current	1,310	32,357	-	32,357	-
	ARES	-	Available-for-sale financial assets - current	300	8,790	-	8,790	-
	STARK	-	Available-for-sale financial assets - current	415	12,741	-	12,741	-
	EVAAIR	-	Available-for-sale financial assets - current	275	10,120	-	10,120	-
	Yuanta Group	-	Available-for-sale financial assets - current	400	8,720	-	8,720	-
	NOVATEK	-	Available-for-sale financial assets - current	30	2,820	-	2,820	-
	Ardentec	-	Available-for-sale financial assets - current	300	9,075	-	9,075	-
	GPI	-	Available-for-sale financial assets - current	109	5,677	-	5,677	-
	GET	-	Available-for-sale financial assets - current	100	8,400	-	8,400	-
	Orisetech	-	Available-for-sale financial assets - current	108	6,858	-	6,858	-
	GS	-	Available-for-sale financial assets - current	655	14,574	-	14,574	-
	RECHI	-	Available-for-sale financial assets - current	300	5,520	-	5,520	-
	SWANCOR	-	Available-for-sale financial assets - current	200	11,220	-	11,220	-
	CHIPBOND	-	Available-for-sale financial assets - current	270	13,743	-	13,743	-
	SYSTEX	-	Available-for-sale financial assets - current	320	15,008	-	15,008	-
	SIGURD	-	Available-for-sale financial assets - current	300	8,340	-	8,340	-
	WNC	-	Available-for-sale financial assets - current	130	9,087	-	9,087	-
	PChome online	-	Available-for-sale financial assets - current	51	9,027	-	9,027	-
	Phison	-	Available-for-sale financial assets - current	45	7,335	-	7,335	-
	<u>Open-end mutual funds</u>							
	KGI EM Trend ETF Fund of Funds	-	Available-for-sale financial assets - current	500	5,250	-	5,250	-
	PCA Global Green Solutions Fund	-	Available-for-sale financial assets - current	4,978	50,427	-	50,427	-
	<u>Private funds</u>							
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	147,438	-	147,438	-
	<u>Bonds</u>							
	Asia Cement Corporation 1st Unsecured Corporation Bond Issue in 2009	-	Held-to-maturity financial assets - noncurrent	-	199,666	-	203,931	-
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	RMB 350	0.17	RMB 318	-
	An Ho Garment (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 2,143	100.00	RMB 3,481	-
PET Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 178,870	53.24	RMB 1,168,502	-
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 6,789	-
	Shanghai Yuanzi Information Co., Ltd.	(Note A)	Equity method investments	(Note H)	RMB 2,180	100.00	RMB 2,168	-
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 93,875	100.00	RMB 613,260	-
	Oriental Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 91,216	100.00	RMB 595,885	-
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 40,467	100.00	RMB 264,360	-
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 27,541	96.20	RMB 179,916	-
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 27,438	61.54	RMB 179,241	-
	Far Eastern (China) Investment Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 63,466	100.00	RMB 352,819	-
Arcoa Communication Co., Ltd.	<u>Stock</u>							
	Data Express Infotech Co., Ltd.	(Note A)	Equity method investments	6,143	142,401	70.00	142,401	-
	THI consultants	-	Financial assets carried at cost - noncurrent	1,214	13,729	18.32	13,729	-
	VIBO Telecom Inc.	-	Financial assets carried at cost - noncurrent	840	8,400	0.04	8,400	-
	Chunghwa Int'l Communication Network Co., Ltd.	-	Financial assets carried at cost - noncurrent	2,087	6,714	3.98	6,714	-
	Web Point Co., Ltd.	-	Financial assets carried at cost - noncurrent	161	1,618	0.63	1,618	-

(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	
	<u>Open-end mutual funds</u>							
	PCA Well Pool Money Market Fund	-	Available-for-sale financial assets - current	4,612	\$ 60,076	-	\$ 60,076	-
	Bond Fund	-	Available-for-sale financial assets - current	9,510	120,357	-	120,357	-
	Capital Income Fund	-	Available-for-sale financial assets - current	7,778	120,272	-	120,272	-
	Fuh Hwa Bond Fund	-	Available-for-sale financial assets - current	4,340	60,167	-	60,167	-
	Fuh Hwa Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	3,095	40,946	-	40,946	-
	Fuh Hwa Global Short-Term Income Fund	-	Available-for-sale financial assets - current	4,709	50,070	-	50,070	-
	<u>Bonds</u>							
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	10.00	10,000	-	10,000	-
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 219,138	12.36	RMB 201,071	-
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 177,997	-
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 4,844	100.00	RMB 30,968	-
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note H)	US\$ (2,309)	100.00	RMB (24,790)	-
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 5,000	100.00	RMB 6,540	-
New Century InfoComm Tech Co., Ltd.	<u>Stock</u>							
	New Diligent Co., Ltd.	(Note A)	Equity method investments	80,000	718,362	100.00	718,362	-
	Information Security Service Digital United Co., Ltd.	(Note A)	Equity method investments	14,878	127,013	100.00	127,013	-
	Simple InfoComm Co., Ltd.	(Note A)	Equity method investments	3,400	24,116	100.00	24,116	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	1,575	11,460	5.00	11,460	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	932	9,237	20.63	9,237	-
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - noncurrent	30,000	40,797	3.00	40,797	-
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - noncurrent	450	4,500	3.33	4,500	-
	C2C Holdings Pte. Ltd.	-	Financial assets carried at cost - noncurrent	30,000	-	6.38	-	-
	MetaEdge Corp.	-	Financial assets carried at cost - noncurrent	39	-	1.59	-	-
	YeServ Com. Limited	-	Financial assets carried at cost - noncurrent	160	-	1.32	-	-
	Auto TOOLS Co., Ltd.	-	Financial assets carried at cost - noncurrent	153	-	1.53	-	-
	TCC	-	Financial assets at fair value through profit or loss - current	111	3,635	-	3,635	-
	GPPC	-	Financial assets at fair value through profit or loss - current	287	5,984	0.04	5,984	-
	SHINKO. TEXTILE	-	Financial assets at fair value through profit or loss - current	90	4,995	0.03	4,995	-
	LP	-	Financial assets at fair value through profit or loss - current	177	2,858	0.03	2,858	-
	ECLAT	-	Financial assets at fair value through profit or loss - current	65	2,499	0.03	2,499	-
	YUNGTAY	-	Financial assets at fair value through profit or loss - current	96	4,205	0.02	4,205	-
	WALSIN	-	Financial assets at fair value through profit or loss - current	1,389	25,696	0.04	25,696	-
	TSRC	-	Financial assets at fair value through profit or loss - current	60	4,050	0.01	4,050	-
	YL	-	Financial assets at fair value through profit or loss - current	325	20,053	0.02	20,053	-
	SY	-	Financial assets at fair value through profit or loss - current	287	5,310	0.03	5,310	-
	CSBC	-	Financial assets at fair value through profit or loss - current	142	3,905	0.02	3,905	-
	ASE	-	Financial assets at fair value through profit or loss - current	90	3,037	-	3,037	-

(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	
	Synnex	-	Financial assets at fair value through profit or loss - current	60	\$ 4,722	-	\$ 4,722	-
	Qisda	-	Financial assets at fair value through profit or loss - current	612	12,179	0.03	12,179	-
	ACER	-	Financial assets at fair value through profit or loss - current	46	4,145	-	4,145	-
	ASUSTEK	-	Financial assets at fair value through profit or loss - current	12	3,324	-	3,324	-
	Wintek Corp.	-	Financial assets at fair value through profit or loss - current	77	3,858	0.01	3,858	-
	EPISTAR	-	Financial assets at fair value through profit or loss - current	70	7,455	-	7,455	-
	MTK	-	Financial assets at fair value through profit or loss - current	43	17,952	-	17,952	-
	STARK	-	Financial assets at fair value through profit or loss - current	302	9,271	0.23	9,271	-
	ZINWELL	-	Financial assets at fair value through profit or loss - current	45	2,583	0.01	2,583	-
	HTC	-	Financial assets at fair value through profit or loss - current	10	9,000	-	9,000	-
	KINDOM	-	Financial assets at fair value through profit or loss - current	153	5,095	0.03	5,095	-
	FSC	-	Financial assets at fair value through profit or loss - current	34	2,312	0.01	2,312	-
	EMC	-	Financial assets at fair value through profit or loss - current	55	1,666	-	1,666	-
	YMTC	-	Financial assets at fair value through profit or loss - current	140	3,955	0.01	3,955	-
	EVAAIR	-	Financial assets at fair value through profit or loss - current	88	3,238	-	3,238	-
	GFRT	-	Financial assets at fair value through profit or loss - current	16	8,256	0.02	8,256	-
	C.H.B	-	Financial assets at fair value through profit or loss - current	290	7,511	-	7,511	-
	Cathay Holdings	-	Financial assets at fair value through profit or loss - current	68	3,528	-	3,528	-
	Yuanta Group	-	Financial assets at fair value through profit or loss - current	155	3,379	-	3,379	-
	MEGA FHC	-	Financial assets at fair value through profit or loss - current	703	15,782	0.01	15,782	-
	TSFHC	-	Financial assets at fair value through profit or loss - current	100	1,725	-	1,725	-
	FFHC	-	Financial assets at fair value through profit or loss - current	262	7,021	-	7,021	-
	MERCURIES	-	Financial assets at fair value through profit or loss - current	381	9,373	0.07	9,373	-
	PCSC	-	Financial assets at fair value through profit or loss - current	109	14,659	0.01	14,659	-
	AVC	-	Financial assets at fair value through profit or loss - current	70	2,414	0.03	2,414	-
	NOVATEK	-	Financial assets at fair value through profit or loss - current	20	1,880	-	1,880	-
	WT	-	Financial assets at fair value through profit or loss - current	76	3,564	0.03	3,564	-
	TXC	-	Financial assets at fair value through profit or loss - current	174	9,686	0.06	9,686	-
	DAVICOM	-	Financial assets at fair value through profit or loss - current	323	13,601	0.38	13,601	-

(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	
	KINSUS	-	Financial assets at fair value through profit or loss - current	46	\$ 4,554	0.01	\$ 4,554	-
	Wistron	-	Financial assets at fair value through profit or loss - current	82	4,871	-	4,871	-
	Ardentec	-	Financial assets at fair value through profit or loss - current	130	3,933	0.03	3,933	-
	VIVOTEK	-	Financial assets at fair value through profit or loss - current	60	3,960	0.10	3,960	-
	JTOUCH	-	Financial assets at fair value through profit or loss - current	40	4,320	0.04	4,320	-
	PAHSCO	-	Financial assets at fair value through profit or loss - current	10	1,271	0.02	1,271	-
	NEE	-	Financial assets at fair value through profit or loss - current	227	13,325	0.27	13,325	-
	SAS	-	Financial assets at fair value through profit or loss - current	36	3,334	0.01	3,334	-
	RICH	-	Financial assets at fair value through profit or loss - current	500	9,575	0.09	9,575	-
	SMP	-	Financial assets at fair value through profit or loss - current	31	6,572	0.01	6,572	-
	CHIPBOND	-	Financial assets at fair value through profit or loss - current	115	5,854	0.02	5,854	-
	Career Tech.	-	Financial assets at fair value through profit or loss - current	155	6,991	0.05	6,991	-
	SIGURD	-	Financial assets at fair value through profit or loss - current	398	11,064	0.12	11,064	-
	FLEXIUM	-	Financial assets at fair value through profit or loss - current	105	5,723	0.07	5,723	-
	GMT	-	Financial assets at fair value through profit or loss - current	17	2,380	0.02	2,380	-
	ACME	-	Financial assets at fair value through profit or loss - current	45	5,558	0.04	5,558	-
	RUENTEX DEVELOP	-	Financial assets at fair value through profit or loss - current	81	4,155	0.01	4,155	-
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	1,065	65,391	-	65,391	-
	iShares FTSE/Xinhua A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,250	59,687	-	59,687	-
	<u>Share certificates</u> Digital United (Cayman) Ltd.	(Note A)	Equity method investments	3,320	24,224	100.00	24,224	-
	<u>Open-end mutual funds</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,668	154,838	-	154,838	-
	Prudential Financial Bond Fund	-	Financial assets at fair value through profit or loss - current	5,491	83,348	-	83,348	-
	Mega Diamond Bond Fund	-	Financial assets at fair value through profit or loss - current	3,594	43,066	-	43,066	-
	DFE DWS Global Multi-asset Income Plus FOF-A	-	Financial assets at fair value through profit or loss - current	9,571	105,380	-	105,380	-
	Deutsche Far Eastern DWS Global Agribusiness Fund	-	Financial assets at fair value through profit or loss - current	5,000	51,550	-	51,550	-
	<u>Private funds</u> Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	30	922,030	-	922,030	-
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	10	294,877	-	294,877	-
	Capital Convertible Bond Arbitrage Plus I Fund	-	Available-for-sale financial assets - current	9,558	100,169	-	100,169	-
	Capital CB Arbitrage VIII Fund	-	Available-for-sale financial assets - current	9,535	100,026	-	100,026	-
	Fuh Hwa Angel Fund	-	Available-for-sale financial assets - current	8,114	100,933	-	100,933	-

(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	
	<u>Bonds</u> The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	-	\$ 990,000	-	\$ 990,000	-
Digital United (Cayman) Ltd.	<u>Stock</u> Digital United Information Technologies Co., Ltd.	(Note A)	Equity method investments	-	US\$ 480	100.00	US\$ 480	-
New Diligent Co., Ltd.	<u>Share certificates</u> New Diligence Corporation (Shanghai)	(Note A)	Equity method investments	-	2,057	100.00	2,057	-
	Sino Lead Enterprise Limited	(Note A)	Equity method investments	-	535	100.00	535	-
	<u>Open-end mutual funds</u> UPAMC JAMES BOND Fund	-	Financial assets at fair value through profit or loss - current	5,496	88,108	-	88,108	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	10,940	160,234	-	160,234	-
Data Express Infotech Co., Ltd.	<u>Stock</u> Linkwell Tech. Co., Ltd.	(Note A)	Equity method investments	1,000	6,366	100.00	6,366	-
Yuan Cing Infocomm Tech Co., Ltd.	<u>Stocks</u> New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	1,762,945	19,314,233	67.82	19,314,233	-
Far Eastern Info Service (Holding) Ltd.	<u>Share certificates</u> Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 5,320	100.00	US\$ 5,320	-
Far EasTron Holding Ltd.	<u>Stocks</u> ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	2,734	US\$ 930	60.52	US\$ 930	-
E. World (Holdings) Ltd.	<u>Stocks</u> Yuan Cing Co., Ltd.	(Note A)	Equity method investments	19,350	US\$ 2,863	100.00	US\$ 2,863	-

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

D. The subsidiary of equity-method investee.

E. Under assets management contract and the financial assets can be sold in open market by the investee, Oriental Securities Corp.

F. The chairman of the investee is the board directors of FENC.

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

H. The private company.

I. Institutional director of the investee is FENC.

J. The chairman of FENC is the vice-president of the investee company.

(Concluded)

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

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(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	PET Far Eastern (Holding) Ltd.	Equity-method investments	Ding Yuan International Investment Co., Ltd. and Oriental Union Chemical Corporation	(Notes H and J)	117	\$ 1,996,083	85	\$ 1,318,845	-	\$ -	\$ -	\$ -	\$ 1,199,203	202	\$ 4,514,131
	Far Eastern Polychem Industries Ltd.	Equity-method investments	Issuance of stock by cash	-	493,631	4,185,668	184,574	1,540,567	-	-	-	-	140,684	678,205	5,866,919
	FEDP (Holding) Ltd.	Equity-method investments	Yuan Tong Investment Co., Ltd. and Far Eastern Polytex (Holding) Ltd.	(Note H)	-	-	244	676,315	-	-	-	-	45,364	244	721,679
Yuan Ding Investment Co., Ltd.	Pacific Petrochemical (Holding) Co., Ltd.	Equity-method investments	Oriental Union Chemical Corporation	-	20	709,848	-	-	20	645,047	751,740	(23,609) (Note B)	41,892	-	-
	Far Eastern Apparel (Holding) Ltd.	Equity-method investments	Issuance of stock by cash	-	95	1,934,377	16	320,785	-	-	-	-	(52,098)	111	2,203,064
	New Century InfoComm Tech Co., Ltd.	Equity-method investments	Yuan Cing Infocomm Tech Co., Ltd.	-	100,694	1,007,911	-	-	100,694	1,097,288	996,818	101,622 (Note C)	(11,093)	-	-
	U-Ming Marine Transport Corporation	Available-for-sale financial assets	Open market	(Note H)	50	3,250	2,944	189,761	-	-	-	-	-	2,994	190,119
Far Eastern General Constructor Inc.	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current	-	-	3,128	50,002	11,853	190,000	3,128	50,030	50,002	28	-	11,853	190,030
	Shin Kong Chi-Shin Fun	Financial assets at fair value through profit or loss - current	-	-	14,452	214,062	11,239	167,000	14,452	214,103	214,062	42	-	11,239	167,004
	FTSI Bond Fund	Financial assets at fair value through profit or loss - current	-	-	529	90,076	1,433	245,000	1,202	205,119	205,076	43	-	760	130,003
	Capital Income Fund	Financial assets at fair value through profit or loss - current	-	-	8,629	133,009	15,347	237,000	15,569	240,148	240,009	139	-	8,407	130,003
	PCAF Bond Fund	Financial assets at fair value through profit or loss - current	-	-	11,554	150,011	6,910	90,000	11,554	150,025	150,011	14	-	6,910	90,003
	TLAM Bond Fund	Financial assets at fair value through profit or loss - current	-	-	6,630	80,004	13,235	160,000	13,255	160,093	160,004	89	-	6,610	80,016
	FSITC Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	14,620	214,000	11,273	165,018	164,994	24	-	3,347	49,025
	Invesco ROC Bond Fund	Financial assets at fair value through profit or loss - current	-	-	13,046	200,001	2,407	37,000	13,046	200,005	200,001	4	-	2,407	37,007
	Bond Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	17,042	215,000	17,042	215,261	215,000	261	-	-	-
	Taishin Lucky Fund	Financial assets at fair value through profit or loss - current	-	-	9,408	100,001	12,788	136,000	22,196	236,172	236,001	171	-	-	-
Mega Bond Fund	Financial assets at fair value through profit or loss - current	-	-	4,191	50,000	15,908	190,000	20,099	240,251	240,000	251	-	-	-	
Hua Nan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current	-	-	5,974	93,058	6,407	100,000	12,381	193,158	193,058	100	-	-	-	

(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.	Hua Nan Kirin Fund	Financial assets at fair value through profit or loss - current	-	-	9,591	\$ 110,015	10,520	\$ 121,000	20,111	\$ 231,197	\$ 231,015	\$ 182	\$ -	-	\$ -	
	DFE DWS Taiwan Bond Security Investment Trust Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,373	183,000	16,373	183,077	183,000	77	-	-	-	
	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	112,002	3,056,958	-	-	7,786	295,385	215,950	103,569	(2,910)	104,216	2,838,098	
	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	1,685	38,109	5,236	155,491	-	-	-	-	8,852	7,094	202,452	
		Equity-method investments	Stock dividend	-	-	-	173	-	-	-	-	-	-	-	-	
		Equity-method investments	Open market	-	8,531	331,824	7,761	237,647	-	-	-	-	4,846	16,781	574,317	
		Equity-method investments	Stock dividend	-	-	-	489	-	-	-	-	-	-	-	-	
		New Century InfoComm Tech Co., Ltd.	Equity-method investments	Yuan Cing Infocomm Tech Co., Ltd.	(Note I)	312,221	3,124,930	-	-	312,221	3,402,339	3,101,443	315,417 (Note K)	(23,487)	-	-
		FEDP (Holding) Ltd.	Equity-method investments	Far Eastern New Century Corporation	(Note G)	196	599,684	-	-	196	534,304	583,628	(120,130) (Note L)	(16,056)	-	-
	Far Eastern Polytex (Holding) Ltd.	FEDP (Holding) Ltd.	Equity-method investments	Far Eastern New Century Corporation	(Note G)	48	US\$ 4,774	-	-	48	US\$ 4,598	US\$ 4,664	(US\$ 440) (Note L)	(US\$ 110)	-	-
Far EasTone Telecommunications Co., Ltd.	<u>Private funds</u>															
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	10	328,700	-	-	10	395,501	328,700	66,801	-	-	-	
	Opas Fund Segregated Portfolio Tranche D	Available-for-sale financial assets - current	-	-	-	-	5	158,400	-	-	-	-	-	5	158,400	
	Fuh Hwa Value Added Strategy Fund	Financial assets carried at cost - current	-	-	14,866	150,000	-	-	14,866	164,123	150,000	14,123	-	-	-	
	<u>Open-end mutual funds</u>															
	DFE DWS Global Multi-asset Income Plus FOF-A	Available-for-sale financial assets - current	-	-	9,766	100,000	939	10,000	10,705	117,117	110,000	7,117	-	-	-	
	Deutsche Far Eastern DWS Taiwan Bond Security Investment Trust Fund	Available-for-sale financial assets - current	-	-	67,799	750,000	-	-	67,799	758,506	750,000	8,506	-	-	-	
	Hua Nan Phoenix Bond Fund	Available-for-sale financial assets - current	-	-	16,073	250,000	-	-	16,073	250,743	250,000	743	-	-	-	
	Prudential Financial Bond Fund	Available-for-sale financial assets - current	-	-	16,540	250,000	-	-	16,540	250,700	250,000	700	-	-	-	
	PCA Well Pool Money Market Fund	Available-for-sale financial assets - current	-	-	19,276	250,000	-	-	19,276	250,657	250,000	657	-	-	-	
Yuan Cing Infocomm Tech Co., Ltd.	<u>Stocks</u>															
	Yuan Cing Infocomm Tech Co., Ltd.	Equity-method investments	Issuance of stock by cash	-	100	993	1,500,000	15,000,000	-	-	-	-	75,677	1,500,100	15,076,670	
	New Century InfoComm Tech Co., Ltd.	Equity-method investments	(Note D)	(Note D)	-	-	1,762,945	19,275,948	-	-	-	-	38,285	1,762,945	19,314,233	
New Century InfoComm Tech Co., Ltd.	<u>Open-end mutual funds</u>															
	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	29,365	424,455	-	-	18,698	270,647	270,262	385	-	10,667	154,193	
	Capital Income Fund	Financial assets at fair value through profit or loss	-	-	-	-	14,329	221,000	14,329	221,029	221,000	29	-	-	-	

(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
	Prudential Financial Bond Fund	Financial assets at fair value through profit or loss	-	-	6,979	\$ 105,445	18,032	\$ 273,000	19,520	\$ 295,549	\$ 295,337	\$ 212	\$ -	5,491	\$ 83,108
	UPAMC James Bond Fund	Financial assets at fair value through profit or loss	-	-	-	-	6,253	100,000	6,253	100,012	100,000	12	-	-	-
	<u>Private funds</u>														
	Opas Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	30	985,500	-	-	30	1,093,254	985,500	107,754	-	-	-
	Opas Fund Segregated Portfolio Tranche C	Available-for-sale financial assets - current	-	-	-	-	30	955,500	-	-	-	-	-	30	955,500
	Opas Fund Segregated Portfolio Tranche D	Available-for-sale financial assets - current	-	-	-	-	10	318,300	-	-	-	-	-	10	318,300
	Capital Convertible Bond Arbitrage Plus I Fund	Available-for-sale financial assets - current	-	-	-	-	9,558	100,000	-	-	-	-	-	9,558	100,000
	Capital CB Arbitrage Plus VIII Fund	Available-for-sale financial assets - current	-	-	-	-	9,535	100,000	-	-	-	-	-	9,535	100,000
	Fuh Hwa Angel Fund	Available-for-sale financial assets - current	-	-	-	-	8,114	100,000	-	-	-	-	-	8,114	100,000
	<u>Stocks</u>														
	Polaris Taiwan Top 50 Tracker Fund	Financial assets at fair value through profit or loss	-	-	-	-	3,400	178,851	2,335	133,304	122,829	10,475	-	1,065	56,022
	iShares FTSE/Xinhua A50 China Index ETF	Financial assets at fair value through profit or loss	-	-	-	-	2,200	111,697	950	53,678	48,233	5,445	-	1,250	63,464
ARCOA Communication Co., Ltd.	<u>Open-ended mutual funds</u>														
	Bond Fund	Available-for-sale financial assets - current	-	-	4,765	60,000	9,510	120,000	4,765	60,277	60,000	277	-	9,510	120,000
	Capital Income fund	Available-for-sale financial assets - current	-	-	1,946	30,000	7,778	120,000	1,946	30,083	30,000	83	-	7,778	120,000
	Prudential Financial Bond Fund	Available-for-sale financial assets - current	-	-	5,302	80,000	1,980	30,000	7,282	110,378	110,000	378	-	-	-
	<u>Stocks</u>														
	Data Express Infotech Co., Ltd.	Equity-method investments	-	-	-	-	6,143	141,750	-	-	-	-	651	6,143	142,401
New Diligent Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Financial assets carried at cost - noncurrent	Yuan Ching InfoComm Tech Co., Ltd.	(Note F)	16,823	167,311	-	-	16,823	183,319	167,311	16,008	-	-	-
	FSITC Taiwan Bond Fund	Financial assets at fair value through profit or loss	-	-	-	-	10,940	160,000	-	-	-	-	-	10,940	160,000
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Equity-method investments	Open market	-	2,806	107,182	8,957	274,801	-	-	-	-	682	12,096	382,665
	PET Far Eastern (Holding) Ltd.	Equity-method investments	Stock dividend Far Eastern New Century Corporation	(Note G)	-	-	333	-	-	-	-	-	-	-	-
					42	724,196	-	-	42	659,422	765,275	(38,430)	41,079	-	-
Kai Yuan International Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	100,057	2,612,199	-	-	7,595	288,120	201,501	104,731	(3,672)	92,462	2,407,026
	Asia Cement Corporation	Equity-method investments	Open market	-	11,377	241,143	4,250	129,098	-	-	-	-	4,933	16,096	375,174
			Stock dividend	-	-	-	469	-	-	-	-	-	-	-	-

(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 Department Stores Co., Ltd.	Equity-method investments	Open market	-	5,496	\$ 125,275	5,184	\$ 156,762	-	\$ -	\$ -	\$ -	\$ 14,205	10,947	\$ 296,242
	Yi Jinn Industrial Co., Ltd.	Available-for-sale financial assets - noncurrent	Stock dividend	-	-	-	267	-	-	-	-	-	-	-	-
				-	16,430	137,188	-	-	16,430	156,621	137,188	59,686	-	-	-
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Equity-method investment	Issuance of stock by cash	-	(Note E)	US\$ 25,672	-	US\$ 30,000	-	-	-	-	US\$ 4,615	(Note E)	US\$ 60,287

Notes: A. The stock dividends were included in the shares acquired.

B. Includes a deferred loss of NT\$2,158 thousand on a downstream disposal in 2010.

C. Includes a deferred gain of NT\$101,622 thousand on a downstream disposal in 2010.

D. Though a tender offer, YCIC had acquired 1,762,945 thousand shares of NCIC's common shares, which included 577,732 thousand shares acquired from related parties for \$6,314,615 thousand, as follows: Yuang Tong Investment Corporation - 312,221 thousand shares; Yuan Ding Investment Corporation - 100,694 thousand shares; Der Ching Investment Corporation - 63,000 thousand shares; Bai Ding Investment Ltd. - 24,386 thousand shares; New Diligent Co., Ltd. - 16,822 thousand shares; Yuan Ding Company Ltd. - 16,337 thousand shares; Vai Yang Investment Co. - 11,251 thousand shares; Tranquil Enterprise Ltd. - 10,945 thousand shares; Yue-Tung Investment Corporation - 8,800 thousand shares; Far Eastern International Leasing Corp. - 8,000 thousand shares; Far Eastern New Century Corporation - 2,605 thousand shares; Asia Investment Corp. - 2,605 thousand shares; and Yue Ding Industry Co., Ltd. - 66 thousand shares.

E. The private company.

F. The chairman is also the chairman of Far EasTone.

G. The parent company.

H. Subsidiary.

I. The same ultimate parent company.

J. Equity-method investee.

K. Gain on disposal of NT\$315,417 thousand from downstream transactions had been deferred in 2010.

L. Loss on disposal was recognized as retained earnings due to organization adjustment.

(Concluded)

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

REAL ESTATE ACQUIRED AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
 (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 New Century Corporation	Lot Number 22, 24-2 and above Building Number 686, 686-1 of the Gongye Section in Guanyin Township, Taoyuan Country	2010.11.18	\$ 445,000	Fully paid	Kun Hui Lin (Natural person)	None	-	-	-	\$ -	\$442,000 thousand based on Top Estate Joint Appraiser Fim's appraisal report	General corporate purposes for the Company	-
Far EasTone Telecommunications Co., Ltd.	Neihu switch center	2010.2.25	154,100	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	San Hsing Construction Co., Ltd.	-	2000.12.16	130,000	\$160,952 thousand based on DZT's appraisal report	Switch center	-
	Taichung land for switch center	2010.2.25	55,877	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	Super Century Information Co., Ltd.	-	2000.5.24	63,277	\$58,093 thousand based on DZT's appraisal report	Switch center	-
	Kaohsiung office space	2010.2.25	29,200	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	Durban Group	-	1999.12.21 2000.12.17	27,300 18,600	\$30,071 thousand based on DZT's appraisal report	Switch center	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Land and Building of the Gongye Section in Guanyin Township, Taoyuan Country	2010.4.14	2,038,800	Fully paid	Public sale by the law court	None	-	-	-	-	Price base on public sale by the court	General corporate purposes for OPTC	-

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES
(Formerly Far Eastern Textile Ltd. 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, 2010
(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	Oriental Union Chemical Corporation	(Note A)	Purchase	\$ 1,164,160	3	For contract	\$ -	-	\$ -	-	\$ (112,425)	(2)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note H)	Sale	(482,412)	(1)	For contract	-	-	41,325	5	81,453	1	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note F)	Purchase	9,537,895	25	For contract	-	-	-	-	(996,636)	(20)	
	Everest Textile Co., Ltd.	(Note A)	Sale	(265,230)	-	For contract	-	-	50,435	6	8,013	-	
	Far Eastern Industries (Shanghai) Ltd.	(Note F)	Sale	(146,013)	-	For contract	-	-	-	-	28,323	-	
	Oriental Resources Development Ltd.	(Note F)	Purchase	224,388	-	For contract	-	-	-	-	(47,630)	-	
	Oriental Textile (Holding) Ltd. (O.T. (H))	(Note F)	Purchase	105,605	-	For contract	-	-	-	-	(22,776)	-	
	PetFar Eastern (M) Sdn. Bhd	(Note F)	Sale	(115,568)	-	For contract	-	-	-	-	41,965	1	
	Asia Cement Corporation	(Note A)	Purchase	129,440	-	For contract	-	-	-	-	(95,728)	2	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note F)	Purchase	5,168,497	92	For contract	-	-	-	-	(1,093,919)	(87)	
	Wuhan Far Eastern New Material Ltd.	(Note G)	Purchase	344,477	8	For contract	-	-	-	-	(107,738)	(13)	
	Wuhan Far Eastern New Material Ltd.	(Note G)	Sale	(267,560)	-	For contract	-	-	-	-	71,190	27	
	Pet Far Eastern (M) Sdn. Bhd.	(Note G)	Sale	(821,069)	(12)	For contract	-	-	-	-	281,960	29	
Far Eastern General Constructor Inc.	Ya Tung Ready Mixed Concrete Co., Ltd.	(Note I)	Purchase	680,845	9	45 days	-	-	(92,033)	(9)	(149,466)	(23)	
	Ya-Li Precast Prestressed Concrete Industries Corp.	(Note M)	Purchase	114,707	2	45 days	-	-	(2,226)	-	(13,864)	(2)	
	Far Eastern Construction Co., Ltd.	(Note E)	Construction income	(1,853,670)	(24)	60 days	-	-	-	-	3,915,330	15	
	Far Eastern Department Stores Co., Ltd.	(Note B)	Construction income	(525,740)	(7)	30 days	-	-	36,840	8	891,479	3	
	Oriental Institute of Technology	(Note B)	Construction income	(155,000)	(2)	60 days	-	-	90,665	20	146,057	1	
Far Eastern Memorial Hospital	(Note B)	Construction income	(107,343)	(30)	45 days	-	-	20,808	5	145,317	1		
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note G)	Purchase	634,349	17	For contract	-	-	-	-	(144,251)	(18)	
	An Ho Garment (Suzhou) Ltd.	(Note F)	Purchase	258,817	7	For contract	-	-	-	-	(24,684)	(3)	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note F)	Sales of equipment and accessories and telecommunications service revenues	(394,428)	(1)	For contract	-	-	-	-	220,928	4	
			Cost of telecommunications services, marketing expenses and cost of sales	2,409,455	6	For contract	-	-	-	-	Accounts payable and accrued expense (182,202)	(3)	
	KGEx.com Co., Ltd.	(Note F)	Telecommunications service revenues	(261,907)	-	For contract	-	-	-	-	43,862	1	
	New Century InfoComm Tech Co., Ltd.	(Note F)	Telecommunications service revenues	(750,433)	(1)	For contract	-	-	-	-	Accounts receivable (Note C)	-	
			Cost of telecommunications services	869,546	3	For contract	-	-	-	-	Accounts payable and accrued expense (119,364) (Note C)	(2)	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Telecommunications service revenues	(869,546)	(9)	For contract	-	-	-	-	119,364 (Note K)	13	
			Cost of telecommunications services	750,433	9	For contract	-	-	-	-	Accounts payable (Note C)	-	

(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	
	KGEX.com Co., Ltd.	(Note G)	Cost of telecommunications services	668,870	8	For contract	\$ -	-	\$ -	-	\$ (130,774)	(17)	
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Commission revenue, sales of cellular phone equipment and accessories and service revenues	(2,409,455)	(52)	For contract	-	-	-	-	182,202	80	
			Cost of telecommunications services and cost of sales	394,428	9	For contract	-	-	-	-	(220,928)	(44)	
KGEx.com Co., Ltd.(Note C)	New Century InfoComm Tech Co., Ltd.	(Note G)	Telecommunications service revenues	(668,870)	(48)	For contract	-	-	-	-	130,774	51	
	Far EasTone Telecommunications Co., Ltd.	(Note E)	Cost of telecommunications services	261,907	23	For contract	-	-	-	-	(43,862)	(16)	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note G)	Sale	(1,420,259)	(6)	For contract	-	-	-	-	387,816	15	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	676,815	3	For contract	-	-	-	-	(257,531)	(9)	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(104,989)	-	For contract	-	-	-	-	9,045	-	
	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note G)	Purchase	8,722,858	41	For contract	-	-	(1,406,152)	81	(729,924)	(24)	
	Far Eastern Polychem Industries Ltd.	(Note E)	Sale	(5,168,497)	(21)	For contract	-	-	-	-	1,093,919	42	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note G)	Purchase	1,123,110	5	For contract	-	-	-	-	(76,277)	(3)	
	Oriental Industries (Suzhou) Ltd.	(Note G)	Purchase	817,681	4	For contract	-	-	-	-	(198)	-	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note G)	Sale	(258,622)	(1)	For contract	-	-	-	-	34,971	1	
	Wu Han Far Eastern New Material Ltd.	(Note G)	Purchase	228,675	1	For contract	-	-	-	-	(95,017)	(3)	
	Far Eastern New Century Corporation	(Note J)	Purchase	146,013	1	For contract	-	-	-	-	(28,323)	1	
	Everest Textile (Shanghai) Ltd.	(Note L)	Sale	(102,582)	(1)	For contract	-	-	-	-	84,201	3	
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	Sale	(9,537,895)	(34)	For contract	-	-	-	-	996,636	90	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(1,123,110)	(4)	For contract	-	-	-	-	76,277	7	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(219,887)	(1)	For contract	-	-	-	-	24,089	3	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	3,178,067	83	For contract	-	-	(69,266)	(100)	(515,828)	(81)	
	Oriental Textile (Holding) Ltd.	(Note E)	Sale	(1,237,167)	(25)	For contract	-	-	-	-	197,348	29	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(817,681)	(17)	For contract	-	-	-	-	198	-	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note F)	Purchase	1,237,167	60	For contract	-	-	-	-	(197,348)	(65)	
	Far Eastern Industries (Wuxi) Ltd.	(Note F)	Purchase	835,804	40	For contract	-	-	-	-	(107,080)	(35)	
	Far Eastern New Century Corporation	(Note J)	Sale	(105,605)	(5)	For contract	-	-	-	-	22,776	7	
Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	1,420,259	81	For contract	-	-	-	-	(387,816)	(77)	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(228,675)	(5)	For contract	-	-	-	-	95,017	17	
	Far Eastern Polychem Industries Ltd.	(Note G)	Purchase	267,560	14	For contract	-	-	-	-	(71,190)	(14)	
	Far Eastern Polychem Industries Ltd.	(Note G)	Sale	(344,477)	(22)	For contract	-	-	-	-	107,738	68	
Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(8,722,858)	(42)	For contract	-	-	1,406,152	34	729,924	77	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(2,390,542)	(11)	For contract	-	-	437,551	10	301,595	23	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note G)	Purchase	2,390,542	64	For contract	-	-	(437,551)	(100)	(301,595)	(59)	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(676,815)	(16)	For contract	-	-	-	-	257,531	33	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	104,989	(3)	For contract	-	-	-	-	(9,045)	-	
	Oriental Industries (Suzhou) Ltd.	(Note G)	Sale	(3,178,067)	(75)	For contract	-	-	69,266	100	515,828	65	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note G)	Purchase	219,887	(6)	For contract	-	-	-	-	(24,089)	-	

(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	
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	Sale	(835,804)	(27)	For contract	\$ -	-	\$ -	-	\$ 107,080	30	
		(Note G)	Sale	(120,754)	(4)	For contract	-	-	-	-	21,012	6	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Wuxi) Ltd. Far Eastern Apparel (Holding) Ltd. (F.E.A.H)	(Note G)	Sale	(634,349)	(34)	For contract	-	-	-	-	144,251	30	
		(Note G)	Purchase	258,622	13	For contract	-	-	-	-	(34,971)	(16)	
		(Note G)	Purchase	120,754	6	For contract	-	-	-	-	(21,012)	(2)	
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sale	(258,817)	(100)	For contract	-	-	-	-	24,684	100	
		(Note E)	Sale	(372,335)	(17)	For contract	-	-	-	-	80,765	15	
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc.	(Note F)	Purchase	1,606,990	67	For contract	-	-	-	-	(282,154)	(94)	
Far Eastern Apparel (Holding) Ltd. (F.E.A.H)	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note F)	Purchase	372,335	100	For contract	-	-	-	-	(80,765)	(100)	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation Freudenberg Far Eastern Spunweb Co., Ltd.	(Note J)	Sale	(224,388)	(42)	For contract	-	-	-	-	47,630	50	
		(Note D)	Sale	(143,630)	(27)	For contract	-	-	14,702	99	28,302	29	
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	(Note E)	Service revenue	(115,518)	(70)	For contract	-	-	-	-	13,806	73	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd. Far Eastern New Century Corporation	(Note G)	Purchase	821,069	79	For contract	-	-	-	-	(281,960)	(83)	
		(Note J)	Purchase	115,568	11	For contract	-	-	-	-	(41,965)	(11)	
Far Eastern Resources Development Co.	Yuan Ding Company Ltd.	(Note D)	Sale	(198,972)	(42)	For contract	-	-	-	-	26,041	72	
Far Eastern Apparel Co., Ltd.	Far Eastern Department Stores Co., Ltd. Pacific SOGO Department Stores Co., Ltd.	(Note D)	Sale	(189,784)	(14)	For contract	-	-	-	-	61,452	19	
		(Note M)	Sale	(204,188)	(15)	For contract	-	-	-	-	101,283	32	
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note D)	Sale	(136,699)	(7)	For contract	-	-	-	-	23,128	13	

Notes:

- A. Equity-method investee.
- B. The chairman of the company is also the chairman of FENC.
- C. The revenues and the costs resulting from the internet hook-up and international phone call service between Far EasTone and NCIC were paid (received) at net amount and the net amount was recognized as Account payable-related parties.
- D. The equity-method investee of the parent company.
- E. The parent company.
- F. The subsidiary.
- G. The same ultimate parent company.
- H. The equity-method investee of the subsidiary.
- I. The chairman of FENC is the president of the company.
- J. The ultimate parent company.
- K. Including the receivables collected by Far EasTone for NCIC.
- L. The subsidiary of Everest Textile Co., Ltd.
- M. The subsidiary of the equity-method investee of the parent company.

(Concluded)

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

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(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 Eastern New Century Corporation	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note D)	\$ 107,267	(Note G)	\$ -	-	\$ -	\$ -
Far EasTone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd.	(Note D)	222,918	8.43	-	-	140,506	-
	New Century InfoComm Tech Co., Ltd.	(Note D)	470,687	(Note B)	-	-	185,692	-
New Century Infocomm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	131,563	(Note I)	-	-	75,628	-
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	182,202	11.81	-	-	105,717	-
KG Ex.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	130,774	5.38	-	-	55,417	-
Oriental Petrochemicals (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	996,636	12.23	-	-	996,636	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note C)	387,816	3.70	-	-	207,780	-
	Far Eastern Polychem Industries Ltd.	(Note E)	1,093,919	3.80	-	-	427,600	-
Oriental Petrochemicals (Shanghai) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	2,136,076	9.38	-	-	2,136,076	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	739,146	8.28	-	-	739,146	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	585,094	0.82	-	-	585,094	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	257,531	3.83	-	-	257,531	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	197,348	8.92	-	-	197,348	-
Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	107,738	2.50	-	-	-	-
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	107,080	8.30	-	-	107,080	-
Far Eastern General Constructor Inc.	Far Eastern Construction Co., Ltd.	(Note E)	282,154	(Note K)	-	-	-	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	281,960	31.91	-	-	202,914	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	144,251	3.60	-	-	144,251	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	263,239	(Note F)	-	-	-	-

(Continued)

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		
Pet Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Co., Ltd.	(Note D)	\$ 264,062	(Note J)	\$ -	-	\$ -	\$ -
Far Eastern Apparel Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note H)	101,283	2.25	-	-	-	-

Note A: Receivables from the financier in the Group 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 mainly consisted of advances for the operating expenses of New Century InfoComm Tech Co., Ltd.

Note C: The same ultimate parent company.

Note D: The subsidiary.

Note E: The parent company.

Note F: The turnover rate is not calculated, because the amount is the expense Far Eastern Investment (Holding) Ltd. paying for Far Eastern Polychem Industries Ltd.

Note G: The turnover rate is calculated, because the amount is the commission revenue receivable on FENC's revenue FENC purchase for OPTC.

Note H: The subsidiary of the equity-method investee of the parent company.

Note I: The turnover rate is unavailable as the receivables from related parties partly refers to the proceeds of Far EasTone's collection of telecommunications bills by for NCIC.

Note J: The turnover rate is not calculated, because the amount is the expense Pet Far Eastern (Holding) Ltd. paying for the subsidiary.

Note K: 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
(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
YEAR ENDED DECEMBER 31, 2010
(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	\$ 2,652,282	686,631	22.33	\$ 12,740,990	\$ 7,676,310	\$ 1,093,753	Gain or loss recognized under the treasury stock method
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	208,750	16.80	4,168,670	2,567,143	431,280	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	9.17	1,229,666	2,096,627	191,702	Including write off and reversed by upstream transactions (\$559)
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,112	(1,415,319)	(424)	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,294	1,828,323	99.70	36,135,804	4,382,083	4,346,734	Including write off and reversed by side-stream transactions (\$22,202)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate Investment	14,931,733	14,931,733	487,279	100.00	16,626,087	132,258	944,439	Including write off and reversed by side-stream transactions \$812,181
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	6,992,662	27,607	(279,202)	Including write off and reversed by side-stream transactions (\$306,810)
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	5,188,276	435,533	435,533	
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,846,795	4,306,228	678,205	67.15	5,866,919	587,799	338,017	Including write off by side-stream transactions (\$24,331)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	100.00	4,524,100	589,251	589,251	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	385,760	75.56	5,263,384	1,824,935	1,388,139	Including write off and reversed by upstream transactions and side-stream transactions \$9,218
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,984,602	46	100.00	3,609,797	427,029	430,036	Including write off and reversed by side-stream transactions \$3,007
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	37.13	3,387,234	302,274	112,348	
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	65.11	3,126,343	1,855,221	1,207,935	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,601,135	118,534	130,129	Including write off by side-stream transactions \$11,595
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	2,050,470	531,278	104,396	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	2,827,853	1,509,008	202	85.28	4,514,131	1,605,417	1,356,044	Including write off and reversed by side-stream transactions \$27,651; discount amortization of \$7,295
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Garment production	1,023	1,023	66,346	100.00	1,595,014	252,127	252,127	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,383,864	1,616,339	272,030	
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	129,833	910	910	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	19.00	31,143	11,738	2,230		
New Century Information Communication Co., Ltd.	Taipei, Taiwan	Telecommunications	-	40,560	-	-	-	(125,895)	(196)	Fully sold by August 2010	
FEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	-	244	50.43	721,679	992	17		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	116,594	81,967	5,358	0.17	103,986	7,676,310	7,952	Gain or loss recognized under the treasury stock method and discount amortization of \$605
	Far EastTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,285,632	8,848,565	2,896,135	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	796,141	(1,415,319)	(357,085)	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,130,169	1,132,851	73,454	9.12	1,306,374	2,096,627	191,743	Including discount amortization of \$530
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	4,926	0.40	139,451	2,567,143	10,269	
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,606,913	5,861,253	86	100.00	5,305,641	539,275	537,228	Including unrealized gross profit of (\$2,047)
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM11, Bermuda	Investment	1,620,452	1,620,452	331,717	32.85	2,870,116	587,799	225,028	Including unrealized gross profit of (\$422)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	253,359	185,247	25.96	2,813,063	531,278	138,359	Including discount amortization of \$439

(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.	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	\$ 2,179,442	\$ 1,858,657	111	100.00	\$ 2,203,064	\$ 62,649	\$ 62,649	Fully sold by August 2010 Including discount amortization of \$1,638 and unrealized gross profit of (\$116) Including discount amortization of \$26 Fully sold by February 2010
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,214,109	617,066	215,973	
	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	-	1,549,473	-	-	-	(125,895)	-	
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,170,931	302,274	38,912	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,140,123	1,616,339	241,158	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing of real estate and movable property, etc.	1,012,057	1,012,057	75,269	16.87	1,026,282	146,824	24,769	
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	818,300	104,694	104,694	
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	376,448	16,599	7,669	
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,024	100.00	354,443	19,624	19,624	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	544,894	49,923	20,898	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	303,613	249,150	74,247	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	131,326	517	363	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	PTA production and sale	-	-	26,528	5.20	354,636	1,824,935	96,419	
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	115,574	193	193	
Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	93,904	2,112	961		
Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	17,980	214,699	2,173		
Pacific Petrochemical (Holding) Co., Ltd.	P.O. Box 3140 Tortola British Virgin Islands	Investment	-	681,000	-	-	-	-	-		
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\$ 15,726	US\$ 6,206	-	
	Filsyn Corporation	Unit 8, 5B Pearlbank Centre 146 Valero St. Makati City 1227, Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	US\$ -	PESO(1,677,138)	-	
	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\$ 6,818	US\$ 715	-	
	Com 2B Corp. 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\$ 884 US\$ 6,244	US\$ 7 US\$ 1,123	- -	
Ding Yuan International Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	85,591	34,795	4,526	0.36	111,815	2,567,143	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	146,380	146,283	8,523	1.81	48,985	(1,415,319)	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	206,243	200,463	10,045	1.25	222,374	2,096,627	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,444	8,848,565	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	9,683	13.20	199,579	40,961	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	100,711	12,096	0.39	382,665	7,676,310	-	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	280,375	151,277	16,096	0.52	375,174	7,676,310	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,934,181	2,135,682	92,462	2.84	2,407,026	8,848,565	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	566,438	569,344	25,303	3.14	490,870	2,096,627	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	290,078	133,316	10,947	0.88	296,242	2,567,143	-	
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	348,189	3,958	-	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,026,984	146,824	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Chemical fiber production	HK\$ 693,257	HK\$ 604,500	(Note B)	87.64	HK\$ 1,698,003	RMB 134,015	-	
	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\$ 210,439	US\$ 51,047	-	
	FEDP (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 189,587	US\$ (32)	-	

(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	125,639 16,217	98.95 0.53	\$ 1,606,386 416,558	\$ 214,699 7,676,310	\$ - -	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China China	Garment production Dyeing and finishing	US\$ 10,000 US\$ 50,000	US\$ 10,000 US\$ 20,000	(Note B) (Note B)	38.46 100.00	US\$ 17,147 US\$ 60,287	RMB 28,353 RMB 15,319	- -	
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	6,570 60	106 41,407	- -	
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\$ 15,900	US\$ 6,212	-	
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\$ (233)	PESO (4,145)	-	
	Malaysia Garment Manufactures Pte. Ltd.	No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.90	US\$ 1,749	US\$ 3,603	-	
	Far Eastern International Garments	Bldg. #5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	US\$ 290	59	41.00	US\$ (364)	PESO (2,430)	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,936,940	8,848,565	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	99,925	99,925	2,843	0.09	107,153	7,676,310	-	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	86,200	86,200	5,000	0.70	79,061	531,278	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	11,494	15.66	138,663	40,961	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	94,508	1,616,339	-	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	152,568	4,382,083	-	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan	Personnel recruitment	6,271	6,271	472	55.56	9,634	6,085	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	7,588	520	0.02	19,574	8,848,565	-	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,287,705	2,458,607	104,216	3.20	2,838,098	8,848,565	-	
	Far Eastern Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	350,476	350,476	35,048	9.15	32,995	(149,682)	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	189,735	34,245	7,094	0.57	202,452	2,567,143	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Chemical materials production	9,543	9,543	439	0.05	9,977	2,096,627	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	548,453	310,806	16,781	0.55	574,317	7,676,310	-	
	Sino Belgium (Holding) Ltd.	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,086,142	1,086,142	17	87.50	22,471	(746,302)	-	
Far EasTone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd.	Taiwan	Production and sale of communications products	15,001,000	1,000	1,500,100	100.00	15,076,670	48,405	-	
	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	6,422,241	6,395,041	695,096	26.74	6,170,177	(125,895)	-	
	ARCOA Communication Co., Ltd.	Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,295,035	1,295,035	82,009	61.07	1,175,797	141,064	-	
	KGEx.com Co., Ltd. (Note D)	Taiwan	Type II telecommunications services	2,355,649	2,355,649	89,088	79.25	726,564	(86,036)	-	
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100.00	174,185	22,179	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	1,577,140	1,577,140	157,714	41.18	169,347	(151,902)	-	
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	77,979	8,458	-	
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Marketing	90,000	90,000	4,725	15.00	34,346	(44,373)	-	
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	26,920	884	-	
	iScreen Corporation (Note D)	Taiwan	Information service	100,000	100,000	4,000	40.00	24,247	(14,250)	-	
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	-	2,500	50.00	23,833	(2,333)	-	
	ADCast Interactive Marketing Co., Ltd. (Note D)	Taiwan	Internet advertisements and marketing	4,652	4,652	387	8.56	3,834	1,847	-	

(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			
	Q-ware Communications Co., Ltd. KG Telecommunications Co., Ltd.	Taiwan Taiwan	Type II telecommunications services Type I telecommunications services	\$ 495,855 -	\$ 495,855 29,629,139	36,460 -	51.00 -	\$ (114,466) -	\$ (170,231) -	\$ - -	
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	China China	Garment production and sales Garment production	RMB 350 RMB 1,000	RMB 350 RMB 1,000	(Note B) (Note B)	0.17 100.00	RMB 350 RMB 2,143	RMB 16,124 RMB 1,490	- -	
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\$ 178,870	RMB 558,708	-	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuan Zi Information Co., Ltd.	China China	Garment production and sales Software development, equipment maintenance and consulting	RMB 6,650 RMB 2,000	RMB 6,650 RMB 1,900	(Note B) (Note B)	3.63 100.00	RMB 3,700 RMB 2,180	RMB 16,124 RMB 277	- -	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB -	RMB 5,000	(Note B)	-	RMB -	-	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China China	Fiber and textile production Textile production	US\$ 59,960 US\$ 138,000	US\$ 59,960 US\$ 138,000	(Note B) (Note B)	100.00 100.00	US\$ 93,875 US\$ 91,216	RMB 126,599 RMB 317	- -	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 40,467	RMB 1,778	-	
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	China China Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Garment production and sales Garment production Investment	US\$ 22,000 US\$ 16,000 US\$ -	US\$ 22,000 US\$ 16,000 US\$ 6,408	(Note B) (Note B) -	96.20 61.54 -	US\$ 27,541 US\$ 27,438 -	RMB 16,124 RMB 28,077 -	- - -	
	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 63,466	RMB 101	-	
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	-	6,143	70.00	142,401	12,682	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd.	China China	Fiber and silk production PTA production and sale	RMB 219,138 RMB 115,232	RMB 219,138 RMB 115,232	(Note B) (Note B)	12.36 8.11	RMB 219,138 RMB 115,232	RMB 134,015 RMB 558,708	- -	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beer Trading (Shanghai) Ltd.	China China	Brewer Beer sale	US\$ 30,000 US\$ 3,633	US\$ 30,000 US\$ 3,633	(Note B) (Note B)	100.00 100.00	US\$ 4,844 US\$ (2,309)	RMB (123,530) RMB (20,354)	- -	
Oriental Petrochemical (Shanghai) Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB 5,000	\$ -	(Note B)	100.00	RMB 5,000	RMB 668	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	718,362	19,561	-	Note E
	Information Security Service Digital United	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	127,013	(2,335)	-	Note E
	Digital United (Cayman) Ltd.	Cayman Islands	General investment	102,442	102,442	3,320	100.00	24,224	(6,804)	-	Note E
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications	34,000	34,000	3,400	100.00	24,116	978	-	Note E
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Market Sales	30,000	30,000	1,575	5.00	11,460	(44,373)	-	Note E
	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	54,275	54,275	932	20.63	9,237	1,847	-	Note E
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Shanghai	Design and research of computer system	US\$ 2,100,000	US\$ 2,100,000	-	100.00	US\$ 480,000	US\$ (116,000)	-	Note E
New Diligent Co., Ltd.	New Diligence Corporation (Shanghai)	Shanghai	Consulting services, supporting services, and wholesale of machine equipment	39,630	39,630	-	100.00	2,057	(42)	-	Note E
	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	535	(43)	-	Note E
Data Express Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	10,000	10,000	1,000	100.00	6,366	(3,462)	-	Note F
Yuan Cing Infocomm Tech Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	19,275,948	-	1,762,945	67.82	19,314,233	(125,895)	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Shanghai	Computer software, data processing and network information providing services	US\$ 2,500,000	US\$ 2,500,000	-	100.00	US\$ 5,320,000	22,497	-	

(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 EasTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	US\$ 4,532,000	US\$ 4,532,000	2,734	60.52	US\$ 930,000	\$ 1,847	\$ -	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	100.00	US\$ 2,863,000	8,732	-	

Notes:

- A. 5,000 thousand of the common shares and 3,000 thousand of the preferred shares were included.
- B. The private company.
- C. The holding company opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
- D. KG Telecom dissolved on January 1, 2010 upon its merger with Far EasTone. Thus, KG Telecom's holding of the common shares of KGEx.com, iScreen and ADCast was transferred to Far EasTone.
- E. The original investment amounts were equal to those of NCIC's account balances as of December 31, 2009 due to the combination of Far EasTone with NCIC in August 2010.
- F. The original investment amounts were equal to those of DE Infotech's account balances as of December 31, 2009 due to the combination of Far EasTone with DE Infotech in December 2010.

(Concluded)

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

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2010
(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.	\$ 8,400,684 (RMB 1,880,399)	\$ 3,099,480 793,920 (Note D)	\$ 1,540,567	\$ -	\$ 4,640,047 793,920 (Note D)	100.00%	\$ 625,701	\$ 7,267,689	\$ 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.	913,948 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	100.00%	131,378	1,301,202	-
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.	2,150,970 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	100.00%	592,380	2,739,739	-
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Manufacture and distribution of PTA and its by-product.	6,709,602 (RMB 1,501,870)	1,657,304 1,375,680 (Note E)	1,318,845	-	2,976,149 -	61.35%	1,603,876	6,015,483	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,649,728 (RMB 369,273)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	100.00%	71,679	1,761,586	-
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,761,847 (RMB 394,370)	422,978 666,026 (Note K)	676,315	-	1,099,293 660,026 (Note K)	100.00%	8,319	1,181,029	-
Wu Han Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, FET sheets, PET performs and garments and its by-product.	764,155 (RMB 171,048)	724,110	-	-	724,110	100.00%	75,446	835,524	-
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	3,516,281 (RMB 787,080)	3,421,559 (Note D)	-	-	3,421,559 (Note D)	100.00%	1,486	2,662,117	-

(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					
Far Eastern Industries (Jiujiang) Ltd. (Note M)	Manufacture of cotton yarns, natural fibers and chemical fibers and its by-product.	\$ -	\$ 258,880 (Note D)	\$ -	\$ 258,880 (Note L)	\$ -	-	\$ -	\$ -	\$ -
Far Eastern New Century (China) Investment Ltd.	Investment	1,628,583 (RMB 364,540)	1,577,040	-	-	1,577,040	100.00%	474	1,576,219	-
Sino Belgium (Suzhou) Ltd.	Brewer	976,057 (RMB 218,480)	962,577 (Note J)	-	-	962,577 (Note J)	87.50%	(505,771)	121,057	-
Martens Beer Trading (Shanghai) Ltd.	Beer sales	111,688 (RMB 25,000)	123,565	-	-	123,565 (Note J)	87.50%	(83,337)	(67,398)	-
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	72,825 (US\$ 2,500)	92,616 (Note G)	-	-	92,616 (Note G)	41.26%	9,282	63,941	-
Digital United Information Technologies (Shanghai) Co., Ltd.	Design and research of computer system	61,173 (US\$ 2,100)	61,173 (Note O)	-	-	61,173	41.26%	(1,508)	5,769	-
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machine equipment	34,956 (US\$ 1,200)	34,956 (Note F)	-	-	34,956	41.26%	(17)	849	-

Accumulated Investment in Mainland China as of December 31, 2010	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$361,744 (Note H)	US\$395,915, RMB6,695 (Note I)	(Note M)

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 the Company and Yuan Ding Investment receiving from FEPI over the years.
- 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 Investment and Ding Yuan International Investment.
- F. The amount was remitted by the Company's subsidiary, New Diligent Co., Ltd.
- G. The amount was remitted by the FENC's subsidiary, Far EasTone Telecommunications Co., Ltd.

(Continued)

- H. It was the actual amount remitted for the investments in Mainland China by FENC.
- I. The investment amounts had been approved by the Investment Commission under the Ministry of Economic Affairs.
- J. The amount was remitted by the FENC's subsidiary, Yuan Tong Investment Corporation.
- K. The amount was remitted by the FENC's subsidiaries, Yuan Ding Investment and Yuan Tong Investment.
- L. The liquidation of Far Eastern Industries (Jiujiang) Ltd. was completed in December 2009 and all its capital had been returned to the shareholders. The approval document of No. 09500033740 sent on March 3, 2006 had been eliminated by MOEA in May 18, 2010.
- M. Based on MOEA Approval Letter No. 09701098660, there is no cap on the amount of the Company's investment.
- N. The investment of a subsidiary, Yuan Ding Investment Co., Ltd., was transferred to Oriental Union Chemical Corporation in February 2010; the investment of Ding Yuan International Investment Corp. was transferred to Far Eastern New Century Corporation in February 2010.
- O. The amount was remitted by a Company subsidiary, New Century InfoComm Tech Co., Ltd.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE

YEAR ENDED DECEMBER 31, 2010

(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 Ltd.	\$ 6,000	\$ 6,000				
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000				
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712			
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540		
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879			
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014			
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898			
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313		
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779				
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000				
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800				
					8,198 (Note E)					
		Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	11,500	11,500			
	Far Eastern New Century Corporation	2010.09.06	No. 09900215910	Far Eastern Polychem Industries Ltd.	49,000	49,000				
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) Ltd.	11,000	11,000				
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	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				
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				\$ 1,228	
				PET Far Eastern (Holding) Ltd.						
				HSBC International Trustee Ltd. (B.V.)	6,592					6,592
				Pacific Petrochemical (Holding) Ltd. (B.V.)	49,500	49,500				

(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\$)
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd.	\$ 4,800	\$ 4,800			
				PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd.					
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.					
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDP	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd.	713				713
	Far Eastern New Century Corporation	2007.3.13	No. 09600059830	FEDP	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polytex (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	FEDP	4,800	4,800			
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520	Far Eastern Polychem Industries Ltd.	754 (Note G)				
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520	FEDP	18,224	18,224			
	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			
Wu Han Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polychem Industries Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.6.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			

(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\$)
Martens Beer Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd. Yuan Tong Investment Co., Ltd.	2008.12.10 2010.07.29	No. 09700456110 No. 09900284200	Sino Belgium (Holding) Ltd. Bockhold N.V Martens HK Ltd. Sino Belgium (Holding) Ltd.	\$ 3,800 4,304	\$ 3,800			\$ 4,304
Far Eastern Tech-info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,700	2,700			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	2,100				2,100
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd.	1,200	1,200			

Notes:

- A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.
- B. The document of No. 092035971 has been eliminated and renewed to be the document of No. 09800408170.
- C. The document of No. 092035970 has been eliminated and renewed to be the document of No. 09800408160.
- D. The approved amount of US\$12,000 thousand dated on September 18, 2009 in the document of No. 09800283970 had been changed to US\$11,500 thousand at the time of completing the waiting-for-review process on April 19, 2010.
- E. The ownership of Far Eastern Industry (Shanghai) Ltd. and investment amount were increased, which was resulted from anti-diluted effect of FEPI.
- F. The ownership of Oriental Petrochemical (Shanghai) Ltd. and investment amount were increased, which was resulted from anti-diluted effect of FEPI.
- G. The ownership of Far Eastern Industries (Suzhou) Ltd. and investment amount were increased, which was resulted from anti-diluted effect of FEPI.
- H. The original investment scheme (investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd. Far Eastern Polytex (Holding) Ltd. made investment on Far Eastern Industry (Suzhou) Ltd. through FEDP (Holding) Ltd.) under the approval by the MOEA Letter No. 09600059830 was modified to that investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though FEDP (Holding) Ltd. FEDP (Holding) Ltd. made investment on Far Eastern Industry (Suzhou) Ltd. and has been approved according to the MOEA Letter No. 09900403430.
- I. According to MOEA Approval Letter No. 09900470520, Far Eastern New Century Corporation bought the equity in FEDP (Holding) Ltd., which was approved to hold under the MOEA Letter No. 096020243260 from Yuan Tong Investment Co., Ltd. at US\$18,225 thousand.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 2010 AND 2009

(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	2010 Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	1	Sales	\$ 146,013	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Cost of goods sold	(9,537,895)	Based on agreement	3
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Accounts payable	(996,636)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Other receivables	107,267	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Commissions revenues	105,848	Based on agreement	-
		Oriental Resources Development Ltd.	1	Cost of goods sold	(224,388)	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Sales	115,568	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	outsourced process expenses	(286,223)	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Accrued expense - outsourced process	(38,490)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Accrued expense - outsourced process	(101,672)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	outsourced process expenses	(683,787)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Sales	64,843	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Accounts receivable	22,113	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	1	Prepayments to Suppliers	68,654	Based on agreement	-
	Oriental Textile (Holding) Ltd.	1	Cost of goods sold	(105,605)	Based on agreement	-	
1	Far Eastern Polychem Industries Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(13,105)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(1,162,636)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(263,239)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Other receivables	292,578	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	267,560	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(344,477)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts payable	(107,738)	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	281,960	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	821,069	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(5,168,497)	Based on agreement	3
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(1,093,919)	Based on agreement	-
2	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Interest revenue	13,105	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	1,162,636	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	263,239	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	24,480	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	2,003,746	Based on agreement	1

(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)
3	An Ho Garment Co., Ltd.	Yuan Tong Investment Corp.	3	Other payables	\$ (360,000)	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest expenses	(1,929)	Based on agreement	-
4	Far Eastern Apparel (Suzhou) Limited	Far Eastern Apparel (Holding) Ltd.	3	Other payables	(347,302)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	(634,349)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Accounts payable	(144,251)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Interest revenue	4,106	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Other receivables	134,025	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	600	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	178,700	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	2,235,203	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	(1,616,259)	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	273,780	Based on agreement	-
		Far Eastern New Century Corporation	2	Unearned sales revenue	(30,026)	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts payable	(232,849)	Based on agreement	-
		Suzhou An He Apparel Ltd.	3	Cost of goods sold	(258,817)	Based on agreement	-
5	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Sales	258,622	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Sales	104,989	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(676,815)	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	(257,531)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(8,722,858)	Based on agreement	3
		Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	(729,924)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	(1,406,152)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(1,123,110)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Cost of goods sold	(817,681)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	1,420,259	Based on agreement	1
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(228,675)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	387,816	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	(146,013)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	5,168,497	Based on agreement	3
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	1,093,919	Based on agreement	-
6	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern New Century Corporation	2	Cost of goods sold	(115,568)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts payable	(281,960)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	(821,069)	Based on agreement	-
7	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	228,675	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(1,420,259)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(387,816)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	344,477	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	(267,560)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts receivable	107,738	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	Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	\$ 8,722,858	Based on agreement	4
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	729,924	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	1,406,152	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Sales	2,390,542	Based on agreement	1
		Far Eastern Industries (Suzhou) Limited	3	Accounts receivable	301,595	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Notes receivable	437,551	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other payables	(264,062)	Based on agreement	-
9	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	Far Eastern Apparel (Suzhou) Limited	3	Sales	634,349	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	3	Accounts receivable	144,251	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(258,622)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Cost of goods sold	(120,754)	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Sales	372,335	Based on agreement	-
10	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	817,681	Based on agreement	-
		Far Eastern Industries (Suzhou) Limited	3	Cost of goods sold	(3,178,067)	Based on agreement	1
		Far Eastern Industries (Suzhou) Limited	3	Accounts payable	(515,828)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	3	Interest expenses	(600)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	3	Other payables	(178,700)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Sales	1,237,167	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Accounts receivable	197,348	Based on agreement	-
11	Far Eastern Industries (Suzhou) Limited	Far Eastern Industries (Shanghai) Ltd.	3	Sales	676,815	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(104,989)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	257,531	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	(292,578)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Cost of goods sold	(2,390,542)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Ltd.	3	Accounts payable	(301,595)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Ltd.	3	Notes payable	(437,551)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(219,887)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	3,178,067	Based on agreement	2
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	515,828	Based on agreement	-
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Limited	3	Other receivables	347,302	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	(372,335)	Based on agreement	-
13	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(24,480)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(2,003,746)	Based on agreement	1
		Far Eastern New Century Corporation	2	Sales	105,605	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Cost of goods sold	(1,237,167)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts payable	(197,348)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Cost of goods sold	(835,804)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Accounts payable	(107,080)	Based on agreement	-
14	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	224,388	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	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd.	3	Interest revenue	\$ 2,353	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Other receivables	870,000	Based on agreement	-
		Far Eastern Construction Co., Ltd.	3	construction in progress	(200,786)	Based on agreement	-
16	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,123,110	Based on agreement	1
		Far Eastern Industries (Suzhou) Limited	3	Sales	219,887	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	9,537,895	Based on agreement	5
		Far Eastern New Century Corporation	2	Commission cost	(105,848)	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	996,636	Based on agreement	-
		Far Eastern New Century Corporation	2	Other payables	(107,267)	Based on agreement	-
17	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Interest expenses	(2,353)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Other payables	(870,000)	Based on agreement	-
		Yuan Tong Investment Corp.	3	Other payables	(360,000)	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest expenses	(936)	Based on agreement	-
18	Yuan Tong Investment Corp.	An Ho Garment Co., Ltd.	3	Interest revenue	1,929	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	360,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	1,929	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	360,000	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	936	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Other receivables	360,000	Based on agreement	-
19	Kai Yuan International Investment Co., Ltd.	Yuan Tong Investment Corp.	3	Other payables	(360,000)	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest expenses	(1,929)	Based on agreement	-
20	Far Eastern Industries (Wuxi) Ltd.	Far Eastern Apparel (Suzhou) Limited	3	Interest expenses	(4,106)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Limited	3	Other payables	(134,025)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Sales	120,754	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Sales	835,804	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Accounts receivable	107,080	Based on agreement	-
21	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	286,223	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	38,490	Based on agreement	-
22	Far Eastern Construction Co., Ltd.	Far Eastern Resources Development Co.	3	construction in progress	200,786	Based on agreement	-
23	Suzhou An He Apparel Ltd.	Far Eastern Apparel (Suzhou) Limited	3	Sales	258,817	Based on agreement	-
24	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Other receivables	264,062	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)
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)	Based on agreement	-
		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	-
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	-
		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	-

(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)
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	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	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	-
		6	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(366,844)
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	-
7	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	-
8	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	-
9	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	-
10	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	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	(321,828)	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	-

(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)
11	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	-
12	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	-
		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	-
13	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	155,580	Based on agreement	-
14	Ding Yuan International Investment Corp.	An Ho Garment Co., Ltd.	3	Interest revenue	1,041	Based on agreement	-
15	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd.	3	Other receivables	361,000	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	1,606	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	400,000	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	2,954	Based on agreement	-
		Yuan Tong Investment Corp.	3	Other receivables	400,000	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest revenue	489	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	400,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	584	Based on agreement	-
16	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Limited	3	Sales	113,743	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	8,250,881	Based on agreement	1
		Far Eastern New Century Corporation	2	Accounts receivable	572,155	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	2,715,896	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	879,654	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	666,948	Based on agreement	-
17	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	161,386	Based on agreement	-
18	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Other payables	(361,000)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(1,606)	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Interest revenue	72	Based on agreement	-
		Yuan Tong Investment Corp.	3	Interest revenue	366	Based on agreement	-
19	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	-
		Yuan Ding Investment Co., Ltd.	3	Interest expenses	(366)	Based on agreement	-
20	Far Eastern Polytex (Holding) Ltd.	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	-
21	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	-

(Continued)

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: The number presenting in this column is the ratio of ending balance to consolidated asset or the ratio of cumulative amount to consolidated revenue.

(Concluded)

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

INDUSTRY SEGMENT INFORMATION
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

Industry Information	2010								2009							
	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	\$ 95,985,679	\$ 28,309,220	\$ 389,478	\$ 449,838	\$ 64,390,124	\$ 10,679,889	\$ -	\$ 200,204,228	\$ 79,777,541	\$ 18,052,088	\$ 387,465	\$ 1,549,493	\$ 60,912,666	\$ 6,294,114	\$ -	\$ 166,973,367
Intracompany sales (Note B)	<u>31,208,515</u>	<u>11,553,674</u>	<u>82,644</u>	<u>300,711</u>	-	-	<u>(43,145,544)</u>	-	<u>37,000,999</u>	<u>3,375,497</u>	<u>79,127</u>	-	-	<u>178,057</u>	<u>(40,633,680)</u>	-
Total revenue	<u>\$ 127,194,194</u>	<u>\$ 39,862,894</u>	<u>\$ 472,122</u>	<u>\$ 750,549</u>	<u>\$ 64,390,124</u>	<u>\$ 10,679,889</u>	<u>(\$ 43,145,544)</u>	<u>\$ 200,204,228</u>	<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>
Segment operating income (Note C)	<u>\$ 9,624,602</u>	<u>\$ 976,724</u>	<u>\$ 166,191</u>	<u>\$ 449,838</u>	<u>\$ 11,536,802</u>	<u>\$ 2,946,570</u>	<u>\$ -</u>	<u>\$ 25,700,727</u>	<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>	<u>\$ 19,146,921</u>
Equity in net income of investees								3,266,549								3,921,059
General income, net								1,508,013								1,708,025
Interest expense								(1,074,702)								(1,449,745)
General expenses (Note D)								<u>(6,484,848)</u>								<u>(5,240,076)</u>
Income before income tax								<u>\$ 22,915,739</u>								<u>\$ 18,086,184</u>
Identifiable assets (Note E)	<u>\$ 70,137,300</u>	<u>\$ 26,554,391</u>	<u>\$ 23,403,248</u>	<u>\$ 9,624,884</u>	<u>\$ 98,167,901</u>	<u>\$ 12,571,785</u>	<u>\$ -</u>	<u>\$ 240,459,509</u>	<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>	<u>\$ 207,821,367</u>
Long-term stock investments								41,526,716								49,975,648
General assets								<u>11,721,277</u>								<u>9,622,652</u>
Total assets								<u>\$ 293,707,502</u>								<u>\$ 267,419,667</u>
Depreciation expense	<u>\$ 3,939,456</u>	<u>\$ 783,154</u>	<u>\$ 38,522</u>	<u>\$ 81,692</u>	<u>\$ 10,316,265</u>	<u>\$ 6,057</u>			<u>\$ 4,383,166</u>	<u>\$ 575,534</u>	<u>\$ 33,770</u>	<u>\$ -</u>	<u>\$ 10,934,347</u>	<u>\$ 5,114</u>		
Capital expenditures	<u>\$ 6,877,830</u>	<u>\$ 1,360,074</u>	<u>\$ 965,624</u>	<u>\$ 1,462,838</u>	<u>\$ 8,262,189</u>	<u>\$ 8,232</u>			<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>		

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
(Formerly Far Eastern Textile Ltd. and Subsidiaries)

SEGMENT INFORMATION BY REGION
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars)

Industry Information	2010				2009					
	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	\$ 153,549,485	\$ 42,841,719	\$ 3,813,024	\$ -	\$ 200,204,228	\$ 121,376,502	\$ 42,498,049	\$ 3,098,816	\$ -	\$ 166,973,367
Sales from the group (Note B)	<u>12,381,183</u>	<u>30,473,432</u>	<u>290,929</u>	<u>(43,145,544)</u>	<u>-</u>	<u>17,400,296</u>	<u>23,064,463</u>	<u>168,921</u>	<u>(40,633,680)</u>	<u>-</u>
Total revenue	<u>\$ 165,930,668</u>	<u>\$ 73,315,151</u>	<u>\$ 4,103,953</u>	<u>\$ (43,145,544)</u>	<u>\$ 200,204,228</u>	<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>
Segment operating income (Note C)	<u>\$ 21,580,431</u>	<u>\$ 2,911,139</u>	<u>\$ 1,209,157</u>	<u>\$ -</u>	<u>\$ 25,700,727</u>	<u>\$ 16,764,594</u>	<u>\$ 2,440,174</u>	<u>\$ (57,847)</u>	<u>\$ -</u>	<u>\$ 19,146,921</u>
Equity in net income of investees					3,266,549					3,921,059
General income, net					1,508,013					1,708,025
Interest expense					(1,074,702)					(1,449,745)
General expenses (Note D)					<u>(6,484,848)</u>					<u>(5,240,076)</u>
Income before income tax					<u>\$ 22,915,739</u>					<u>\$ 18,086,184</u>
Identifiable assets (Note E)	<u>\$ 185,729,367</u>	<u>\$ 51,494,742</u>	<u>\$ 3,235,400</u>	<u>\$ -</u>	<u>\$ 240,459,509</u>	<u>\$ 156,211,264</u>	<u>\$ 47,868,856</u>	<u>\$ 3,741,247</u>	<u>\$ -</u>	<u>\$ 207,821,367</u>
Long-term stock investments					41,526,716					49,975,648
General assets					<u>11,721,277</u>					<u>9,622,652</u>
Total assets					<u>\$ 293,707,502</u>					<u>\$ 267,419,667</u>
Depreciation expense	<u>\$ 12,752,636</u>	<u>\$ 2,239,955</u>	<u>\$ 172,555</u>			<u>\$ 13,551,135</u>	<u>\$ 2,265,632</u>	<u>\$ 115,164</u>		
Capital expenditures	<u>\$ 15,806,148</u>	<u>\$ 2,817,116</u>	<u>\$ 313,523</u>			<u>\$ 9,783,731</u>	<u>\$ 1,156,822</u>	<u>\$ 323,900</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 selling 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.