

**Far Eastern New Century Corporation and
Subsidiaries**

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

**Consolidated Financial Statements for the
Six Months Ended June 30, 2011 and 2010 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Far Eastern New Century Corporation

We have reviewed the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company," formerly Far Eastern Textile Ltd.) and subsidiaries as of June 30, 2011 and 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the six months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report based on our reviews.

Except for the matters disclosed in the next paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 - "Review of Financial Statements" of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As discussed in Note 2 to the consolidated financial statements, the financial statements of certain subsidiaries as of and for the six months ended June 30, 2011 and 2010 have not been reviewed. The total assets of these subsidiaries were 43.69% (NT\$135,507,359 thousand) and 48.09% (NT\$138,133,379 thousand), respectively, of the consolidated total assets and with combined total liabilities that were 28.54% (NT\$46,963,070 thousand) and 28.43% (NT\$42,701,221 thousand), respectively, of the total liabilities, had not been reviewed by independent accountants. In the six months ended June 30, 2011 and 2010, these subsidiaries' combined total net operating revenues were 38.93% (NT\$45,905,827 thousand) and 36.31% (NT\$33,983,099 thousand), respectively, of the consolidated net operating revenues. In addition, as stated in Note 13 to the consolidated financial statements, the financial statements supporting the Company's and subsidiaries' investments in certain equity-method investees, with carrying values of NT\$28,234,078 thousand and NT\$25,284,613 thousand as of June 30, 2011 and 2010, respectively, had not been reviewed by independent accountants. The Company's equity of NT\$1,215,919 thousand and NT\$787,519 thousand in the gains of these investees was included in the consolidated net incomes for the six months ended June 30, 2011 and 2010, respectively. These investment amounts and other information on the Company's and subsidiaries' investments in Note 36 of the consolidated financial statements were also based on these equity-method investees' unreviewed financial statements.

Based on our reviews, except for the effects that there might have been some adjustments on the consolidated financial statement if the financial statements of the subsidiaries and investees mentioned above had been reviewed by our independent accountant, we are not aware of any material modifications that should be made to the consolidated financial statements of Far Eastern New Century Corporation and subsidiaries referred to above for them to be in conformity with the 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, 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 from 7-15 years to 15 years. This accounting change resulted in increases of NT\$111,934 thousand in consolidated net income and NT\$0.024 in basic earnings per share for the six months ended June 30, 2011.

Note 33 (j) to the financial statements describes a case related to the Department of Commerce's nullification of Pacific Liu Tung Investment Corporation's (PLT, an equity-method investee of the Company) registration of a capital increase and relevant registrations. 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 PLT's investors, will depend on the final judgment of the court.

August 11, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the accountants' review 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 accountants' review report and consolidated financial statements shall prevail.

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

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

ASSETS	2011		2010		LIABILITIES AND SHAREHOLDERS' EQUITY	2011		2010	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 5)	\$ 27,170,715	9	\$ 30,566,116	11	Short-term bank loans (Notes 19 and 32)	\$ 36,275,539	12	\$ 25,633,203	9
Financial assets at fair value through profit or loss - current (Notes 2 and 6)	1,456,752	1	1,492,036	1	Commercial papers payables (Notes 20 and 32)	3,235,738	1	8,399,762	3
Available-for-sale financial assets - current (Notes 2, 7 and 32)	3,290,588	1	3,090,982	1	Financial liabilities at fair value through profit or loss - current (Notes 2 and 6)	76,806	-	117,968	-
Hedging derivative assets - current (Note 2)	23,445	-	-	-	Hedging derivative liabilities - current (Note 2)	-	-	2,800	-
Notes and accounts receivable, net (Notes 2, 25 and 32)	32,935,011	11	25,809,381	9	Notes and accounts payable (Note 25)	18,934,534	6	12,283,162	4
Dividends receivable	2,958,962	1	2,649,872	1	Accounts and notes payable to related parties (Notes 25 and 31)	1,091,810	-	1,764,650	1
Notes and accounts receivable from related parties (Notes 2, 25 and 31)	972,362	-	1,248,122	-	Income tax payable (Notes 2 and 27)	1,613,746	1	1,692,375	1
Other receivables	658,294	-	522,642	-	Accrued expenses (Notes 26 and 31)	10,019,541	3	6,873,593	2
Inventories, net (Notes 2 and 9)	19,934,152	7	14,115,855	5	Guarantee deposits received - current	659,438	-	522,292	-
Available for sale - building and land, net (Notes 2 and 25)	-	-	30,339	-	Payables to suppliers of machinery and equipment	2,342,186	1	1,449,980	1
Available for construction - land (Notes 2, 11, 25 and 32)	620,287	-	620,013	-	Dividends payable	14,931,429	5	11,531,470	4
Construction-in-progress (net of billings on construction-in-progress) (Notes 2, 10, 25 and 32)	10,426,783	3	7,705,762	3	Receipts in advance	747,397	-	950,290	-
Deferred income taxes assets - current (Notes 2 and 27)	376,831	-	453,510	-	Advances on land and building (Notes 2, 10 and 25)	1,347,349	-	2,521,280	1
Restricted assets (Notes 21, 25 and 32)	3,040,843	1	2,060,896	1	Unearned revenue (Notes 2 and 21)	2,576,607	1	1,269,149	1
Prepayments and other current assets (Notes 2, 10 and 25)	6,430,487	2	3,823,064	1	Billings on construction-in-progress (net of construction-in-progress) (Notes 2, 22, 25 and 29)	653,005	-	353,861	-
Total current assets	110,295,512	36	94,188,590	33	Current portion of long-term liabilities (Notes 2, 23 and 32)	2,801,713	1	12,481,434	4
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 12, 13, 14 and 32)					Deferred income tax liabilities - current (Notes 2 and 27)	943	-	-	-
Equity-method investments	41,828,836	13	47,508,392	17	Advances on land (Notes 15 and 31)	206,005	-	-	-
Available-for-sale financial assets - noncurrent	4,211,301	1	2,384,335	1	Other current liabilities (Note 24)	1,892,692	1	3,064,465	1
Held-to-maturity financial assets - noncurrent	199,717	-	199,616	-	Total current liabilities	99,406,478	32	90,911,734	32
Financial assets carried at cost - noncurrent	1,543,454	1	2,965,578	1	LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
Bond investments with no active market - noncurrent	258,903	-	293,454	-	Long-term debt (Notes 23 and 32)	31,434,267	10	36,420,162	13
Total funds and investments	48,042,211	15	53,351,375	19	Bonds payable (Notes 2, 23 and 32)	22,704,876	7	12,372,718	4
PROPERTIES (Notes 2, 4, 15, 31 and 32)					Total long-term liabilities	54,139,143	17	48,792,880	17
Cost					RESERVE FOR LAND VALUE INCREMENT TAX (Note 15)	6,322,321	2	6,310,976	2
Land	11,006,715	3	7,362,583	3	OTHER LIABILITIES				
Buildings	20,786,589	7	17,996,237	6	Accrued pension cost (Note 2)	1,885,775	1	1,745,017	1
Machinery and equipment	98,034,692	32	97,839,904	34	Guarantee deposits received - noncurrent	349,754	-	469,277	-
Telecommunications equipment	136,272,121	44	112,038,891	39	Deferred income tax liabilities - noncurrent (Notes 2 and 27)	873,885	1	351,215	-
Computer equipment	22,275,142	7	17,818,699	6	Deferred credits (Notes 2, 15 and 31)	738,543	-	997,991	-
Leasehold improvements	3,094,232	1	1,918,242	1	Others (Notes 2, 13 and 24)	822,502	-	621,121	-
Operating and miscellaneous equipment	8,428,638	3	6,580,751	2	Total other liabilities	4,670,459	2	4,184,621	1
Total cost	299,898,129	97	261,555,307	91	Total liabilities	164,538,401	53	150,200,211	52
Appreciation	18,871,496	6	19,013,806	6	SHAREHOLDERS' EQUITY OF PARENT COMPANY				
Total cost and appreciation	318,769,625	103	280,569,113	97	Capital stock of parent company - NT\$10.00 par value				
Less: Accumulated depreciation	200,400,009	65	173,093,029	60	Authorized - 4,950,000 thousand shares				
Less: Accumulated impairment	5,731,504	2	2,573,665	1	Issued and outstanding - 4,754,580 thousand shares in 2011; 4,661,353 thousand shares in 2010	47,545,799	15	46,613,529	16
Construction in progress and prepayments for equipment	112,638,112	36	104,902,419	36	Stock dividends for distribution	1,426,374	1	932,270	-
Net properties	13,488,668	5	8,491,191	3	Capital surplus				
INTANGIBLE ASSETS					Additional paid-in capital from share issuance in excess of par value	932,814	-	932,814	1
Deferred pension costs (Note 2)	55,852	-	17,061	-	From long-term investments	9,305,626	3	9,293,773	3
Goodwill (Notes 2 and 16)	11,938,522	4	11,614,310	4	Others	7,672	-	7,672	-
3G license fee (Notes 1, 2 and 17)	5,480,298	2	6,211,005	2	Total capital surplus	10,246,112	3	10,234,259	4
Land leasehold rights (Notes 2 and 32)	1,252,347	-	1,309,460	1	Retained earnings				
Other intangible assets (Notes 2 and 16)	767,248	-	83,935	-	Legal reserve	10,710,699	3	9,413,371	3
Total intangible assets	19,494,267	6	19,235,771	7	Special reserve	3,151,409	1	3,034,766	1
OTHER ASSETS					Unappropriated earnings	10,721,676	4	7,248,686	3
Nonoperating properties, net (Notes 2 and 32)	3,690,442	1	3,641,153	1	Total retained earnings	24,583,784	8	19,696,823	7
Deferred income taxes assets, net (Notes 2 and 27)	384,739	-	918,850	1	Other shareholders' equity				
Refundable deposits (Note 25)	534,111	-	421,966	-	Cumulative translation adjustments	(817,173)	(1)	2,903,699	1
Restricted assets (Notes 25 and 32)	438,012	-	421,624	-	Net loss not recognized as pension cost	(92,046)	-	(82,007)	-
Farmland (Note 18)	276,661	-	276,661	-	Unrealized gains on financial instruments	5,687,274	2	1,478,526	1
Deferred charges, net (Note 2)	717,865	1	679,525	-	Unrealized revaluation increment on properties	8,650,792	3	8,711,423	3
Other (Note 13)	159,121	-	734,500	-	Total other shareholders' equity	13,428,847	4	13,011,641	5
Total other assets	6,200,951	2	7,094,279	2	Total shareholders' equity of parent company	97,230,916	31	90,488,522	32
TOTAL	\$ 310,159,721	100	\$ 287,263,625	100	MINORITY INTEREST	48,390,404	16	46,574,892	16
					Total shareholders' equity	145,621,320	47	137,063,414	48
					TOTAL	\$ 310,159,721	100	\$ 287,263,625	100

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

(With Deloitte & Touche review report dated August 11, 2011)

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

CONSOLIDATED STATEMENTS OF INCOME
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 31)				
Net sales	\$ 81,334,577	69	\$ 61,513,825	66
Telecommunications service income	30,693,864	26	26,473,785	28
Gain on disposal of investments, net	87,763	-	298,438	-
Net construction income	4,683,704	4	4,390,118	5
Other operating income	<u>1,107,847</u>	<u>1</u>	<u>917,056</u>	<u>1</u>
Total operating revenues	<u>117,907,755</u>	<u>100</u>	<u>93,593,222</u>	<u>100</u>
OPERATING COSTS (Notes 2, 9, 28 and 31)				
Cost of sales	73,566,103	62	55,298,071	59
Cost of telecommunications services	14,953,280	13	12,995,424	14
Construction cost	3,747,637	3	3,206,403	3
Other operating cost	<u>740,971</u>	<u>1</u>	<u>554,062</u>	<u>1</u>
Total operating costs	<u>93,007,991</u>	<u>79</u>	<u>72,053,960</u>	<u>77</u>
GROSS PROFIT EXCLUDING REALIZED CONSTRUCTION INCOME				
	24,899,764	21	21,539,262	23
REALIZED CONSTRUCTION INCOME (Note 2)				
	<u>277</u>	<u>-</u>	<u>277</u>	<u>-</u>
GROSS PROFIT				
	<u>24,900,041</u>	<u>21</u>	<u>21,539,539</u>	<u>23</u>
OPERATING EXPENSES (Notes 2, 28 and 31)				
Marketing	9,572,433	8	7,886,352	9
General and administrative	3,733,263	3	3,879,156	4
Research and development	<u>343,660</u>	<u>-</u>	<u>295,188</u>	<u>-</u>
Total operating expenses	<u>13,649,356</u>	<u>11</u>	<u>12,060,696</u>	<u>13</u>
OPERATING INCOME				
	<u>11,250,685</u>	<u>10</u>	<u>9,478,843</u>	<u>10</u>
NONOPERATING INCOME AND GAINS (Note 31)				
Investment income recognized under the equity method, net (Note 2)	2,243,290	2	941,050	1
Dividend income (Note 2)	268,562	-	239,070	-
Interest income (Note 31)	140,376	-	73,594	-
Rental income (Notes 24 and 31)	52,198	-	38,964	-
Exchange gain, net	359,640	1	-	-

(Continued)

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

CONSOLIDATED STATEMENTS OF INCOME
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	%	Amount	%
Gain on disposal of properties	\$ 8,358	-	\$ -	-
Other	<u>249,743</u>	-	<u>319,063</u>	<u>1</u>
Total nonoperating income and gains	<u>3,322,167</u>	<u>3</u>	<u>1,611,741</u>	<u>2</u>
NONOPERATING EXPENSES AND LOSSES				
(Note 31)				
Interest expense (Notes 10, 15 and 31)	618,951	1	523,353	1
Loss on disposal of properties, net	-	-	63,264	-
Exchange loss, net (Note 2)	-	-	100,058	-
Impairment loss on assets (Note 2)	26,565	-	42,726	-
Valuation loss on financial liabilities, net (Notes 2 and 6)	29,870	-	3,253	-
Valuation loss on financial assets, net (Notes 2 and 6)	45,586	-	61,419	-
Other	<u>234,867</u>	-	<u>317,187</u>	-
Total nonoperating expenses and losses	<u>955,839</u>	<u>1</u>	<u>1,111,260</u>	<u>1</u>
CONSOLIDATED INCOME BEFORE TAX	13,617,013	12	9,979,324	11
INCOME TAX (Notes 2 and 27)	<u>2,055,738</u>	<u>2</u>	<u>1,404,943</u>	<u>2</u>
NET CONSOLIDATED INCOME	<u>\$ 11,561,275</u>	<u>10</u>	<u>\$ 8,574,381</u>	<u>9</u>
BELONG TO:				
Shareholders of parent company	\$ 8,114,545	7	\$ 5,259,766	6
Minority interest	<u>3,446,730</u>	<u>3</u>	<u>3,314,615</u>	<u>3</u>
	<u>\$ 11,561,275</u>	<u>10</u>	<u>\$ 8,574,381</u>	<u>9</u>
	2011		2010	
	Income Before Income Tax	Net Income	Income Before Income Tax	Net Income
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 1.83</u>	<u>\$ 1.71</u>	<u>\$ 1.11</u>	<u>\$ 1.11</u>
Diluted	<u>\$ 1.83</u>	<u>\$ 1.70</u>	<u>\$ 1.11</u>	<u>\$ 1.10</u>

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

(With Deloitte & Touche review report dated August 11, 2011)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2011 AND 2010

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

(Reviewed, Not Audited)

	Capital Stock Issued and Outstanding		Stock Dividends for Distribution (Note 26)	Capital Surplus (Notes 2 and 26)	Retained Earnings (Notes 2, 26 and 27)				Other Shareholders' Equity					Total Shareholders' Equity
					Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Cumulative Translation Adjustments (Note 2)	Net Loss Not Recognized as Pension Cost (Note 2)	Unrealized Gain (Loss) on Financial Instruments (Note 2)	Unrealized Revaluation Increment on Properties (Notes 2 and 15)	Minority Interests	
	Shares in Thousand	Amount												
BALANCE, JANUARY 1, 2011	4,754,580	\$ 47,545,799	\$ -	\$ 10,228,131	\$ 9,413,371	\$ 3,034,766	\$ 14,842,096	\$ 27,290,233	\$ (492,626)	\$ (98,259)	\$ 5,370,206	\$ 8,705,127	\$ 51,499,413	\$ 150,048,024
Appropriation of the 2010 earnings														
Legal reserve	-	-	-	-	1,297,328	-	(1,297,328)	-	-	-	-	-	-	-
Cash dividends - NT\$2.0 per share	-	-	-	-	-	-	(9,509,160)	(9,509,160)	-	-	-	-	-	(9,509,160)
Stock dividends - NT\$0.3 per share	-	-	1,426,374	-	-	-	(1,426,374)	(1,426,374)	-	-	-	-	-	-
Balance after appropriations	4,754,580	47,545,799	1,426,374	10,228,131	10,710,699	3,034,766	2,609,234	16,354,699	(492,626)	(98,259)	5,370,206	8,705,127	51,499,413	140,538,864
Consolidated net income in the six months ended June 30, 2011	-	-	-	-	-	-	8,114,545	8,114,545	-	-	-	-	3,446,730	11,561,275
Adjustments due to changes in investees' equity in equity-method investments	-	-	-	17,981	-	116,643	(2,103)	114,540	51,959	6,213	345,123	(54,335)	-	481,481
Changes in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(28,055)	-	-	(28,055)
Changes in translation adjustments	-	-	-	-	-	-	-	-	(376,506)	-	-	-	-	(376,506)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(6,555,739)	(6,555,739)
BALANCE, JUNE 30, 2011	<u>4,754,580</u>	<u>\$ 47,545,799</u>	<u>\$ 1,426,374</u>	<u>\$ 10,246,112</u>	<u>\$ 10,710,699</u>	<u>\$ 3,151,409</u>	<u>\$ 10,721,676</u>	<u>\$ 24,583,784</u>	<u>\$ (817,173)</u>	<u>\$ (92,046)</u>	<u>\$ 5,687,274</u>	<u>\$ 8,650,792</u>	<u>\$ 48,390,404</u>	<u>\$ 145,621,320</u>
BALANCE, JANUARY 1, 2010	4,661,353	\$ 46,613,529	\$ -	\$ 10,181,403	\$ 8,602,110	\$ 3,034,766	\$ 9,672,105	\$ 21,308,981	\$ 2,490,010	\$ (80,263)	\$ 3,276,309	\$ 8,721,219	\$ 48,996,582	\$ 141,507,770
Appropriation of the 2009 earnings:														
Legal reserve	-	-	-	-	811,261	-	(811,261)	-	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	-	-	(6,059,759)	(6,059,759)	-	-	-	-	-	(6,059,759)
Stock dividends - NT\$0.2 per share	-	-	932,270	-	-	-	(932,270)	(932,270)	-	-	-	-	-	-
Balance after appropriations	4,661,353	46,613,529	932,270	10,181,403	9,413,371	3,034,766	1,868,815	14,316,952	2,490,010	(80,263)	3,276,309	8,721,219	48,996,582	135,448,011
Consolidated net income in the six months ended June 30, 2010	-	-	-	-	-	-	5,259,766	5,259,766	-	-	-	-	3,314,615	8,574,381
Adjustments due to changes in investees' equity in equity-method investments	-	-	-	52,856	-	-	120,105	120,105	346,330	(1,744)	(1,695,374)	(9,796)	-	(1,187,623)
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(102,409)	-	-	(102,409)
Change in translation adjustments	-	-	-	-	-	-	-	-	67,359	-	-	-	-	67,359
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(5,736,305)	(5,736,305)
BALANCE, JUNE 30, 2010	<u>4,661,353</u>	<u>\$ 46,613,529</u>	<u>\$ 932,270</u>	<u>\$ 10,234,259</u>	<u>\$ 9,413,371</u>	<u>\$ 3,034,766</u>	<u>\$ 7,248,686</u>	<u>\$ 19,696,823</u>	<u>\$ 2,903,699</u>	<u>\$ (82,007)</u>	<u>\$ 1,478,526</u>	<u>\$ 8,711,423</u>	<u>\$ 46,574,892</u>	<u>\$ 137,063,414</u>

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

(With Deloitte & Touche review report dated August 11, 2011)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 11,561,275	\$ 8,574,381
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	8,032,040	8,067,958
Recovery of the provision for the decline in inventory	(41,009)	(58,898)
Loss on disposal of deferred charges, net	393	758
Net gain on disposal of investments	(99,328)	(302,108)
Allowance for doubtful accounts	34,412	300,327
Cash dividends received on equity-method investments	261,733	184,221
Deferred income on hedging derivative financial instruments	72,380	1,600
Investment income recognized under the equity method, net	(2,243,290)	(941,050)
Impairment loss on assets	26,565	42,726
Gain (loss) on disposal of properties, net	(8,358)	63,264
Realized construction income	(277)	(277)
Realized deferred rental income	(26,299)	(26,588)
Accrued pension liabilities	(4,169)	13,040
Deferred income taxes	1,016,826	232,390
Net changes in operating assets and liabilities		
Financial assets held for trading	1,253,168	299,302
Notes and accounts receivable	(7,283,373)	(4,304,342)
Dividends receivable	(176,867)	(126,208)
Accounts and notes receivable from related parties	397,057	(81,703)
Other receivables	424,551	229,298
Inventories	(4,621,921)	(1,983,463)
Available for construction - land	(274)	-
Construction-in-progress, net	(2,144,495)	(2,107,146)
Prepayments and other current assets	(1,695,737)	(422,911)
Financial liabilities held for trading	72,345	97,218
Notes and accounts payable	1,678,852	1,115,711
Accounts and notes payable to related parties	(276,705)	(227,558)
Income taxes payable	(433,528)	294,126
Accrued expenses	424,573	(486,504)
Receipts in advance	(171,984)	244,256
Advances on land and building	8,308	1,532,462
Unearned revenue	593,774	61,938
Billings on construction-in-progress, net	(243,078)	19,187
Other current liabilities	<u>768,688</u>	<u>888,300</u>
Net cash provided by operating activities	<u>7,156,248</u>	<u>11,193,707</u>

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in receivables from related parties	\$ (98,903)	\$ 97,594
Proceeds of the disposal of available-for-sale financial assets	1,724,292	625,485
Increase in available-for-sale financial assets	(1,310,651)	(1,119,545)
Proceeds of the disposal of financial assets carried at cost	-	240,084
Acquisition of financial assets carried at cost	-	(30,669)
Proceeds of the disposal of equity-method investments	256,332	654,288
Acquisition of investments accounted for by the equity method	(495,827)	(983,189)
Payments of land value increment tax	(51,414)	-
Proceeds of the disposal of properties	37,327	45,021
Acquisition of properties	(7,370,820)	(9,738,005)
Increase in other intangible assets	(5,290)	(23,849)
Decrease in refundable deposits	10,524	48,949
Increase in deferred charges	(56,683)	(94,741)
Increase in restricted assets	(189,998)	(157,469)
Cash payment due to merger	(229,025)	-
Increase in other assets	<u>(78,601)</u>	<u>(415,600)</u>
Net cash used in investing activities	<u>(7,858,737)</u>	<u>(10,851,646)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	7,641,862	1,487,065
(Decrease) increase in commercial papers payable	(3,966,958)	3,300,012
(Decrease) increase in payable to related parties	(174,192)	820,312
Subsidiary's issuance of common stock for cash	147,700	-
(Decrease) increase in long-term bank loans and bonds payable	(120,568)	3,511,144
Decrease in guarantee deposits	(6,625)	(40,942)
Decrease in other liabilities	(77,182)	(18,968)
Decrease in minority interest	<u>(1,547,543)</u>	<u>(87,992)</u>
Net cash provided by financing activities	<u>1,896,494</u>	<u>8,970,631</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(336,343)</u>	<u>111,426</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	857,662	9,424,118
CASH AND CASH EQUIVALENTS ARISING FROM INCREASING SUBSIDIARIES	56,930	-
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>26,256,123</u>	<u>21,141,998</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 27,170,715</u>	<u>\$ 30,566,116</u>

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2011	2010
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 569,012	\$ 486,774
Less: Capitalized interest	<u>47,639</u>	<u>27,528</u>
Interest paid (excluding capitalized interest)	<u>\$ 521,373</u>	<u>\$ 459,246</u>
Income tax paid	<u>\$ 1,149,707</u>	<u>\$ 865,195</u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 2,801,713</u>	<u>\$ 12,481,434</u>

SUPPLEMENTARY INFORMATION ON SUBSIDIARY ACQUISITIONS:

In April 2011, Far Eastern Tech-info Ltd. (Shanghai) (FETI) acquired 55% of FarEastern New Century Information Technology (Beijing) Limited's common shares. The fair values of total assets and total liabilities at the time of acquisition were as follows:

	Amount
Cash	\$ 56,930
Prepaid expense	257
Other current assets	134
Intangible assets	241,046
Accrued expenses	<u>(16)</u>
	298,351
Percentage of ownership acquired	<u>55%</u>
	164,093
Goodwill	<u>57,615</u>
Proceeds of merger	<u>\$ 221,708</u>

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

(With Deloitte & Touche review report dated August 11, 2011)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

Far Eastern New Century Corporation (FENC or the “Company,” formerly Far Eastern Textile Ltd.), which was incorporated 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 depository receipts (GDRs), which became listed on the Luxembourg Stock Exchange. On October 13, 2009, the shareholders 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.

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

Far EasTone provides 2G (second-generation wireless communications services) by geographical sector under two type I licenses - GSM900 for the northern region of Taiwan and GSM1800 island-wide (“GSM” means global system for mobile communications) - issued by the Directorate General of Telecommunications (DGT) of the ROC. These licenses allow Far EasTone to provide services for 15 years from 1997, with an annual license fee of 2% of total 2G wireless communications service revenues. In 1999, the DGT also issued to Far EasTone a type II license, allowing it to provide Internet and ISR services until December 2012 and requiring it to pay annual license fees based on the regulations for each service. Far EasTone is also licensed to provide local/domestic long-distance land cable leased circuit services for 15 years from January 2003 for an annual license fee of 1% of leased circuit service revenues.

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 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.

KG Telecommunications Co., Ltd. (KG Telecom; formerly Yuan Ho Telecommunications Co., Ltd.), a Far EasTone subsidiary, was incorporated in 2004 to merge with the former KG Telecommunications Co., Ltd. (the former KGT). KG Telecom, through this merger, obtains 2G wireless communications services under a type I license - GSM1800 for the whole region of Taiwan issued by the DGT. The license allows KG Telecom to provide services until 2012, with an annual license fee at 2% of total 2G wireless communications service revenues. In addition, KG Telecom obtains the license from the former KGT, which allows it to provide local/domestic long distance land cable leased circuit services for 15 years on September 2000, with an annual license fee of 1% of leased circuit service revenues. To integrate the resources and enhance the operating efficiency of Far EasTone and KG Telecom, the boards of directors of both companies resolved their merger on February 26, 2009, with Far EasTone as the survivor entity. On August 28, 2009, the National Communications Commission approved this merger, and the record date of this merger was January 1, 2010.

On June 9, 2011, the shareholders of Far EasTone resolved to issue up to 444,341 thousand common shares by private placement, with a total issuance amount of up to \$17,773,641 thousand and the private placement price setting at NT\$40.00 per share, 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 15, 2010 and June 16, 2009. The subscriber for these privately placed shares will be China Mobile Limited's 100% indirect subsidiary incorporated in the ROC. 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 shareholders' 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's 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.

On August 22, 2007, Far Eastern Electronic Toll Collection Co., Ltd. (FEETC), which is owned by Yuan Tong Investment Corp. (Yuan Tong) and Far EasTone, and the Taiwan Area National Freeway Bureau signed the Electronic Toll Collection BOT Project contract, which allows FEETC to run this project for 18 years and 4 months. However, as of June 30, 2011, the usage rate of ETC had not reached the requirement regulated in the contract of the Electronic Toll Collection BOT Project (ETC Project). FEETC has entered into negotiation with the Taiwan Area National Freeway Bureau and proposed its improvement plan. Thus, the management of FEETC believes there would be no material effect on its daily operations.

Far Eastern Resources Development Co. (FERD) was a spin-off of the Company's real estate development business. FERD's core business is planning the Group's fixed assets, non-operating assets and farmland for development. As an FENC subsidiary, FERD aims to carry out the following projects:

- a. Taipei Far Eastern Telecom Park Project: FERD has land of approximately 73.7 thousand pings 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 on May 2005. It is the first private-development BOO project in the telecom field in northern Taiwan. The Taipei Far Eastern Telecom Park plans to recruit tenants of new generation CPE (customer premises equipment), broadband service and equipment providers, digital content service providers, and broadband equipment providers. This project had been approved by the Urban Planning Commission of the Ministry of the Interior of the ROC and is now under way. As of August 2010, the first building completed had started operations.
- b. The Yilan Jiaosi Resort hotel project: This project involves land rezoning so that industrial/commercial areas can be established. The request for land rezoning and development was approved by the authorities in 2009.

To simplify investment structure, integrate investment resources and management, and control the subsidiaries in China, the board of directors of the Company made the resolution on December 21, 2007 to acquire the shares of the existing off-shore investment companies through subsidiaries and the related parties. The shares acquired were as follows:

- a. 63 thousand shares of Far Eastern Apparel (Holding) Ltd. from Yuan Ding Investment Co., Ltd. (YDI) for US\$34,513 thousand, with each share priced at US\$546.09;
- b. 487 thousand shares of FEDP (Holding) Ltd. (FEDP) for US\$49,961 thousand from Yuan Tong Investment Corp. (Yuan Tong), Far Eastern Polychem Industries Ltd. (FEPI), and Far Eastern Polytex (Holding) Ltd. (Polytex), with each share priced at US\$102.65;
- c. 119 thousand shares of PET Far Eastern (Holding) Ltd. (PETH) for US\$50,945 thousand from Ding Yuan International Investment Corp. (Ding Yuan), FEPI, and a Company-related party, Oriental Union Chemical Corporation (OUCC), with each share priced at US\$426.6.

Up to June 30, 2011, except for the Company's acquisition of PETH shares from Ding Yuan and a related party, OUCC and the Company's acquisition of FEDP shares from Polytex and Yuan Tong, disclosed above will have to be approved by the Investment Commission under the MOEA. However, the actual transaction amount will be adjusted at the prevailing net value of the shares of the acquiring or the acquired companies.

FENC and its consolidated subsidiaries (collectively, the "Group") had 23,844 and 21,893 employees as of June 30, 2011 and 2010, respectively.

The intercompany relationships, percentages of ownership and major operations of subsidiaries as of June 30, 2011 are shown in Schedules A and B.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China ("ROC"). Significant accounting policies are summarized as follows:

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 consolidated financial statements shall prevail.

Consolidation

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

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

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.

In February 2010, the Company acquired 42,347 thousand shares of PETH from a related party, OUCC, for NT\$659,422.5 thousand. Thus, the Group's holding in PETH increased from 87.07% to 100%.

To prepare for service convergence, 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 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 \$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 Co., Ltd. - 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 resolved to merge NCIC 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 shareholders' 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 thousand shares to 2,336,604 thousand shares, of which, Far EasTone owned 2,195,196 thousand shares, representing 93.95% ownership. In the second stage, on March 1, 2011, the record date, Far EasTone merged YCIC by cash at NT\$10.93 per share, with Far EasTone as the survivor entity. In this merger, 90,688 thousand shares were acquired from related parties for \$991,222 thousand as follows: Der Ching Investment Corporation - 64,225 thousand shares; Far Eastern International Leasing Corp. - 17,436 thousand shares; Yue-Tung Investment Corporation - 9,019 thousand shares and other - 8 thousand shares. Thus, NCIC became a 100% owned subsidiary of Far EasTone. The above mentioned two-stage merger was already approved by the National Communications Commission on December 29, 2010.

To enhance diversification and long-term synergy in operating, the board of directors of ARCOA resolved to acquire 70% equity ownership in DataExpress Infotech Co., Ltd. ("DataExpress") on November 30, 2010; thus, DataExpress' and its subsidiary's revenues and expenses were included in the consolidated financial statements from then on.

The financial statements of the subsidiaries included in the consolidated financial statements such as YDI, Far EasTone, ARCOA, Q-ware. Com., KGEx.com, FEETC, Far Eastern Construction Co., Ltd. (FECC) and Far Eastern General Contractor Inc. (FEGC) as of June 30, 2011 and 2010 and NCIC, YCIC (dissolved due to the merger with Far EasTone on March 1, 2011), DataExpress and Linkwell as of June 30, 2011 had been audited. Other immaterial subsidiaries' financial statements had not been reviewed by independent accountants. As of June 30, 2011 and 2010, the total assets of the subsidiaries presented above were 43.69% (NT\$135,507,359 thousand) and 48.09% (NT\$138,133,379 thousand), respectively, of the consolidated assets, and the total liabilities of the subsidiaries presented above were 28.54% (NT\$46,963,070 thousand) and 28.43% (NT\$42,701,221 thousand), respectively, of the consolidated liabilities. The operating revenues of the subsidiaries were 38.93% (NT\$45,905,827 thousand) and 36.31% (NT\$33,983,099 thousand), respectively, of the consolidated operating revenues. The information

in Note 36 on the direct and indirect investments related to the immaterial subsidiaries had also not been reviewed by independent accountants.

Foreign Currencies

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. Shareholders' 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 shareholders' equity. Such exchange differences are recognized in profit or loss in the year in which the foreign operations are disposed of.

Nonderivative 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 (such as equity instruments) 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.

Accounting Estimates

Under above guidelines, law and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, allowance for loss on inventories, depreciation of property, plant and equipment, income tax, pension cost, loss on pending litigations, loss on long-term contracts, allowance for product warranties, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

For readers' convenience, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the financial statements shall prevail.

Current and Noncurrent Assets and Liabilities

Current assets include cash and cash equivalents which are not restricted, and those assets held primarily for trading purposes or to be realized, sold or consumed within one year from the balance sheet date. All other assets such as property, plant and equipment and intangible assets are classified as noncurrent. Current liabilities are obligations incurred for trading purposes or to be settled within one year from the balance sheet date. All other liabilities are classified as noncurrent.

FECC authorizes constructors to build houses for sale or rent. FEGC engages in civil engineering construction. The terms of the two corporations' contracts are typically over one year. Thus, the contract-related assets and liabilities are classified as current or noncurrent depending on the terms of the contracts.

Cash Equivalents

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

Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss ("FVTPL") include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. 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.

Financial instruments at FVTPL are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. At each balance sheet date subsequent to initial recognition, financial assets or financial liabilities at FVTPL are remeasured at fair value, with changes in fair value recognized directly in profit or loss in the year in which they arise. Cash dividends received subsequently (including those received in the year of investment) are recognized as income for the year. On derecognition of a financial asset or a financial liability, the difference between its carrying amount and the sum of the consideration received and receivable or consideration paid and payable is recognized in profit or loss. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

A derivative that does not meet the criteria for hedge accounting is classified as a financial asset or a financial liability held for trading. If the fair value of the derivative is positive, the derivative is recognized as a financial asset; otherwise, the derivative is recognized as a financial liability.

Fair values of financial assets and financial liabilities at the balance sheet date are determined as follows: Publicly traded stocks - at closing prices; open-end mutual funds - at net asset values; bonds - at prices quoted by the Taiwan GreTai Securities Market; and financial assets and financial liabilities without quoted prices in an active market - at values determined using valuation techniques.

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

Available-for-sale Financial Assets

Available-for-sale financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are remeasured at fair value, with changes in fair value recognized in equity until the financial assets are disposed of, at which time, the cumulative gain or loss previously recognized in equity is included in profit or loss for the year. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The recognition, derecognition and the fair value bases of available-for-sale financial assets are the same with those of financial assets at FVTPL

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

Cash dividends are recognized upon the shareholders' resolutions date, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share.

An impairment loss is recognized when there is objective evidence that the financial asset is impaired. Any subsequent decrease in impairment loss for an equity instrument classified as available-for-sale is recognized directly in equity.

Held-to-maturity Financial Assets

Held-to-maturity financial assets are carried at amortized cost using the effective interest 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.

Hedge Accounting

Derivatives that are designated and effective as 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 recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instruments, FENC's subsidiaries, Far EasTone and NCIC use cross-currency swap contracts and foreign exchange swap contracts to hedge against the effect of exchange rate fluctuations of foreign currency-denominated assets. The offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item are recognized as follows: The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in shareholders' equity. The amount recognized in shareholders' equity is recognized in profit or loss in the same year or years during which the hedged forecast transaction or an asset or liability arising from the hedged forecast transaction affects profit or loss. However, if all or a portion of a loss recognized in shareholders' equity is not expected to be recovered in the future, the amount that is not expected to be recovered is reclassified into profit or loss.

Financial Assets Carried at Cost

Investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks, stocks traded in the Emerging Stock Market and domestic private mutual funds, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same with that for dividends on available-for-sale financial assets. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

Bond Investments with No Active Market

Bond investments with fixed or determinable payments and with no quoted prices in an active market are carried at amortized cost using the effective interest method. The accounting treatment for such bond investments is the same with that for held-to-maturity financial assets, except for the absence of restriction on the timing of their disposal.

Impairment of Accounts Receivable

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

As discussed in Note 4 to the financial statements, on January 1, 2011, the Group adopted the third-time revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." One of the main revisions is that the impairment of receivables originated by the Group should be covered by SFAS No. 34. Accounts receivable are assessed for impairment at the end of each reporting period and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the accounts receivable, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the debtor;
- Accounts receivable becoming overdue; or
- It becoming probable that the debtor will enter bankruptcy or financial re-organization.

Accounts receivable that are assessed not to be impaired individually are further assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of accounts receivable could include the Group's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

The amount of the impairment loss recognized is the difference between the asset carrying amount and the present value of estimated future cash flows, after taking into account the related collateral and guarantees, discounted at the receivable's original effective interest rate.

The carrying amount of the accounts receivable is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized as bad debt in profit or loss.

Impairment of Assets

If the recoverable amount of an asset (mainly property, plant and equipment, intangible assets, idle assets, leased assets, 3G license fee, goodwill, land leasehold rights, deferred charges and investments accounted for by the equity method) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is charged to earnings unless the asset is carried at a revalued amount, in which case the impairment loss is first treated as a deduction to the unrealized revaluation increment and any remaining loss is charged to earnings.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased accordingly, but the increased carrying amount may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in earnings, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is first recognized as gains to the extent that an impairment loss on the same revalued asset was previously charged to earnings. Any excess amount is treated as an increase in the unrealized revaluation increment.

For the purpose of impairment testing, goodwill is allocated to each of the relevant cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually or whenever there is an indication that the CGU may be impaired. If the recoverable amount of the CGU becomes less than its carrying amount, the impairment is allocated to first reduce the carrying amount of the goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. A reversal of an impairment loss on goodwill is disallowed.

For long-term equity investments for which the Group has significant influence but with no control, the carrying amount (including goodwill) of each investment is compared with its own recoverable amount for the purpose of impairment testing.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

Real Estate

FENC's 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.

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. But, if the estimated loss decreases, the cumulative loss recognized in excess of the estimated loss will be recognized as revenues.

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

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

Marketing expenses for presold real estate are treated as deferred marketing expenses first and recognized as current expenses when the construction is completed if the real estate ownership has not yet been transferred to customers.

Long-term Construction Contracts

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

Long-term construction in progress 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 are netted out, and the result is classified as current asset or current liability.

Equity-method Investments

Investments in which the Group holds 20 percent or more of the investees' voting shares or exercises significant influence over the investees' operating and financial policy decisions are accounted for by the equity method.

The acquisition cost is allocated to the assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition, and the acquisition cost in excess of the fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not being amortized. The fair value of the net identifiable assets acquired in excess of the acquisition cost is used to reduce the fair value of each of the noncurrent assets acquired (except for financial assets other than investments accounted for by the equity method, noncurrent assets held for sale, deferred income tax assets, prepaid pension or other postretirement benefit) in proportion to the respective fair values of the noncurrent assets, with any excess recognized as an 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.

When the Group subscribes for its investee's newly issued shares at a percentage different from its percentage of ownership in the investee, the Group records the change in its equity in the investee's net assets as an adjustment to investments, with a corresponding amount credited or charged to capital surplus. When the adjustment should be debited to capital surplus, but the capital surplus arising from long-term investments is insufficient, the shortage is debited to retained earnings.

When the Group's share in losses of an investee over which the Group has significant influence equals its investment in that investee plus any advances made to the investee, the Group discontinues applying the equity method. The Group continues to recognize its share in losses of the investee if (a) the Group commits to provide further financial support to the investee or (b) the losses of the investee are considered to be temporary and sufficient evidence shows imminent return to profitability.

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 investments and financial assets carried at cost, stock dividends received are accounted for as increases in the number of shares held, which result in lower carrying value per share.

Properties, Rental Assets and Idle Assets

Properties, rental assets and idle assets are stated at cost (or cost plus revaluation increment) less accumulated depreciation and accumulated impairment losses. Major additions and improvements to property, plant and equipment are capitalized, while costs of repairs and maintenance are expensed currently.

Depreciation expenses for properties, rental assets and idle assets are calculated by the Company and its subsidiaries using the fixed-percentage-of-declining-balance method and straight-line method, respectively, for the six months ended June 30, 2010. Depreciation expenses for properties, rental assets and idle assets are calculated by the Company and its subsidiaries using the straight-line method (Note 4) for the six months ended June 30, 2011. Depreciation expenses are computed over service lives originally estimated as follows: buildings, 3 to 55 years; machinery and equipment, 3 to 20 years; telecommunications equipment, 2 to 15 years; computer equipment, 3 to 10 years; leasehold improvements and operating 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, rental assets and idle assets reach their residual value and are still being used, they are further depreciated over their newly estimated service lives.

The related cost (including revaluation increment), accumulated depreciation, accumulated impairment losses and any unrealized revaluation increment of an item of properties, rental assets and idle assets are derecognized from the balance sheet upon its disposal. Any gain or loss on disposal of the asset is included in nonoperating gains or losses in the year of disposal.

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

The Group estimates the liabilities of dismantling, removing and restoring properties and records these as costs of the properties.

Intangible Assets

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 on December 31, 2018.

Land leasehold rights are amortized over 50 years.

Patent rights and computer software are measured at acquisition cost and amortized using straight-line method over 3 to 7 years.

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.

Goodwill

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, effective January 1, 2006, in accordance of the revised ROC Statement of Financial Accounting Standards, goodwill is longer amortized; instead, it is tested for impairment annually.

Deferred Charges

Deferred charges mainly include routers provided to customers, retail store renovation and computer software, which are amortized using the straight-line method over the shortest among the terms of leases agreements on the rights of software use or their economical useful lives. Other deferred charges are amortized by the straight-line method over five to seven years.

Pension Costs

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.

Under government regulations, subsidiaries established in China have defined contribution pension plans. They make monthly contributions to a pension fund at a fixed percentage of salaries and recognize these contributions as pension costs. However, holding companies do not have pension plans because they do not have any employees.

Income Tax

The Group applies the intra-year and inter-year allocation methods to its income tax, whereby deferred income tax assets and liabilities are recognized for the tax effects of temporary differences, unused loss carryforward and unused tax credits. 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. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

If the Group can control the timing of the reversal of a temporary difference arising from the difference between the book value and the tax basis of a long-term equity investment in a foreign subsidiary or joint venture and if the temporary difference is not expected to reverse in the foreseeable future and will, in effect, exist indefinitely, then a deferred tax liability or asset is not recognized. However, when the circumstances change which indicate that a portion or all of the investee company's undistributed earnings will be distributed, then the investing company should estimate the taxes on its share of earnings distribution.

Tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures are recognized using the flow-through method.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve 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 or payables.

Revenue Recognition

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 telecommunication service 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, computer 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.

Revenue from sales of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, primarily upon shipment, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable.

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.

Reclassifications

Certain accounts in the consolidated financial statements as of and for the six months ended June 30, 2010 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the six months ended June 30, 2011.

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 a nonderivative 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 their exchange rights before the maturity date, the liability components (including the bond and the embedded derivative component) should be adjusted to the carrying value at the time of exchange. 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 exchange 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.

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.

Government Grant

When received, the government grant is included in the restricted assets and in deferred revenue (included in other liabilities-others) 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.

Indefeasible Right of Use

An indefeasible 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 IRU, using the straight-line method over the useful lives of the 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.

3. PRO FORMA FINANCIAL INFORMATION

Assuming that the Company and its subsidiaries acquired a majority holding in NCIC, DataExpress and FarEastern New Century Information Technology (Beijing) Ltd. (FENCIT) on January 1, 2011 and 2010, the pro forma financial information of the Company and its subsidiaries for six months ended June 30, 2011 and 2010 would have been as follows:

(In Thousands, Except Earnings Per Share)

	Six Months Ended June 30	
	2011	2010
Operating revenue	\$ 117,907,755	\$ 97,735,311
Consolidated income before income tax	13,482,949	9,909,912
Consolidated net income	11,427,211	8,501,730
After tax basic earnings per share	1.70	1.12

The pro forma financial information above is only for reference. It does not completely represent the financial results of operations of the Group after acquiring a majority stake in NCIC, Data Express Infotech Co., Ltd., Far Eastern New Century Information Technology (Beijing) Limited on January 1, 2011 and 2010 and the future consolidated financial results of operations.

4. CHANGES IN ACCOUNTING PRINCIPLES

Financial Instruments

On January 1, 2011, the Group adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." The main revisions include (1) finance lease receivables are now covered by SFAS No. 34; (2) the scope of the applicability of SFAS No. 34 to insurance contracts is amended; (3) loans and receivables originated by the Group are now covered by SFAS No. 34; (4) additional guidelines on impairment testing of financial assets carried at amortized cost when a debtor has financial difficulties and the terms of obligations have been modified; and (5) accounting treatment by a debtor for modifications in the terms of obligations. This accounting change had no significant effect on consolidated net income and earnings per share for the six months ended June 30, 2011.

Operating Segments

On January 1, 2011, the Group adopted the newly issued SFAS No. 41 - "Operating Segments." The requirements of the statement are based on the information about the components of the Group that management uses to make decisions about operating matters. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, "Segment Reporting." For this accounting change, the Group prepared the segment information as of and for the six months ended June 30, 2010 to conform to the disclosures as of and for the six months ended June 30, 2011.

Change of Depreciation Method and Service Lives

Under an approval based on Rule No. 1000001624 issued by the Financial Supervisory Commission (FSC) under the Executive Yuan, the Company changed its method of calculating depreciation expenses from the fixed-percentage-of-declining method to straight-line method and also changed the service lives of major equipment from 7 to 15 years to 15 years, effective on January 1, 2011. This accounting change resulted in increases of NT\$111,934 thousand in consolidated net income that belongs to shareholders of parent company and NT\$0.024 in after tax basic earnings per share for the six months ended June 30, 2011.

5. CASH AND CASH EQUIVALENTS

	June 30	
	2011	2010
Cash		
Cash on hand and petty cash	\$ 23,914	\$ 23,633
Savings and checking accounts	13,056,140	12,599,135
Time deposits: Interest of 0.40%-3.67% in 2011 and 0.12%-2.25% in 2010	<u>11,964,207</u>	<u>10,820,127</u>
	<u>25,044,261</u>	<u>23,442,895</u>
Cash equivalents		
Commercial paper purchased under resell agreements: Yield of 0.7% in 2011 and 0.23%-0.33% in 2010	1,136,841	6,835,236
Corporate bonds purchased under resell agreements: Yield of 0.35%-0.63% in 2011 and 0.26% in 2010	<u>659,798</u>	<u>72,038</u>
	<u>1,796,639</u>	<u>6,907,274</u>
Management discretionary accounts		
Savings accounts	270,415	196,147
Time deposits: Interest of 0.875% in 2011 and 0.52% in 2010	<u>59,400</u>	<u>19,800</u>
	<u>329,815</u>	<u>215,947</u>
	<u>\$ 27,170,715</u>	<u>\$ 30,566,116</u>

As of June 30, 2011 and 2010, overseas demand deposits were as follows:

	June 30	
	2011	2010
U.S.A. - New York (US\$9 thousand in 2011 and US\$1,226 thousand in 2010)	\$ 246	\$ 39,415
Belgium (US\$1,313 thousand in 2011 and US\$1,001 thousand in 2010)	37,716	32,182
China-Hong Kong (US\$1 thousand in 2011 and US\$1 thousand in 2010)	<u>29</u>	<u>32</u>
	<u>\$ 37,991</u>	<u>\$ 71,629</u>

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

Financial assets held for trading were as follows:

	June 30	
	2011	2010
<u>Financial assets held for trading</u>		
Marketable equity securities	\$ 1,006,388	\$ 551,845
Open-end mutual funds - beneficial certificates	406,179	923,366
Cotton futures contracts	<u>44,185</u>	<u>16,825</u>
	<u>\$ 1,456,752</u>	<u>\$ 1,492,036</u>

(Continued)

	June 30	
	2011	2010
<u>Financial liabilities held for trading</u>		
Exchangeable bonds exchange rights	\$ 66,550	\$ -
Forward exchange contracts	10,256	40,718
Exchangeable bonds redemption rights	<u>-</u>	<u>77,250</u>
	<u>\$ 76,806</u>	<u>\$ 117,968</u>
		(Concluded)

YDI, Far Eastone and Yuan Tong individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (trustee) to manage discretionary funds. Moreover, NCIC (becomes a subsidiary since August 16, 2010) 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 June 30, 2011 and 2010, the funds fully entrusted to the trustee were NT\$1,750,000 thousand, and NT\$1,100,000 thousand, respectively. Investment target excluded shares of related parties, shares of domestic companies within telecommunications industry (except for Chunghwa Telecom Co., Ltd.) and their related derivative instruments. Deposits among those fully authorized were NT\$329,815 thousand and NT\$215,947 thousand as of June 30, 2011 and 2010, respectively, and 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 six months ended June 30, 2011 and 2010. 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 outstanding cotton futures contracts as of June 30, 2011 were as follows:

	Maturity Date	Units	Contract Amount (Thousands)
<u>June 30, 2011</u>			
Cotton futures contracts	December 2011	75	USD4,433/NTD128,560

The main purpose for the Company's participation in sell option contracts and non-hedging forward exchange contracts is to profit on royalties and the difference between exchange rate fluctuations for the six months ended June 30, 2011 and 2010.

The Company had no outstanding option contracts as of June 30, 2011 and 2010.

The outstanding forward exchange contracts as of June 30, 2011 and 2010 were as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2011</u>			
Sell	USD/NTD	2011.07.05-2011.08.10	USD18,630/NTD535,393
Sell	EUR/USD	2011.07.29-2011.09.29	EUR9,000/USD12,700
			(Continued)

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2010</u>			
Sell	USD/NTD	2010.07.07-2010.10.05	USD34,400/NTD1,080,714
Sell	EUR/USD	2010.07.29-2010.09.29	EUR15,000/USD18,059
			(Concluded)

For the six months ended June 30, 2011 and 2010, Far Eastern Investment (Holding) Ltd. (FEIH) engaged in forward exchange contracts not only to hedge against the exchange rate risk on foreign-currency assets and liabilities but also to hedge against the risk on foreign currency investments made on behalf of a related party, Wuhan Far Eastern New Material Ltd., for the six months ended June 30, 2010.

FEIH had no outstanding forward exchange contracts as of June 30, 2011. The outstanding forward exchange contracts as of June 30, 2010 was as follows:

	Currency	Maturity Date	Contract Amount (Thousands)
<u>June 30, 2010</u>			
Sell	USD/CAD	2010.07.23-2010.08.25	USD5,000/CAD5,130

An FENC subsidiary, OPTC entered into forward exchange contracts to hedge against the exchange risks on foreign currency assets and liabilities for the six months ended June 30, 2010. As of June 30, 2010, OPTC had no outstanding forward exchange contract.

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.

On the financial assets held for trading, there were net losses of NT\$54,568 thousand and NT\$65,089 thousand for the six months ended June 30, 2011 and 2010, respectively. On the financial liabilities held for trading, there were net losses of NT\$29,870 thousand and NT\$3,253 thousand for the six months ended June 30, 2011 and 2010, respectively.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30	
	2011	2010
Current		
Private-placement funds - beneficial certificates	\$ 1,602,504	\$ 518,010
Open-end mutual funds - beneficial certificates	1,296,049	2,204,983
Marketable equity securities	<u>392,035</u>	<u>367,989</u>
	<u>\$ 3,290,588</u>	<u>\$ 3,090,982</u>
Noncurrent		
Marketable equity securities	\$ 3,231,508	\$ 2,384,335
Private placement shares (Note 12)	<u>979,793</u>	<u>-</u>
	<u>\$ 4,211,301</u>	<u>\$ 2,384,335</u>

8. BOND INVESTMENTS WITH NO ACTIVE MARKET

	June 30	
	2011	2010
Noncurrent		
Convertible bond - Bockhold N.V.	\$ 258,903	\$ 293,454

On February 26, 2009, an FENC subsidiary, Yuan Tong, bought convertible bonds amounted to EUR6,670 thousand issued by Bockhold N.V. 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

	June 30	
	2011	2010
Merchandise	\$ 2,341,705	\$ 1,042,406
Finished goods	6,432,390	4,307,339
Work in process	1,776,875	1,828,689
Raw materials	8,869,299	5,815,165
Supplies	<u>513,883</u>	<u>1,122,256</u>
	<u>\$ 19,934,152</u>	<u>\$ 14,115,855</u>

The provision for inventory devaluation as of June 30, 2011 and 2010 were NT\$629,181 thousand and NT\$625,253 thousand, respectively.

The costs of goods sold were NT\$73,566,103 thousand and NT\$55,298,071 thousand for the six months ended June 30, 2011 and 2010, respectively. Reversals of provision for losses on decline in value of inventory amounting to NT\$41,009 thousand and NT\$58,898 thousand were included in the cost of goods sold for the six months ended June 30, 2011 and 2010, respectively. Previous write-downs had been reversed as a result of increased selling prices in certain markets.

10. 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 as of June 30, 2011 and 2010 were as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	June 30, 2011				Deferred Marketing Expense	Billings on Construction-in-progress	Percentage of Completion	Expected Year of Completion
			Land	Construction Cost	Recognized Cumulative (Loss) Gain	Total				
<u>Completed-contract method</u>										
Ban Ciao New Section No. 9 (Zhong Ben)	\$ -	\$ -	\$ 537,291	\$ 798,279	\$ -	\$ 1,335,570	\$ -	\$ -	-	2011
Ban Ciao New Section No. 9 (Zhong Ben 2)	-	-	200,760	148,492	-	349,252	-	-	-	2013
<u>Percentage of completion method</u>										
Yuan Yang California	9,116,210	5,216,680	<u>1,436,735</u>	<u>170,761</u>	<u>2,567,364</u>	<u>4,174,860</u>	<u>15,307</u>	<u>4,347,449</u>	88	2011
			<u>\$ 2,174,786</u>	<u>\$ 1,117,532</u>	<u>\$ 2,567,364</u>	<u>\$ 5,859,682</u>	<u>\$ 13,307</u>	<u>\$ 1,347,349</u>		

Project by Accounting Method	June 30, 2010									
	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) Gain	Total				
Completed-contract method										
Ban Ciao New Section No. 9 (Zhong Ben)	\$ -	\$ -	\$ 710,554	\$ 530,392	\$ -	\$ 1,240,946	\$ -	\$ -	-	2012
Percentage of completion method										
Ban Xin Head Office	2,436,147	2,219,150	-	45,087	207,153	252,240	5,157	1,564,747	92	2010
Yuan Yang California	9,116,210	5,207,620	821,542	105,491	1,034,407	1,961,440	142,916	956,553	44	2011
			<u>\$ 1,532,096</u>	<u>\$ 680,970</u>	<u>\$ 1,241,560</u>	<u>\$ 3,454,626</u>	<u>\$ 148,073</u>	<u>\$ 2,521,280</u>		

Ban Ciao Zhong Ben (market) and Zhong Ben 2 (business building) were developed using the joint construction and allocation of housing units method for FECC and Far Eastern Department Stores Ltd. (FEDS). The allocation of housing units was based on percentages of land ownership (36.07% for FECC and 63.93% for Far Eastern Department Store).

For the six months ended June 30, 2011 and 2010, FECC's capitalized interests which generally referred to construction-in-progress and prepaid construction, were NT\$19,820 thousand and NT\$19,428 thousand, respectively. The capitalization rates were 1.4311% to 2.1262% and 0.4325% to 1.4609% for the six months ended June 30, 2011 and 2010, respectively.

Construction-in-progress (net of billings on construction-in-progress) of FEGC as of June 30, 2011 and 2010 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
June 30, 2011							
a. Percentage of completion method							
Min Yi Camp (1)	\$ 395,368	\$ 406,531	\$ 395,448	\$ 390,540	-	2011	\$ (11,163)
Min Yi Camp (2)	484,010	498,016	485,674	481,175	-	2011	(14,006)
Zhong-Ben	2,568,919	2,618,919	2,065,338	1,133,378	81	2012	(50,000)
Kaohsiung Rapid Transit	7,921,849	7,105,296	7,913,707	7,658,624	99	2011	808,388
Ban Xin Head Office	3,687,619	3,458,324	2,250,612	2,156,162	96	2011	220,123
Yuan Yang California	2,817,255	2,676,392	2,418,155	-	88	2011	72,685
Banciao Communication	235,524	234,445	232,121	-	99	2011	373
Wu-Yang C904B	3,288,552	3,182,675	1,426,459	1,314,442	43	2012	45,527
Wu-Yang C905	2,768,282	2,742,824	1,039,788	862,874	38	2012	9,674
Wu-Yang C908	2,245,789	2,220,172	842,904	722,441	38	2012	9,734
Lot of O.I.T.	166,667	162,000	164,656	149,979	99	2011	4,620
Zhong-Ben (2)	1,706,781	1,706,781	218,424	148,574	13	2013	-
			<u>19,453,286</u>	<u>15,018,189</u>			
b. Completed-contract method							
Hsinchu Big City	-	-	104,928	-	-	2011	-
Kaohsiung Harbor CM01	-	-	19,007	-	-	2016	-
Miscellaneous	-	-	8,069	-	-	2011	-
			<u>132,004</u>	<u>-</u>			
			<u>19,585,290</u>	<u>\$ 15,018,189</u>			<u>\$ 1,095,955</u>
				<u>\$ 4,567,101</u>			
June 30, 2010							
a. Percentage of completion method							
Kaohsiung Rapid Transit	7,921,849	7,105,296	\$ 7,899,133	\$ 7,652,433	99	2010	\$ 808,387
Min Yi Camp (1)	395,368	406,531	395,368	390,540	-	2010	(11,163)
Min Yi Camp (2)	484,010	498,016	485,674	481,175	-	2010	(14,006)
Tainan science park - Taipower Company	894,138	1,002,225	820,113	794,945	93	2010	(108,087)
Zhong-Ben	2,568,919	2,618,919	1,246,441	649,434	50	2012	(50,000)
Taichung C709A	2,965,991	2,788,031	1,470,970	1,412,594	50	2011	88,980
Yuan Yang California	2,914,631	2,798,046	1,246,769	-	44	2011	12,268
Ban Xin Head Office	3,687,619	3,458,324	3,386,834	2,143,310	92	2010	204,493
Ban Xin repair	1,701,724	1,605,249	1,191,801	819,569	70	2010	65,517
Banciao Communication	234,286	223,500	206,865	-	88	2010	3,312
Zhong-Long storage	314,931	321,298	314,451	306,852	99	2010	(6,367)
Zhong-Long fireplace	501,908	501,189	498,973	494,894	99	2010	712
			<u>19,163,392</u>	<u>15,145,746</u>			

(Continued)

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
b. Completed-contract method							
Wu-Yang C904B	\$ -	\$ -	\$ 105,268	\$ -	-	2012	\$ -
Wu-Yang C905	-	-	67,311	-	-	2012	-
Wu-Yang C908	-	-	39,053	-	-	2012	-
Flora Exposition	-	-	112,927	95,656	-	2010	-
Lot of O.I.T.	-	-	61,890	59,710	-	2010	-
Zhong-Ben (2)	-	-	996	-	-	2012	-
Miscellaneous	-	-	4,090	2,679	-	2010	-
			<u>391,535</u>	<u>158,045</u>			
			<u>19,554,927</u>	<u>\$ 15,303,791</u>			<u>\$ 994,046</u>
			<u>\$ 4,251,136</u>				

(Concluded)

11. AVAILABLE FOR CONSTRUCTION - LAND

	Area (Square Meters)	June 30	
		2011	2010
Guang Ming Section No. 201, Shi Tuen, Taichung	12,036	\$ 411,903	\$ 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>\$ 620,287</u>	<u>\$ 620,013</u>

12. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	June 30			
	2011		2010	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed common stocks				
Far Eastern International Bank	<u>\$ -</u>	-	<u>\$ 1,286,376</u>	5
Unlisted common stocks				
Yue Yuan Investment Corp.	637,577	19	637,577	19
Bockhold N.V.	223,533	13	223,533	13
Alberta & Orient Glycol Company Ltd.	86,747	25	124,722	25
Hantech Venture Capital Corp.	104,714	7	104,714	7
Kaohsiung Rapid Transit Corporation	136,700	5	81,429	2
Chung Nan Textile Corp.	81,405	5	81,405	5
Nippon Parison Co., Ltd.	62,665	10	70,035	10
Dah Chung Bills Finance Corp.	30,669	1	30,669	1
Yi Tong Fiber Co., Ltd.	28,519	4	28,519	4
Ya Li Precast and Pressed Concrete Industries Corp.	25,142	16	25,142	16
Taiwan Stock Exchange Corp.	22,493	-	22,493	-
Others	<u>95,395</u>		<u>91,069</u>	
	<u>1,535,559</u>		<u>1,521,307</u>	

(Continued)

	June 30			
	2011		2010	
	Carrying Value	% of Owner ship	Carrying Value	% of Owner- ship
Fund				
Domestic private mutual fund	\$ -		\$ 150,000	
Conversion option embedded into convertible bonds				
Bockhold N.V.	<u>7,895</u>		<u>7,895</u>	
	<u>\$ 1,543,454</u>		<u>\$ 2,965,578</u>	

(Concluded)

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 & 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). 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 shareholders.

Under 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), has to transfer all assets to the government without any condition at the end of the charter period, and the amortization of this investment should be completed within the charter period. KRTC started the construction of its system on October 31, 2001 and then began the commercial operation in April 2008. The charter period will end on October 31, 2037 for a total of 36 years. The investment amortization period, which started in April 2008, will be for 29 years and 7 months.

YDI and Kai Yuan International Investment Co., Ltd. ("Kai Yuan") participated in FEIB's private placement; based on Section 8 of Article 43 of the ROC Securities and Exchange Act, the transfer of the acquired FEIB shares is disallowed. The Group reclassified the carrying value of the FEIB's private placement shares to financial assets carried at cost as of June 30, 2010 due to unable to evaluate it's fair value reliably. And the remaining carrying value of FEIB was reclassified to available-for-sale financial assets - noncurrent as of December 31, 2010 due to be able to evaluate it's fair value reliably.

13. EQUITY-METHOD INVESTMENTS

	June 30			
	2011		2010	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
With quoted market prices				
Asia Cement Corp. (ACC)	\$ 14,622,783	25	\$ 12,990,840	25
Far Eastern Department Stores Ltd. (FEDS)	4,897,716	19	4,328,513	19
Oriental Union Chemical Corp. (OUCC)	3,520,989	24	2,894,441	23
Everest Textile Co., Ltd. (Everest Textile)	<u>858,706</u>	27	<u>878,224</u>	27
	<u>23,900,194</u>		<u>21,092,018</u>	
With no quoted market prices				
Oriental Securities Co., Ltd. (OSC)	4,967,852	46	4,259,816	46
Yuan Ding Company	4,394,665	50	4,062,600	50
Pacific Liu Tung Investment Corp. (PLT)	3,254,045	40	2,809,243	40
Far Eastern International Leasing Corp.	2,062,987	34	2,017,093	34
Liquid Air Far East Glycol Ltd.	1,140,784	35	1,109,964	35
Da Ju Fiber Co., Ltd.	474,064	42	422,226	42
Yuan Ding Leasing Corp.	384,847	46	366,709	46
Kowloon Cement Corp.	349,779	49	381,662	49
Yue Ding Industry Co., Ltd.	347,096	29	324,870	29
Freudenberg Far Eastern Spunweb Co., Ltd.	272,925	30	292,981	30
Yue Ming Corp.	111,338	46	54,083	46
Malaysia Garment Manufactures PTE Ltd.	55,055	38	47,409	38
Far Eastern Electronic Commerce Co., Ltd. (FEEC)	32,664	20	-	-
Ding Ding Hotel Co., Ltd. (Ding Ding Hotel)	26,703	19	30,863	19
Com 2B Corporation	25,259	20	28,231	20
iScreen Corporation	21,534	40	28,098	40
Ding Ding Integrated Marketing Service Co., Ltd. (DDIMS)	7,045	20	37,341	15
New Century InfoComm Tech Co. (NCIC)	-	-	10,143,185	43
Far Eastern International Garments	(6,036)	41	(27,310)	41
Cemtex Apparel Inc.	<u>(4,128)</u>	50	<u>(5,343)</u>	50
	17,918,478		26,383,721	
Add: Credit balance on carrying values of long-term investments reclassified to other liabilities	<u>10,164</u>		<u>32,653</u>	
	<u>17,928,642</u>		<u>26,416,374</u>	
	<u>\$ 41,828,836</u>		<u>\$ 47,508,392</u>	

Investments in FEDS, Ding Ding Integrated Marketing Service Co., Ltd. (DDIMS) and Ding Ding Hotel Co., Ltd. (Ding Ding Hotel) as of June 30, 2011 and 2010 and Far Eastern Electronic Commerce Co., Ltd. as of June 30, 2011 were accounted for by the equity method because of the Group's significant influence over them, even though the Group owned less than 20% of each Investee's voting stock.

Since the Group decided to support the operation of Far Eastern International Garments and Cemtex Apparel Inc., the losses on these equity-method investment resulted in credit balances on the carrying values of these investments (classified under other liabilities - other).

For the six months ended June 30, 2011, three subsidiaries, YDI, Yuan Tong, and Ding Yuan, bought 7,512 thousand shares of OUCC for NT\$305,271 thousand; thus, the Group's equity in OUCC increased from 22.73% to 23.66%.

For the six months ended June 30, 2010, three subsidiaries, Yuan Tong, Kai Yuan and Ding Yuan, bought 11,020 thousand shares of FEDS for NT\$328,124; thus, the Group's equity in FEDS increased from 18.04% to 18.95%.

To simplify the Group's investment structure, an FENC subsidiary, YDI sold its entire of 20 thousand shares of Pacific Petrochemical (Holding) Ltd. to OUCC for NT\$645,047 thousand for the six months ended June 30, 2011. The disposal loss on this downstream transaction was eliminated in proportion to the Group's percentage of ownership, and the Group recognized deferred debits - losses on inter-affiliate accounts amounting to NT\$2,158 thousand (classified under other assets - other).

To enhance the efficiency of professional specialization and the independence of business operation, the stockholders of DDIM resolved in their special meeting on December 31, 2010 to spin off DDIM's electronic commerce business, with a net worth of \$200,000 thousand, to FEEC, a 100% subsidiary of DDIM. DDIM also reduced its capital by NT\$200,000 thousand and FEEC issued new stocks of 20,000 thousand shares to the original shareholders of DDIM as the consideration for the spin-off. On the same day, the board of directors of DDIM also resolved the record date of the spin-off and capital reduction as March 31, 2011. After the spin-off, the Group owned 20% of DDIM and 19.95% of FEEC.

As of August 16, 2010, the expiry date of the tender offer, Far EasTone and YCIC (dissolved due to the merger with Far EasTone on March 1, 2011) jointly owned 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 15% to 20% because of the increase in NCIC's ownership of DDIM on December 31, 2010.

The calculation of the gains (losses) on the equity-method investments was based on the audited financial statements of all the listed companies, OSC, PLT for the six months ended June 30, 2011 and 2010 and NCIC for the six months ended June 30, 2010. The others were based on the unreviewed financial reports. However, on the financial statements of the listed companies that had been audited, such as ACC, FEDS, OUCC, PLT and Everest Textile, the accountants expressed a qualified opinion because some of their investees' financial statements for the six months ended June 30, 2011 and 2010 had not been audited. The equity-method investments, plus the unreviewed investments of the Group, amounted to NT\$28,234,078 thousand and NT\$25,284,613 thousand as of June 30, 2011 and 2010, respectively; the investment incomes were NT\$1,215,919 thousand and NT\$787,519 thousand for the six months ended June 30, 2011 and 2010, respectively.

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

	As of June 30	
	2011	2010
With quoted market prices	<u>\$ 53,349,242</u>	<u>\$ 32,017,829</u>

The difference between the investment cost and the equity in the investees' net assets resulted from the goodwill and the amortizable assets, which had changes for the six months ended June 30, 2011 and 2010, as follows. Amortizable assets were all written off in 2010 since the Group had gained control over NCIC on August 16, 2010.

	Six Months Ended June 30, 2011			
	Beginning Balance	Increase	Decrease	Ending Balance
Goodwill	\$ <u>690,706</u>	\$ <u>198,682</u>	\$ <u>33,589</u>	\$ <u>855,799</u>
	Six Months Ended June 30, 2010			
	Beginning Balance	Increase	Decrease	Ending Balance
Goodwill	\$ 586,438	\$ 219,574	\$ 217	\$ 805,795
Amortizable assets	<u>867,535</u>	<u>12,364</u>	<u>71,692</u>	<u>808,207</u>
	<u>\$ 1,453,973</u>	<u>\$ 231,938</u>	<u>\$ 71,909</u>	<u>\$ 1,614,002</u>

14. HELD-TO-MATURITY FINANCIAL ASSETS - NONCURRENT

	June 30	
	2011	2010
Corporate bonds		
Asia Cement Corporation	<u>\$ 199,717</u>	<u>\$ 199,616</u>

On September 22, 2009, a Company subsidiary, Far EasTone, bought five-year corporate bonds for NT\$199,540 thousand issued by Asia Cement Corporation, with an effective interest rate of 2.004% and coupon interest rate of 1.95%, with interests payable annually.

15. PROPERTIES

a. Accumulated depreciation consisted of:

	June 30	
	2011	2010
Cost		
Buildings	\$ 8,679,035	\$ 7,553,785
Machinery and equipment	64,034,781	60,614,072
Telecommunications equipment	99,582,041	83,337,866
Computer equipment	19,013,056	14,999,418
Leasehold improvements	2,442,955	1,403,649
Operating and miscellaneous equipment	<u>6,263,722</u>	<u>4,806,292</u>
	<u>200,015,590</u>	<u>172,715,082</u>
Appreciation		
Buildings	213,968	207,283
Machinery and equipment	165,371	165,584
Operating and miscellaneous equipment	<u>5,080</u>	<u>5,080</u>
	<u>384,419</u>	<u>377,947</u>
Total accumulated depreciation	<u>\$ 200,400,009</u>	<u>\$ 173,093,029</u>

b. Accumulated impairment consisted of:

	June 30	
	2011	2010
Land	\$ 96,557	\$ -
Buildings	137,275	38,626
Machinery and equipment	3,082,300	2,534,918
Telecommunications equipment	2,183,413	-
Computer equipment	185,982	-
Leasehold improvements	24,335	-
Operating and miscellaneous equipment	<u>21,642</u>	<u>121</u>
Total accumulated impairment	<u>\$ 5,731,504</u>	<u>\$ 2,573,665</u>

Under government regulations, the Company revalued certain properties and properties leased to others (excluding land) in 1983 and certain land 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 appreciation under equity.

The Company and ACC co-own a parcel of land located on Tun-Hwa South Road in Taipei. Under an agreement between the Company and ACC dated March 31, 1989, Yuan Ding Company (Yuan Ding) constructed a building on this land. The parties further agreed that Yuan Ding use the land for 30 years from the date of the agreement. In exchange, the Company and ACC each received 12% of the usable area of the building. Upon expiration of the agreement, the Company and ACC will acquire from Yuan Ding the remaining 76% usable area of the building, with the acquisition price based on the book value of the building by that time.

On September 2, 2003, the Company transferred the real estate development rights (including those on operating and nonoperating properties and farmland) from its investment department to its wholly owned subsidiary, FERD. When the contract described in the preceding paragraph is terminated, the Company and ACC will request Yuan Ding to transfer the property rights on the co-owned building along with the real estate development rights to FERD.

At the end of 2007, FERD granted Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation (the "Foundation") superficies rights over the land in lot no. 9 of the Yong-Feng section in Bade City in Taoyuan County for 35 years and received royalties of NT\$228,571 thousand for superficies rights, which was recorded as deferred income. The royalties are recognized as rent revenue over the superficies rights period. In June 2011, FERD sold lot no. 9 to the Foundation for NT\$330,473 thousand. In addition, both parties agreed to terminate the superficies rights contract and to consider the remaining superficies rights, amounting to NT\$206,005 thousand, as the Foundation's first installment payment (recognized as advance on sale of land). The ownership of this lot had not been transferred as of June 30, 2011.

For the six months ended June 30, 2011 and 2010, the capitalized interests on properties amounted to NT\$27,819 thousand and NT\$8,100 thousand, respectively, and the capitalized interest rates were from 0.01% to 3% and from 0.05% - to 1.69%, respectively.

Depreciation expenses for properties were NT\$7,404,446 thousand and NT\$7,479,526 thousand for the six months ended June 30, 2011 and 2010, respectively.

16. GOODWILL

Goodwill

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

Under Statement of Financial Accounting Standards No. 35 (SFAS) - "Impairment of Assets," Far EasTone and its subsidiaries are divided into several identifiable cash-generating units, as follows:

To enhance operating effectiveness, Far EasTone integrated its telecommunications resources actively in 2010 and 2009. Thus, in 2010, the identifiable cash-generating units were defined as the mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated internet business; in 2009, the identifiable cash-generating units were defined as the 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 the Group were \$71,937,671 thousand and \$57,910,640 thousand, respectively. The Group's 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 business.

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

- a. Expected future growth rate of the telecommunications industry
 - 1) Mobile voice service (MVS): The anticipated MVS 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.
 - 2) 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.
 - 3) 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.
 - 4) 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.
 - 5) 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.
- b. 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.

Far EasTone's management 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. As of June 30, 2011, there were no significant changes showing that goodwill had been impaired.

Other

Under SFAS No. 25 - "Business Combinations" and SFAS No. 37 - "Intangible Assets," Far EasTone should measure the fair value of the acquired assets and identify major intangible assets as well as the amortization periods. Thus, on Far EasTone's acquisition of NCIC's, DataExpress' and FENCIT's common shares, Far EasTone identified the investees' cash-generating units and recognized the acquired operating rights or dealership as major intangible assets.

17. INTANGIBLE ASSETS - 3G CONCESSION, NET

	Six Months Ended June 30	
	2011	2010
Cost	<u>\$ 10,169,000</u>	<u>\$ 10,169,000</u>
Accumulated amortization		
Beginning balance	4,323,349	3,592,642
Amortization	<u>365,353</u>	<u>365,353</u>
Ending balance	<u>4,688,702</u>	<u>3,957,995</u>
3G concession, net	<u>\$ 5,480,298</u>	<u>\$ 6,211,005</u>

18. FARMLAND

	June 30	
	2011	2010
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 names 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

	June 30	
	2011	2010
Unsecured bank loans: Interest - 0.64%-5.60% in 2011 and 0.5123%-3.8% in 2010	\$ 32,509,525	\$ 19,971,075
Secured bank loans: Interest - 0.52%-2.27% in 2011 and 0.592%-4.2% in 2010	<u>3,766,014</u>	<u>5,662,128</u>
	<u>\$ 36,275,539</u>	<u>\$ 25,633,203</u>

On December 17, 2009, FECC got a syndicated loan with credit line of NT\$4,000,000 thousand from Mega International Commercial Bank and three other banks. A lot under development for a new residential construction named Far Eastern California was pledged for NT\$4,800,000 thousand to the creditor banks to guarantee FECC's debt repayment. The other 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	Multiple drawdowns on the loan are allowed but the loan cannot be used as a revolving credit during the contract period.
B	2,200,000	Two years from the first drawdown	Interest rate is fixed during the interest period	Multiple drawdowns on the loan are allowed but the loan cannot be used as a revolving credit during the contract period.
	<u>\$ 4,000,000</u>			

20. COMMERCIAL PAPER

Commercial paper with one-year maturities were issued at discounts ranging from 0.75% to 2.25% as of June 30, 2011 and from 0.20% to 2.638% as of June 30, 2010.

21. UNEARNED REVENUES

	June 30	
	2011	2010
Unearned telecom revenues from prepaid cards	\$ 1,095,792	\$ 904,207
Unearned telecom revenues from postpaid	1,227,269	279,082
Other	<u>253,546</u>	<u>85,860</u>
	<u>\$ 2,576,607</u>	<u>\$ 1,269,149</u>

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 telecommunications products (services) certificate. 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 \$45,000 thousand to KGEx.com for prepaid cards already bought by customers.

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

Billings on construction-in-progress of FEGC 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 (Loss) Gain
<u>June 30, 2011</u>							
Percentage of completion method							
Er-chung flood spillway bridge	\$ 136,551	\$ 138,799	\$ 136,528	\$ 136,551	-	2011	\$ (2,249)
Tainan science park-Taipower Company	894,236	1,007,357	890,500	894,236	99	2011	(113,121)
Panhsin Decoration	1,701,724	1,605,249	820,708	977,131	78	2011	75,250
Taichung C706	3,114,958	2,927,665	2,919,447	3,074,037	94	2011	176,056
Taichung C704	2,314,286	2,159,356	1,594,240	1,657,168	69	2012	106,902
Taichung C709A	2,965,991	2,788,031	2,571,331	2,794,109	87	2012	154,825
Far Eastern Memorial Hospital (2)	692,381	670,244	<u>190,550</u>	<u>243,077</u>	28	2012	<u>6,198</u>
			<u>\$ 9,123,304</u>	<u>9,776,309</u>			
				<u>\$ 653,005</u>			<u>\$ 403,861</u>
<u>June 30, 2010</u>							
Percentage of completion method							
Er-chung flood spillway bridge	136,551	138,799	\$ 136,378	\$ 136,551	-	2010	\$ (2,248)
Zhong-Long	87,381	80,649	87,148	87,381	99	2010	6,665
Taichung C706	3,018,591	2,927,665	2,220,082	2,355,927	74	2011	67,285
Taichung C704	2,314,286	2,159,356	710,379	843,243	31	2011	48,028
Far Eastern Memorial Hospital (2)	692,381	670,244	<u>24,074</u>	<u>88,011</u>	3	2012	<u>664</u>
			<u>3,178,061</u>	<u>3,511,113</u>			
Completed-contract method							
Manhattan	-	-	<u>90,151</u>	<u>110,960</u>	-	2010	<u>-</u>
			<u>\$ 3,268,212</u>	<u>3,622,073</u>			
				<u>\$ 353,861</u>			<u>\$ 120,394</u>

23. LONG-TERM LIABILITIES

	Due Within One Year	Due After One Year	Total
<u>June 30, 2011</u>			
Long-term debts			
Bank loans	\$ 1,141,936	\$ 29,436,847	\$ 30,578,783
Commercial paper	<u>-</u>	<u>1,997,420</u>	<u>1,997,420</u>
	<u>1,141,936</u>	<u>31,434,267</u>	<u>32,576,203</u>
Bonds payable			
Nonconvertible bonds	1,660,000	21,540,000	23,200,000
Nonconvertible bonds discount	<u>(223)</u>	<u>(39,613)</u>	<u>(39,836)</u>
	<u>1,659,777</u>	<u>21,500,387</u>	<u>23,160,164</u>
Exchangeable bonds	-	1,239,300	1,239,300
Exchangeable bonds discount	<u>-</u>	<u>(34,811)</u>	<u>(34,811)</u>
	<u>-</u>	<u>1,204,489</u>	<u>1,204,489</u>
	<u>1,659,777</u>	<u>22,704,876</u>	<u>24,364,653</u>
	<u>\$ 2,801,713</u>	<u>\$ 54,139,143</u>	<u>\$ 56,940,856</u>

(Continued)

	Due Within One Year	Due After One Year	Total
<u>June 30, 2010</u>			
Long-term debts	\$ 3,410,033	\$ 34,421,638	\$ 37,831,671
Bank loans	<u>-</u>	<u>1,998,524</u>	<u>1,998,524</u>
Commercial paper	<u>3,410,033</u>	<u>36,420,162</u>	<u>39,830,195</u>
Bonds payable			
Nonconvertible bonds	6,700,000	12,390,000	19,090,000
Nonconvertible bonds discount	<u>(108)</u>	<u>(17,282)</u>	<u>(17,390)</u>
	<u>6,699,892</u>	<u>12,372,718</u>	<u>19,072,610</u>
Exchangeable bonds	2,500,000	-	2,500,000
Exchangeable bonds discount	<u>(128,491)</u>	<u>-</u>	<u>(128,491)</u>
	<u>2,371,509</u>	<u>-</u>	<u>2,371,509</u>
	<u>9,071,401</u>	<u>12,372,718</u>	<u>21,444,119</u>
	<u>\$ 12,481,434</u>	<u>\$ 48,792,880</u>	<u>\$ 61,274,314</u>
			(Concluded)

Bank Loans

The loan agreements provide for various repayment terms (1. repay interest monthly and the full amount of principal repay on maturity 2. repay full amount on loan periodically 3. repay full amount on loan on maturity), with all payments due by May 2014, and paid New Taiwan dollar or other foreign currencies. Bank interest rates were 0.71% to 4.1% as of June 30, 2011 and 0.51% to 3.20% as of June 30, 2010.

On September 12, 2008, the Company entered into a medium-term syndicated loan agreement with banks led by Hua Nan Commercial Bank. The total loan agreement amounted to NT\$5,700,000 thousand. Under this agreement, the Company should keep its current, liability, tangible asset-equity and EBIT ratios within certain ranges on stand-alone semi-annual and annual reports. The Company's stand-alone financial reports for the six months ended June 30, 2011 and 2010 annual reports showed that the Company was in compliance with these ratio requirements.

Under an agreement on a loan obtained by Q-Ware Com., Far EastTone's equity in Q-ware Com. should not be less than 51% until loan maturity. Under an agreement on a loan obtained by Far Eastern Tech-info Ltd. (Shanghai) (FETI), FETI should show in its quarterly consolidated financial statements compliance with the requirements for debt-to-equity ratio, a specific amount of tangible assets and an upper limit of debts until maturity.

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 in annual reports. Yuan Tong's stand-alone annual financial reports of 2010 and 2009 showed that Yuan Tong was in compliance with these ratio requirements.

On March 22, 2011, the Company's subsidiary, FECC, entered into a NT\$4,000,000 thousand credit agreement with Hua Nan Bank and seven other financial institutions. FECC mortgaged 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	Twenty years after use of the credit	Time deposit interest rate of Hua Nan Bank plus 0.40% and divided by 0.946	Revolving credit within the period, and no repayment of principal in the first five years; NT\$30,000 thousand repayment of principal every quarter from the sixth year, and the repayment of the remainder on maturity.
B	NT\$ 2,000,000	Five year after use of the credit	Reference interest rate plus 0.433%	Revolving credit within the period, and redemption at lump sum on maturity
	<hr/>			
	<u>NT\$ 4,000,000</u>			

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

On December 4, 2009, an FENC subsidiary, Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC), got a five-year syndicated loan of NT\$4,200,000 thousand from Mega International Commercial Bank (Mega) and Chinatrust Commercial Bank (Chinatrust). OPTC committed that, during the contract period, its annual financial statements should show its liability ratio is 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 October. Otherwise, OPTC should pay fees monthly at 0.2% of the outstanding amounts per day during the period between the maturity date and one day before the date OPTC meets its commitment 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 annual financial reports of 2010 and 2009 showed that OPTC met the liability ratio requirement under its loan contract with Mega and Chinatrust.

Commercial Paper

Commercial paper with one-year maturities had interest rates ranging from 1.33% to 1.988% as of June 30, 2011 and from 1.053% to 1.988% as of June 30, 2010. Under a revolving credit agreement, the commercial paper can be reissued by the Group.

Bonds

FENC

The Company issued three-year unsecured bonds on October 31, 2007. The bonds have an aggregate face value of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.62% interest payable 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.

The Company issued three-year unsecured bonds (the 2nd tranche of 2007) on November 22, 2007. The bonds have an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.80% interest payable annually. The Company redeemed the bond in November 2010.

The Company issued three-year unsecured bonds (the 1st tranche of 2008) on May 28, 2008. The bonds have an aggregate face value of NT\$2,600,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity, with 2.67% interest payable annually. The Company redeemed the bond in May 2011.

The Company made a second issuance of five-year unsecured bonds (the 2nd tranche of 2008) on June 20, 2008. The bonds have an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. Repayable at the end of the third, fourth, and fifth year from the issuance date are 30%, 30% and 40%, respectively, of the total issuance amounts, with 2.83% interest payable annually. The Company redeemed the bond in June 2011.

The Company made a third issuance of five-year unsecured bonds (the 3rd tranche of 2008) on July 18, 2008. The bonds have an aggregate face value of NT\$1,200,000 thousand, with each unit having a face value of NT\$1,000 thousand. Of the total issuance amounts, 30%, 30%, 40% are repayable at the end of the third, fourth, fifth year, respectively, from the issuance date, with 2.95% interest payable annually.

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

On May 27, 2010, the Company launched unsecured bonds (the 1st tranche of 2010) with an aggregate value of NT\$5,500,000 thousand and a bond par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the aggregate value at the end of the 4th and 5th years, and the simple interest of 1.68% is payable 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.

On May 27, 2011, the Company issued five-year unsecured bond (the 1st tranche of 2011) with an aggregate amount of NT\$3,800,000 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 1.50% 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 Bonds

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

Other bond issuance terms are as follows:

a. Exchangeable period:

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

b. Exchange price

1) The exchange price was NT\$57.88 per share on the issuance date.

2) After issuing these exchangeable bonds, 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%. As of June 30, 2011, the exchange price of these exchangeable bonds was NT\$43.74.

c. Call option:

If the closing price of ACC's shares on the Taiwan Stock Exchange for each of the 30 consecutive trading days is at least 50% of the exchange price between October 15, 2007, the 30th day after the ACC's share issuance date, and August 5, 2012, the 40th day before the maturity date of the exchangeable bond, the Company may redeem all the outstanding bonds at their principal amount within 30 trading days after this increase in closing price by sending to the bondholders a registered redemption notice, which is valid for one month from the date of the notice. However, if the bond principal amount is less than NT\$250,000 thousand (10% of the principal amount) the Company may redeem the outstanding bonds at any time after this decrease by also using the registered redemption notice.

d. Put option:

Bondholders 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 June 30, 2011.

e. As of June 30, 2011, the amount of the outstanding exchangeable bonds, i.e., not yet exchanged into ACC's common shares, was still NT\$1,239,300 thousand.

YDI

YDI issued five-year nonconvertible bonds (the 2nd tranche) on June 13 to 16, 2005. These bonds had aggregate face values of NT\$2,000,000 thousand (Bond A - NT\$500,000; Bond B - NT\$500,000; Bond C - NT\$500,000; and Bond D - NT\$500,000), with each unit having a face value of NT\$10,000 thousand. These bonds, repayable in lump sum on maturity, had been fully redeemed as of June 30, 2010.

YDI issued five-year nonconvertible bonds (the 5th tranche) on October 11, 2006. These bonds, which are repayable annually, have an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$1,000 thousand and annual interest of 2.30%. These bonds are repayable at half of the aggregate face value in the fourth year and the other half in the fifth year after the issuance date, and the simple interest is payable annually from the issuance date. NT\$1,000,000 thousand of the bonds had been redeemed as of October 11, 2010.

On August 14, 2009, an FENC subsidiary, YDI, made a domestic private placement of unsecured bonds 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 holders of the domestic privately placed unsecured bonds are ARCOA and NCIC, which are FENC subsidiaries. NCIC and ARCOA bought bonds amounting to NT\$990,000 thousand and NT\$10,000 thousand, respectively, and the part of ARCOA was written off on June 30, 2011 and 2010. The part of NCIC was written off on June 30, 2011 (Since August 2010, NCIC become a subsidiary of the Group.).

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 REVENUE (Recognized as other liability-others)

	June 30	
	2011	2010
Government grant	\$ 287,840	\$ 377,455
Advance lease payment	<u>162,061</u>	<u>-</u>
	449,901	377,455
Deduct: Due within one year (included in other current liability)	<u>(12,543)</u>	<u>-</u>
	<u>\$ 437,358</u>	<u>\$ 377,455</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, which was extended to 35 years since June 2011. 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:

	June 30, 2011		
	Within One Year	Over One Year	Total
Assets			
Accounts receivable	\$ 110,410	\$ 312,331	\$ 422,741
Accounts and notes receivable from related parties	17,579	-	17,579
Construction in progress, net	8,647,320	1,779,463	10,426,783
Available for construction - land	-	620,287	620,287
Prepayment for land purchases (Note)	-	64,000	64,000
Prepayments on construction (Note)	561	-	561
Restricted assets (both current and noncurrent)	404,189	1,007,175	1,411,364
Deferred marketing expenses (Note)	13,307	-	13,307
Refundable deposits - current (Note)	1,525	6,675	8,200
Refundable deposits - noncurrent	-	284	284
Liabilities			
Notes payable	763,060	-	763,060
Accounts payable	865,700	183,343	1,049,043
Accounts and notes payable to related parties	211,430	-	211,430
Accrued expenses	219,766	21,413	241,179
Advances on land and building	1,347,349	-	1,347,349
Billings on construction-in-progress, net of construction-in-progress	314,772	338,233	653,005
June 30, 2010			
	Within One Year	Over One Year	Total
Assets			
Notes and accounts receivable	\$ 68,157	\$ 116,032	\$ 184,189
Accounts and notes receivable from related parties	43,050	-	43,050
Available for sale - building and land	30,339	-	30,339
Construction in progress, net	2,388,596	5,317,166	7,705,762
Available for construction - land	-	620,013	620,013
Prepayments on construction (Note)	3,417	-	3,417
Restricted assets	176,650	387,129	563,779
Refundable deposits - current (Note)	1,442	-	1,442
Refundable deposits - noncurrent	-	5,291	5,291
Liabilities			
Notes and accounts payable	846,540	249,950	1,096,490
Accounts and notes payable to related parties	253,125	-	253,125
Accrued expenses	17,457	20,936	38,393
Advances on land and building	2,521,280	-	2,521,280
Billings on construction-in-progress, net of construction-in-progress	21,215	332,646	353,861

Note: Recognized as prepayments and other current assets in the balance sheets.

26. SHAREHOLDERS' 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 shareholders	33.0
c. Bonus for employees	4.0
d. Remuneration for directors and supervisors	3.0

All appropriations are approved by the shareholders 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.

For the six months ended June 30, 2011 and 2010, the bonuses to employees were estimated at NT\$242,228 thousand and NT\$184,049 thousand, respectively, and the remunerations to directors and supervisors were NT\$181,671 thousand and NT\$138,036 thousand, respectively. The bonuses to employees and remuneration to directors and supervisors were accrued at 4% and 3%, respectively, of unappropriated earnings. Material differences between the remuneration and bonus estimates and the amounts proposed by the board of directors in the following year are adjusted in the year of the proposal. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the day preceding immediately the shareholders' 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% thereof may be transferred to capital.

The appropriation and distribution of the 2010 and 2009 earnings were approved by the shareholders on June 24, 2011 and June 22, 2010, respectively.

	<u>Appropriation and Distribution</u>		<u>Dividend Per Share (Dollars)</u>	
	2010	2009	2010	2009
Legal reserve	\$ 1,297,328	\$ 811,261		
Cash dividend	9,509,160	6,059,759	\$2.0	\$1.3
Stock dividend	<u>1,426,374</u>	<u>932,270</u>	0.3	0.2
	<u>\$ 12,232,862</u>	<u>\$ 7,803,290</u>		

The 2010 appropriation of a capital increase of NT\$1,426,374 thousand from stock dividends was approved by the Financial Supervisory Commission under the Executive Yuan. The Company's board of directors approved August 31, 2011 as the effective date of this capital increase.

The bonus to employees and the remuneration to directors and supervisors for 2010 and 2009 approved in the shareholders' meetings on June 24, 2011 and June 22, 2010, respectively, were as follows:

	2010		2009	
	Bonuses to Employees	Remuneration to Directors and Supervisors	Bonuses to Employees	Remuneration to Directors and Supervisors
The amounts approved by shareholders	<u>\$ 470,346</u>	<u>\$ 352,759</u>	<u>\$ 300,732</u>	<u>\$ 225,549</u>
The amounts recognized in financial statement	<u>\$ 470,346</u>	<u>\$ 352,759</u>	<u>\$ 300,732</u>	<u>\$ 225,549</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 shareholder's meeting can be accessed online through the Market Observation Post System on the Web site of the Taiwan Stock Exchange Corporation (<http://mops.tse.com.tw>).

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.

The Company and one of its subsidiaries, FERD, are using the linked tax system starting with their 2005 tax filing and their 2004 earnings distribution filing.

a. Income tax components:

	Six Months Ended June 30	
	2011	2010
Income tax expense - current	\$ 942,667	\$ 1,074,276
Deferred income tax	1,016,826	232,390
Additional 10% income tax on unappropriated earnings	74,344	41,574
Previous year's tax expense adjustment	39,095	70,211
Effect of adoption of the linked tax system for tax filing	<u>(17,194)</u>	<u>(13,508)</u>
Income tax	<u>\$ 2,055,738</u>	<u>\$ 1,404,943</u>

Under Article 10 of the Statute for Industrial Innovation passed by the Legislative Yuan in April 2010, 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 took effect from January 1, 2010 and is effective till December 31, 2019.

In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

According to the amendments disclosed above, the Group had recalculated deferred income tax assets and liabilities and recognized the differences from the recalculation as deferred income tax benefits and expenses.

b. Deferred income tax assets (liabilities):

	June 30	
	2011	2010
Current		
Deferred income tax assets		
Bad-debt expense in excess of the tax-deductible amount	\$ 355,826	\$ 404,495
Provision for losses on inventories	85,278	68,235
Investment tax credits	7,545	37,441
Unrealized contingent construction expenses	4,466	3,644
Unrealized exchange losses	728	8,805
Others	<u>40,717</u>	<u>31,721</u>
	494,560	554,341
Less: Valuation allowance	<u>(118,601)</u>	<u>(100,831)</u>
	375,959	453,510
Deferred income tax liabilities		
Unrealized gains on cotton futures contracts	<u>(71)</u>	<u>-</u>
Deferred income tax assets, net	<u>\$ 375,888</u>	<u>\$ 453,510</u>
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 3,087,022	\$ 1,761,816
Assets impairment loss	1,243,935	534,566
Accrued pension costs	375,971	305,143
Investment tax credits	109,479	229,912
Deferred credits - sales of building and land	19,881	19,976
Realized losses on long-term investments	33,828	33,828
Depreciation based on differences between financial accounting and tax accounting	-	771
Cumulative equity in the net loss of investees	-	283,398
Others	<u>115,709</u>	<u>143,638</u>
	4,985,825	3,313,048
Less: Valuation allowance	<u>(3,958,317)</u>	<u>(2,139,848)</u>
	<u>1,027,508</u>	<u>1,173,200</u>
Deferred income tax liabilities		
Cumulative equity in the net gain of investees	(777,067)	-
Goodwill amortization	(739,587)	(605,117)
Others	<u>-</u>	<u>(448)</u>
	<u>(1,516,654)</u>	<u>(605,565)</u>
Deferred income tax assets (liabilities)	<u>\$ (489,146)</u>	<u>\$ 567,635</u>

(Continued)

	June 30	
	2011	2010
Recognized		
Deferred income tax assets - current	\$ 376,831	\$ 453,510
Deferred income tax liabilities - current	\$ (943)	\$ -
Deferred income tax assets - noncurrent	\$ 384,739	\$ 918,850
Deferred income tax liabilities - noncurrent	\$ (873,885)	\$ (351,215)
		(Concluded)

Among the Company and the subsidiaries, the current deferred tax liabilities and assets of the same taxable entity should be offset against each other and presented as a net amount; this offsetting arrangement also applies to the noncurrent deferred tax liabilities and assets. However, the deferred tax liabilities and assets that belong to different taxable entities may not be offset against each other.

- c. Unused investment tax credits and loss carryforwards as of June 30, 2011:

FENC

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Purchase of automated machinery and equipment	\$ 738	\$ 738	2013
	Research development	141,607	92,464	2012-2013
	Personnel training	<u>5,243</u>	<u>5,243</u>	2012-2013
		<u>\$ 147,588</u>	<u>\$ 98,445</u>	

ISSDU

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Research and development expenditures	<u>\$ 1,708</u>	<u>\$ 1,708</u>	2012

Q-ware Com.

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	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	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	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	740	740	2011
		<u>\$ 13,595</u>	<u>\$ 13,595</u>	

Oriental Resources Development Ltd.

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Machinery and equipment	\$ 304	\$ 304	2011
	Machinery and equipment	<u>1,546</u>	<u>1,546</u>	2012
		<u>\$ 1,850</u>	<u>\$ 1,850</u>	

OPTC

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Machinery and equipment	\$ 50	\$ 50	2011
	Machinery and equipment	<u>850</u>	<u>850</u>	2013
		<u>\$ 900</u>	<u>\$ 900</u>	

d. Loss carryforwards as of June 30, 2011 were as follows:

Expiry Year	Remaining Deductible Amount
2013	\$ 310,563
2014	393,508
2015	268,848
2016	411,918
2017	369,785
2018	795,936
2019	373,544
2020	138,773
2021	<u>24,147</u>
	<u>\$ 3,087,022</u>

e. Information on the Integrated Income Tax System:

	FENC	Fu Kwok Garment Manufacturing Co., Ltd.	Ming Ding Corp.	Yuan Ding Investment Co., Ltd.	
Year-end balances of imputation credit account (ICA)					
June 30, 2011	\$ 397,245	\$ 22,925	\$ 1,126	\$ 101,434	
June 30, 2010	\$ 514,872	\$ 22,356	\$ 1,093	\$ 122,341	
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	2.72%	45.15%	20.48%	2.00%	
2009 (actual)	21.41%	44.61%	33.33%	26.61%	
Unappropriated earnings (up to 1997)					
June 30, 2011	\$ 236,793	\$ -	\$ -	\$ 89,889	
June 30, 2010	\$ 236,793	\$ -	\$ -	\$ 189,735	
Latest year of income tax return that tax authorities had examined and cleared	2006	2008	2006	2009	
				Yuan Cheng Human Resources Consultant Corp.	
	Far EasTone	Yuan Faun Ltd.	Far Eastern Apparel Co., Ltd.	ARCOA	
Year-end balances of imputation credit account (ICA)					
June 30, 2011	\$ 1,793,245	\$ 17,617	\$ 18,662	\$ 16,394	
June 30, 2010	\$ 2,747,825	\$ 16,501	\$ 23,513	\$ 12,316	
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	19.78%	20.48%	20.48%	4.16%	
2009 (actual)	26.78%	48.15%	33.33%	10.13%	
Unappropriated earnings (up to 1997)					
June 30, 2011	\$ -	\$ -	\$ -	\$ -	
June 30, 2010	\$ -	\$ -	\$ -	\$ -	
Latest year of the returns examined and cleared by the tax authorities	2006	2009	2008	2008	
				2009	
	Kai Yuan International Investment Co., Ltd.	Ding Yuan International Investment Corp.	Yuan Tone Investment Corp.	An Ho Garment Co., Ltd.	Far Eastern Resources Development Co.
Year-end balances of imputation credit account (ICA)					
June 30, 2011	\$ 7,934	\$ 88,513	\$ 213,440	\$ 14,830	
June 30, 2010	\$ 11,299	\$ 86,221	\$ 126,071	\$ 41,314	
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	1.32%	20.85%	-	4.87%	
2009 (actual)	21.04%	-	-	28.61%	
Unappropriated earnings (up to 1997)					
June 30, 2011	\$ -	\$ -	\$ -	\$ -	
June 30, 2010	\$ -	\$ -	\$ -	\$ -	
Latest year of the returns examined and cleared by the tax authorities	2009	2009	2009	2009	
				2006	
	FEETC	FECC	FEGC	OPTC	FEFC
Year-end balances of imputation credit account (ICA)					
June 30, 2011	\$ 1,823	\$ 4,780	\$ 78,825	\$ 11	
June 30, 2010	\$ 1,823	\$ 5,201	\$ 77,807	\$ 4,324	
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	-	0.25%	20.58%	-	
2009 (actual)	-	17.40%	33.34%	0.61%	
Unappropriated earnings (up to 1997)					
June 30, 2011	\$ -	\$ 64,872	\$ -	\$ -	
June 30, 2010	\$ -	\$ 64,872	\$ -	\$ -	
Latest year of the returns examined and cleared by the tax authorities	2009	2009	2008	2009	
				2009	

	Yuan Cing	KGEx.Com Co., Ltd.	NCIC	New Diligent Co., Ltd.	Simple InfoComm Co., Ltd.
Year-end balances of imputation credit account (ICA)					
June 30, 2011	\$ 7,928	\$ 3	\$ 233,310	\$ 5,391	\$ 177
June 30, 2010	\$ 6,140	\$ 3			
Creditable tax ratios of imputation tax credits to undistributed earnings					
2010 (estimated)	-	-	-	-	-
2009 (actual)	-	-	-	-	-
Unappropriated earnings (up to 1997)					
June 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -
June 30, 2010	\$ -	\$ -			
Latest year of the returns examined and cleared by the tax authorities	2009	2009	2008	2009	2009

	DataExpress	Linkwell
Year-end balances of imputation credit account (ICA)		
June 30, 2011	\$ 4,946	\$ 138
Creditable tax ratios of imputation tax credits to undistributed earnings		
2010 (estimated)	-	-
2009 (actual)	-	-
Unappropriated earnings (up to 1997)		
June 30, 2011	\$ -	\$ -
Latest year of the returns examined and cleared by the tax authorities	2008	2009

In the six months ended June 30, 2011 and 2010, the companies listed below had no appropriated earnings (2011 - Yuan-Cing Co., Oriental Resources Development Ltd., KGEx.com, Yuan Tong, NCIC, New Diligent, Simple InfoComm, Data Express Infotech, Linkwell Tech and FEETC; and 2010 - Yuan-Cing Co., Ltd., Oriental Resources Development Ltd., KGEx.com., Q-ware Com., ADCast, YCIC, Ding Yuan, Yuan Tong, Ming Ding Corp. 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' shareholders.

Based on the Income Tax Law, the imputation tax credits distributed to each shareholder 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. When the distribution ratio for the 2009 earnings appropriation is determined, the actual creditable tax ratio will be disclosed.

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

Far EasTone

Income tax returns through 2006 of Far EasTone had been examined by the tax authorities. However, Far EasTone disagreed with the tax authorities' assessment of its 2000 to 2006 returns and thus filed appeals for the reexamination of these returns. Nevertheless, Far EasTone accrued the related tax.

KG Telecom (KG Telecom was merged with Far EasTone in January 1, 2010.)

Income tax returns through 2006 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 and 2003 returns and filed appeals for the returns. KG Telecom had filed for the reexamination for the 2004, 2005 and 2006 returns and estimated the related tax.

ARCOA

Income tax returns through 2008 of ARCOA had been examined by the tax authorities. However, ARCOA disagreed with the tax authorities' assessment of its 2002 return and filed appeals for the reexamination of the returns, and ARCOA had estimated the related tax.

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

Income tax returns through 2007 of Digital United Inc. had been examined by the tax authorities. However, Digital United Inc. disagreed with the tax authorities' assessment of its 2006 and 2007 returns. Thus, Digital United Inc. filed an appeal for the reexamination of its 2006 and 2007 returns. Nevertheless, Digital United Inc. accrued the related tax expense.

OPTC

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 an appeal with the Supreme Administrative Court (SAC), but, as of August 11, 2011, the date of the accompanying independent accountants' review report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2009 financial statements.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should decrease other expenses, tax-exempt income, investment tax credits - researchers' salaries, investment tax credits - personnel training and other reported items. The assessment resulted in an increase in tax payable by NT\$268,485 thousand and a decrease in investment tax credits by NT\$3,076 thousand. OPTC refused the tax authorities' assessment and filed for reexamination. On June 4, 2009, the tax authorities decided to recover the untaxed income of NT\$905,356 thousand and rejected other items claimed in the reexamination. In addition, OPTC was required to settle an underpayment of NT\$42,146 thousand. OPTC filed an appeal for the 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 August 11, 2011, the date of the accompanying independent accountants' review 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 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 August 11, 2011, the date of the accompanying independent accountants' review 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 August 11, 2011, the date of the accompanying independent accountants' review report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

On OPTC's 2007 tax return, the tax authorities declared on July 6, 2009 that OPTC's other expenses should be cut; thus, the tax deductions resulting from the fiscal losses decreased by NT\$9,716 thousand after the tax examination. OPTC refused the tax authorities' assessment and filed for a reexamination. On October 8, 2009, the tax authorities rejected the appeal for reexamination. OPTC filed an appeal for the reversal of the decision to cut tax deductibles given its fiscal losses but the tax authorities rejected the appeal on December 28, 2009. On February 26, 2010, OPTC filed an administrative suit with the Taiwan High Administrative Court. On April 14, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of August 11, 2011, the date of the accompanying independent accountants' review report, the SAC had not handed down its decision.

Income tax returns through 2009 of Q-ware Com., KGEx.com, ADCast, YCIC (dissolved due to merger with Far EasTone on March 1, 2011) and Oriental Resources Development Ltd. had been examined and cleared by the tax authorities.

28. EMPLOYEE, DEPRECIATION AND AMORTIZATION EXPENSES

	Six Months Ended June 30, 2011		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 3,110,243	\$ 2,734,458	\$ 5,844,701
Insurance	170,945	200,875	371,820
Pension	101,446	131,705	233,151
Miscellaneous	<u>253,305</u>	<u>479,401</u>	<u>732,706</u>
	<u>\$ 3,635,939</u>	<u>\$ 3,546,439</u>	<u>\$ 7,182,378</u>

(Continued)

	Six Months Ended June 30, 2011		
	Operating Costs	Operating Expenses	Total
Depreciation	<u>\$ 6,742,868</u>	<u>\$ 661,578</u>	<u>\$ 7,404,446</u>
Amortization	<u>\$ 126,478</u>	<u>\$ 82,424</u>	<u>\$ 208,902</u>
			(Concluded)

	Six Months Ended June 30, 2010		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 2,522,623	\$ 2,164,701	\$ 4,687,324
Insurance	128,681	138,001	266,682
Pension	95,820	114,278	210,098
Miscellaneous	<u>214,777</u>	<u>328,443</u>	<u>543,220</u>
	<u>\$ 2,961,901</u>	<u>\$ 2,745,423</u>	<u>\$ 5,707,324</u>
Depreciation	<u>\$ 6,859,852</u>	<u>\$ 619,674</u>	<u>\$ 7,479,526</u>
Amortization	<u>\$ 90,680</u>	<u>\$ 49,551</u>	<u>\$ 140,231</u>

29. EARNINGS PER SHARE

	<u>Amounts (Numerator)</u>		Shares in Thousands (Denominator)	<u>Earnings Per Share (Dollars)</u>	
	Income Before Income Tax	Net Income		Income Before Tax	Net Income
<u>Six months ended June 30, 2011</u>					
Basic EPS					
Net income attributable to the parent company's shareholders	\$ 8,716,372	\$ 8,114,545	4,754,580	<u>\$ 1.83</u>	<u>\$ 1.71</u>
Add: Effect of potential dilutive common stock - bonus to employees	-	-	<u>17,596</u>		
Diluted EPS					
Net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	<u>\$ 8,716,372</u>	<u>\$ 8,114,545</u>	<u>4,772,176</u>	<u>\$ 1.83</u>	<u>\$ 1.70</u>
					(Continued)

	<u>Amounts (Numerator)</u>			<u>Earnings Per Share (Dollars)</u>	
	<u>Income Before Income Tax</u>	<u>Net Income</u>	<u>Shares in Thousands (Denominator)</u>	<u>Income Before Income Tax</u>	<u>Net Income</u>
<u>Six months ended June 30, 2010</u>					
Basic EPS					
Net income attributable to the parent company's shareholders	\$ 5,283,971	\$ 5,259,766	4,754,580	<u>\$ 1.11</u>	<u>\$ 1.11</u>
Add: Effect of potential dilutive common stock - bonus to employees	<u>-</u>	<u>-</u>	<u>15,194</u>		
Diluted EPS					
Net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	<u>\$ 5,283,971</u>	<u>\$ 5,259,766</u>	<u>4,769,774</u>	<u>\$ 1.11</u>	<u>\$ 1.10</u>
					(Concluded)

The pro forma EPS information after making adjustments for 142,637 thousand shares of stock dividends, which are scheduled for distribution on August 31, 2011, is as follows.

	<u>Amounts (Numerator)</u>			<u>Earnings Per Share (Dollars)</u>	
	<u>Income Before Income Tax</u>	<u>Net Income</u>	<u>Shares in Thousands (Denominator)</u>	<u>Income Before Income Tax</u>	<u>Net Income</u>
<u>Six months ended June 30, 2011</u>					
Basic EPS					
Net income attributable to the parent company's shareholders	\$ 8,716,372	\$ 8,114,545	4,897,217	<u>\$ 1.78</u>	<u>\$ 1.66</u>
Add: Effect of dilutive potential common stock - bonus to employees	<u>-</u>	<u>-</u>	<u>18,125</u>		
Diluted EPS					
Net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	<u>\$ 8,716,372</u>	<u>\$ 8,114,545</u>	<u>4,915,342</u>	<u>\$ 1.77</u>	<u>\$ 1.65</u>
					(Continued)

	<u>Amounts (Numerator)</u>			<u>Earnings Per Share (Dollars)</u>	
	<u>Income Before Income Tax</u>	<u>Net Income</u>	<u>Shares in Thousands (Denominator)</u>	<u>Income Before Income Tax</u>	<u>Net Income</u>
<u>Six months ended June 30, 2010</u>					
Basic EPS					
Net income attributable to the parent company's shareholders	\$ 5,283,971	\$ 5,259,766	4,897,217	<u>\$ 1.08</u>	<u>\$ 1.07</u>
Add: Effect of dilutive potential common stock - bonus to employees	<u>-</u>	<u>-</u>	<u>15,650</u>		
Diluted EPS					
Net income attributable to common shareholders plus effect of potential dilutive common stock	<u>\$ 5,283,971</u>	<u>\$ 5,259,766</u>	<u>4,912,867</u>	<u>\$ 1.08</u>	<u>\$ 1.07</u>

(Concluded)

The Accounting Research and Development Foundation issued Interpretation 2007-052, which requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings. If the Company decides to give a bonus to employees in cash or shares, the Company should presume that the entire amount of the bonus will be settled in shares, and if the shares have a dilutive effect, the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of 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 diluted EPS until the shareholders 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 stock dividends. This adjustment caused the basic and diluted after income tax EPS for the six months ended June 30, 2010 to decrease from NT\$1.13 to NT\$1.11 and from NT\$1.12 to NT\$1.10, respectively.

30. PENSION PLAN

- a. The pension plan under the Labor Pension Act ("LPA") is a defined contribution plan. Based on the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Such pension costs were NT\$162,982 thousand and NT\$129,298 thousand for the six months ended June 30, 2011 and 2010, respectively.

- b. The Company, Far EasTone, ARCOA, NCIC, ISSDU, ADCast, Yuan Cing Corp., Oriental Resources Development Ltd., Apparel, FERD, Yuan Cheng Human Resources Consultant Corp., Fu Kwok Garment Manufacturing Co., Ltd., FECC, FEGC, FEETC, OPTC and FEFC had defined benefit pension plans 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. The pension costs of NT\$70,169 thousand and NT\$95,660 thousand as of June 30, 2011 and 2010, respectively, were recognized by the Group.

31. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. These transactions in 2011 and 2010 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:

	June 30	
	2011	2010
Available-for-sale financial assets - current	\$ 70,848	\$ 70,963
Available-for-sale financial assets - noncurrent	27,170	87,349
Notes receivable	652,769	915,480
Construction-in-progress, net	2,174,786	1,532,096
Available for construction - land	612,557	612,283
Restricted assets - current		
- Pledged certificate of deposits	1,514,023	608,099
- Others	24,580	3,500
Equity-method investments	2,756,264	3,086,130
Properties, net	19,278,690	27,140,497
Land leasehold rights	480,502	815,847
Nonoperating properties, net	1,968,213	1,679,614
Pledged certificate of deposits (included in restricted assets - noncurrent)	<u>421,624</u>	<u>421,624</u>
	<u>\$ 29,982,026</u>	<u>\$ 36,973,482</u>

As of June 30, 2011 and 2010, FENC and some of its subsidiaries had used 221,802 thousand common shares and 245,352 thousand common shares, respectively, of Far EasTone as collaterals for short-term bank loans, commercial paper, long-term liabilities and credit lines of related parties.

33. SIGNIFICANT COMMITMENTS AND CONTINGENCIES AS OF JUNE 30, 2011

- a. Unused letters of credit aggregated about NT\$3,407,879 thousand.

- b. Unpaid building construction and fix asset contracts aggregated NT\$2,460,895 thousand. Far EasTone was under contracts to acquire properties and cellular phone equipment for \$5,189,186 thousand and \$4,027,697 thousand, respectively, of which \$1,863,380 thousand and \$1,897,885 thousand, respectively, had been received.
- c. The Company was under contracts for unsettled cotton purchase amounting to NT\$1,346,126 thousand.
- d. Project contracts already signed by FEGC amounted to NT\$44,252,258 thousand.
- e. The Group's guarantees and endorsements for related parties: Schedule G.
- f. The Group's minimum rental payments for land, buildings and cell sites for the next five years under operating lease agreements are summarized as follows:

Period	Amount (Thousands)
July 1, 2011 to December 31, 2011	\$ 1,453,052
2012	2,922,120
2013	2,961,276
2014	3,033,683
2015	3,106,862
January 1, 2016 to June 30, 2016	1,592,253

- 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 land use. 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. The Company filed a lawsuit against the authorities on June 1, 2005 and still lost the lawsuit. Thus, the Company already accrued the expense for this case in 2005. On January 18, 2006, the Company filed an appeal with the Taipei High Administrative Court but still lost the lawsuit. The Company appealed to the Supreme Administrative Court (SAC) on January 3, 2007. The SAC rejected this appeal on May 31, 2007. On August 30, 2007, the Company paid the required land tax. Despite this payment, the Company again applied for reexamination on July 13, 2007. On May 27, 2009, the SAC rejected the appeal for a reexamination. Nevertheless, the Company is continuing to look for other ways to assert its rights.
- h. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. (TYIT) resolved to merge TYIT with Mobitai Communications Ltd. (Mobitai), with TYIT as the survivor company, in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. Under the resolution of TYIT's board, the Company received NT\$167,863 thousand from Mobitai in exchange for Mobitai's 11,469 thousand common shares (NT\$14.68 per share) held by the Company. The Company wrote off the investment in Mobitai and recognized a disposal gain of NT\$31,814 thousand. However, the Company regarded Mobitai's purchase price as too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of March 5, 2010, the date of the accompanying independent accountants' report, the lawsuit was pending 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. On July 29, 2011, the Kaohsiung District Court handed down its judgment (Chien-Tzu No. 35-2010) that KRT should pay NT\$284,187 thousand plus 5% interest calculated from the starting date which the court granted to the date of liquidation to FEGC, Pan Asia and Iwata.

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.

- 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 applied for mediation to the Complaint Review Board for Government Procurement, PCC but, on October 24, 2008, PCC made a decision to reject this case. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. On May 5, 2011, the Administrative Enforcement Agency made an order of enforcement. Thus, FEGC had to pay NT\$23,000 thousand to the court, and this amount was included in restricted assets on July 12, 2011. On August 5, 2011, referencing a certain decision (Shang-Zu-Tzu No. 5413-2008) of the Taiwan High Court and other evidences, FEGC filed an appeal with the Public Construction Commission, Executive Yuan.
- 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\$1,133,641 thousand as of June 30, 2011.

34. SUBSEQUENT EVENT

On July 20, 2011, an FENC subsidiary, YDI, issued five-year unsecured bonds (the first tranche). The bonds have an aggregate face value of NT\$3,000,000 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 1.50% interest calculated and paid annually.

35. FINANCIAL INSTRUMENTS

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

	June 30			
	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative financial instruments</u>				
Financial assets				
Cash and cash equivalents	\$ 27,170,715	\$ 27,170,715	\$ 30,566,116	\$ 30,566,116
Financial assets at fair value through profit or loss - current	1,412,567	1,412,567	1,475,211	1,475,211
Available-for-sale financial assets - current	3,290,588	3,290,588	3,090,982	3,090,982
Notes and accounts receivable, net	32,935,011	32,935,011	25,809,381	25,809,381
Dividends receivable	2,958,962	2,958,962	2,649,872	2,649,872
Accounts and notes receivable from related parties, net	972,362	972,362	1,248,122	1,248,122
Other receivables	658,294	658,294	522,642	522,642
Available-for-sale financial assets - noncurrent	4,211,301	4,211,301	2,384,335	2,384,335
Financial assets carried at cost - noncurrent	1,543,454	-	2,965,578	-
Bond investments with no active market - noncurrent	258,903	-	293,454	-
Held-to-maturity financial assets - noncurrent	199,717	203,337	199,616	200,923
Restricted assets (including current portion)	3,478,855	3,478,855	2,482,520	2,482,520
Refundable deposits (including current portion)	551,720	551,720	423,408	423,408
Financial liabilities				
Short-term bank loans	36,275,539	36,275,539	25,633,203	25,633,203
Commercial paper	3,235,738	3,235,738	8,399,762	8,399,762
Notes and accounts payable	18,934,534	18,934,534	12,283,162	12,283,162
Accounts and notes payable to related parties	1,091,810	1,091,810	1,764,650	1,764,650
Accrued expense	10,019,541	10,019,541	6,873,593	6,873,593
Dividends payable	14,931,429	14,931,429	11,531,470	11,531,470
Payable to supplies of machinery and equipment	2,342,186	2,342,186	1,449,980	1,449,980
Bonds payable (including current portion)	24,364,653	24,638,181	21,444,119	21,663,519
Long-term debt payable (including current portion)	32,576,203	32,576,203	39,830,195	39,830,195
Guarantee deposits received (including current portion)	1,009,192	1,009,192	991,569	991,569
<u>Derivative financial instruments asset/(liability)</u>				
Cotton futures contracts - FENC	44,185	44,185	16,825	16,825
Forward exchange contracts				
- FENC	(10,256)	(10,256)	(37,082)	(37,082)
- FEIH	-	-	(3,636)	(3,636)
- NCIC	23,120	23,120	-	-
Cross-currency swap contracts				
- Far EasTone	325	325	(2,800)	(2,800)
Exchangeable bonds exchange right - FENC	(66,550)	(66,550)	-	-
Exchangeable bonds redemption right - FENC	-	-	(77,250)	(77,250)

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. For domestic private-placement shares, their fair values are determined using reasonable evaluation. 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 (including the current portion) and commercial paper are estimated using the present values of expected cash flows discounted by the interest rates the Group may obtain for similar loans (e.g., similar maturities). The fair values of publicly traded bonds are measured at trading prices.
 - 6) Refundable deposits (including the current portion) 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:

	June 30			
	Quoted Price		Estimated Price	
	2011	2010	2011	2010
<u>Derivative financial instruments</u>				
Assets				
Cotton futures contracts				
- FENC	\$ -	\$ -	\$ 44,185	\$ 16,825
Cross currency swap				
- Far EasTone	-	-	325	-
Forward exchange contract				
- NCIC	-	-	23,120	-
Liabilities				
Forward exchange contract				
- FENC	-	-	(10,256)	(37,082)
- FEIH	-	-	-	(3,636)
Cross currency swap				
- Far EasTone	-	-	-	(2,800)
Exchangeable bonds exchange right				
- FENC	-	-	(66,550)	-
Exchangeable bonds redemption rights				
- FENC	-	-	-	(77,250)

- d. As of June 30, 2011 and 2010, the financial assets with fair value risk resulted from interest rate fluctuations amounting to NT\$10,440,668 thousand and NT\$14,613,359 thousand, respectively and the financial liabilities with fair value risk resulted from interest rate fluctuations amounting to NT\$79,585,844 thousand and NT\$77,473,162 thousand, respectively. As of June 30, 2011 and 2010, the financial assets with cash flow risk resulted from interest rate fluctuations amounting to NT\$19,802,741 thousand and NT\$14,408,010 thousand, respectively and the financial liabilities with cash flow risk resulted from interest rate fluctuations amounting to NT\$17,875,481 thousand and NT\$16,950,186 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).

Cross-currency swap contracts

For the six months ended June 30, 2011 and 2010, FENC subsidiary, Far EasTone used cross-currency swap contracts to hedge against the adverse effects of exchange rate fluctuations on foreign currency-denominated assets. 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 Company 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, 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 subsidiary, Far EasTone used cross-currency swap contracts for the six months ended June 30, 2011 and 2010, 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 for the six months ended June 30, 2011, 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

An FENC subsidiary, Far EasTone, and its subsidiaries had 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

A subsidiary, Far EasTone used cross-currency swap to hedge against adverse cash flow fluctuations on its foreign currency-denominated assets for the six months ended June 30, 2011 and 2010.

A subsidiary, NCIC, used forward exchange contracts to hedge against cash flow fluctuations on its foreign currency-denominated assets for the six months ended June 30, 2011.

Hedged Items	Designated Hedging Instruments		Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses	
	Designated Financial Instruments	Fair Value			
		June 30			
		2011	2010		
Foreign-currency denominated assets	Cross currency swap - Far EasTone	\$ 325	\$ (2,800)	2011	2011
Foreign-currency denominated assets	Forward exchange contract - NCIC	23,120	-	2011	2011

36. ADDITIONAL DISCLOSURES

a. Important transactions and b. Information on the Group's investees.

- 1) Financing provided: Schedule F (attached)
- 2) Endorsement/guarantee provided: Schedule G (attached)
- 3) Marketable securities and investments in shares 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: None.
 - 6) Disposal of individual real state at prices of at least NT\$100 million or 20% of the capital stock: Schedule J (attached)
 - 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 of investees: 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 Schedules K and 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' name, which owns FENC's shares: None.

37. OPERATING SEGMENT FINANCIAL INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments include petrochemical, polyester, textile, telecommunications, real estate development, investment and others under Statement of Financial Reporting Standards No. 41 - "Operating Segments."

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' compensation, investment income or loss recognized under the equity method, interest income, gain or loss on disposal of property, plant and equipment, exchange gain or loss, interest expense and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

a. Segment revenues and results

The analysis of the Group's revenue and results by reportable segment was as follows:

	Segment Revenue		Segment Profit	
	Six Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Petrochemical			\$ 3,331,483	\$ 2,099,078
Revenues generated from un-affiliates	\$ 17,977,268	\$ 11,886,635		
Revenues generated from the Group	14,345,322	11,369,927		
Polyester			1,088,796	560,688
Revenues generated from un-affiliates	42,804,483	33,898,760		
Revenues generated from the Group	5,844,365	4,509,716		
Textile			730,514	305,886
Revenues generated from un-affiliates	12,006,017	10,369,249		
Revenues generated from the Group	6,499,485	5,615,381		
Telecommunications			5,194,754	5,679,088
Revenues generated from un-affiliates	36,072,366	29,569,941		
Revenues generated from the Group	36,211	1,480		
Real estate development			665,104	1,046,902
Revenues generated from un-affiliates	4,876,273	4,591,540		
Revenues generated from the Group	736,704	932,244		
Investment and others			<u>354,007</u>	<u>28,359</u>
Revenues generated from un-affiliates	3,769,564	3,108,676		
Revenues generated from the Group	263,303	182,116		
Internal transactions elimination	<u>(27,725,390)</u>	<u>(22,610,864)</u>		
	<u>\$ 117,505,971</u>	<u>\$ 93,424,801</u>	<u>11,364,658</u>	<u>9,720,001</u>
Other expense			(500,415)	(410,017)
Interest revenue			140,376	73,594
Equity in investees' net income			2,243,290	941,050
Exchange gain (loss)			359,640	(100,058)
Interest expense			(618,951)	(523,353)
Other revenue and income (expense and loss)			<u>628,415</u>	<u>278,107</u>
Income before income tax (continuing operations)			<u>\$ 13,617,013</u>	<u>\$ 9,979,324</u>

Note: The difference between total segment revenues and total consolidated operating revenues was mainly income from sale of scrap and wastes (classified as other revenues and income under operating segment financial information), and the amounts were NT\$401,784 thousand and NT\$168,421 thousand for the six months ended June 30, 2011 and 2010, respectively.

b. Segment assets

	June 30	
	2011	2010
Petrochemical	\$ 35,979,511	\$ 30,817,033
Polyster	55,146,625	47,760,286
Textile	33,535,838	29,834,342
Telecommunications	95,636,350	84,395,169
Real estate development	39,658,755	36,704,721
Investment and others	30,047,028	25,932,403
Equity-method investments	41,828,836	47,508,392
Other assets	<u>18,065,522</u>	<u>19,447,926</u>
	<u>\$ 349,898,465</u>	<u>\$ 322,400,272</u>

Note: The difference between total segment assets and total consolidated assets mainly referred to assets generated from sales between segments, and the amounts were NT\$39,738,744 thousand and NT\$35,136,647 thousand for the six months ended June 30, 2011 and 2010, respectively.

38. OTHERS

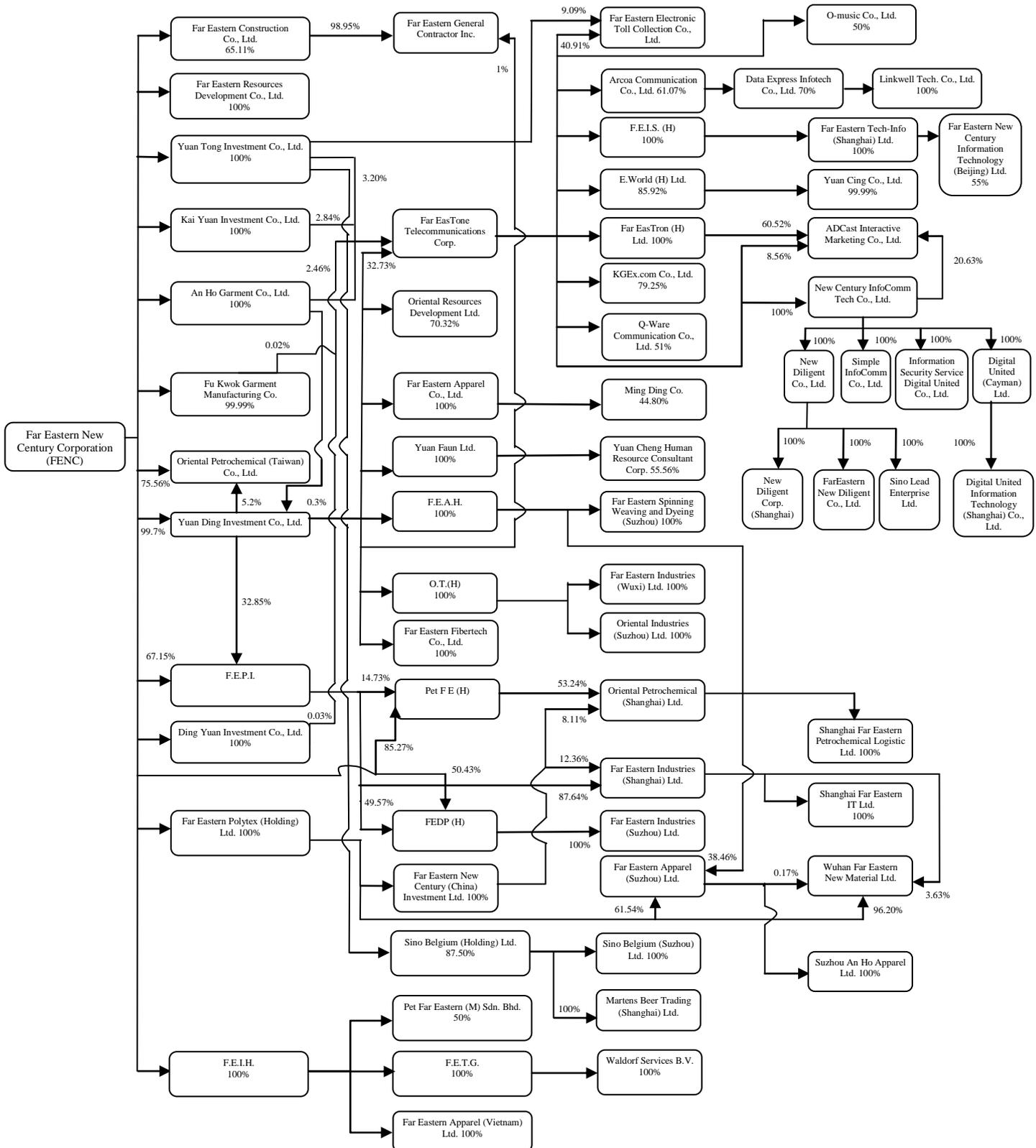
The significant foreign-currency financial assets and liabilities were as follows:

(In Thousands, Except Exchange Rate)

	June 30					
	2011			2010		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 534,216	28.79	\$ 15,380,083	\$ 400,626	32.195	\$ 12,898,166
EUR	35,464	41.713	1,479,321	43,112	39.302	1,694,379
JPY	1,658,916	0.3574	592,897	849,757	0.3634	308,802
RMB	3,711,979	4.4765	16,616,673	1,955,400	4.793	9,372,231
MYR	47,434	9.1325	433,188	46,650	9.511	443,690
Equity-method investments						
HKD	94,560	3.699	349,779	92,323	4.134	381,662
Nonmonetary items						
USD	51,945	28.7288	1,492,322	19,761	32.6083	644,365
EUR	5,175	44.723	231,429	5,175	44.723	231,429
<u>Financial liabilities</u>						
Monetary items						
USD	1,050,474	28.79	30,243,158	646,225	32.195	20,805,215
RMB	1,780,438	4.4765	7,970,131	1,669,183	4.793	8,000,394
MYR	20,324	9.1325	185,605	25,301	9.511	240,636

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

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
JUNE 30, 2011



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

OPERATIONS
JUNE 30, 2011

Consolidated Entity	Setup Date	Location	Operations
Far Eastern New Century Corporation	1954/01/13	36F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan (R.O.C.)	Manufacture and distribution of petrochemical-fiber materials, semifinished and finished goods of spinning yarn (fabric), blended yarn (fabric), draw textured yarn, pre-oriented yarn, PET filament, PET staple and various knitted and woven garments.
Yuan Ding Investment Co., Ltd.	1986/11/07	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Kai Yuan International Investment Co., Ltd.	1998/10/06	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Ding Yuan International Investment Corp.	1998/10/02	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
Yuan Tong Investment Corp.	1999/12/03	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Investment.
An Ho Garment Co., Ltd.	1977/01/24	34F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	Manufacture and distribution of various knit and woven garments.
Fu Kwok Garment Manufacturing Co., Ltd.	1971/03/06	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 Corp.	1990/08/07	1F., No. 389, Sihchuan Rd., Sec. 1, Banciao City, Taipei County 220, Taiwan, ROC	Selling of underwear, sportswear, shirts, towels, fabrics, suits, beddings and casual wear.
Oriental Resources Development Ltd.	1988/06/27	34F., No. 207, 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. (O.T.(H))	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. (F.E.I.H)	1989/08/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
PET Far Eastern (Holding) Ltd. (PET FE (H))	1996/10/01	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
FEDP (Holding) Ltd.	2002/03/20	Clarendon House 2 Church street Hamilton HM 11, Bermuda	Investment.
F.E.T.G. Investment Antilles N.V. (F.E.T.G)	1989/10/05	Kaya W.F.G Mensing 14, Curacao, Nederlandse Antillen	Investment.
Waldorf Services B.V. (Waldorf)	1990/01/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment.
PET Far Eastern (M) Sdn Bhd (P.F.E.M.)	1995/07/22	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru, Johor, Malaysia	Manufacture and distribution of PET bottle and PET perform.
Far Eastern Polytex (Holding) Ltd.	2006/03/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Apparel (Holding) Ltd. (F.E.A.H)	1996/10/01	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Polychem Industries Ltd. (F.E.P.I.)	1995/04/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Industries (Shanghai) Ltd. (F.E.I.S.)	1996/09/25	Mainland China	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, raw textured yarns, spinning yarns, and knitted and woven fabrics and garments.
Far Eastern Apparel (Vietnam) Ltd.	2002/07/04	No. 11, VSIP Street 4, Vietnam Singapore Industrial Park Thuan An District, Binh Duoug Province, Vietnam	Manufacture and distribution of various knitted and woven garments, beddings garments and accessories.
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.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Shanghai Far Eastern IT Ltd.	2003/04/15	Mainland China	Computer software programming and MIS maintenance and consultancy.
Far Eastern Apparel (Suzhou) Ltd. (F.E.A.Z.)	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. (F.E.D.Z.)	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. (S.B.B.Z.)	2007/09/04	Mainland China	Brewer.
Far Eastern New Century (China) Investment Corp.	2007/06/18	Mainland China	Investment.
Far Eastern Industries (Wuxi) Ltd. (F.E.I.W)	2002/06/05	Mainland China	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarns, 65/35 poly/cotton blended yarns, spun yarns, and woven, greige woven, print woven, piece dyed woven and bleached woven fabric.
Oriental Industries (Suzhou) Ltd. (O.T.I.Z.)	2005/06/24	Mainland China	Manufacturing and distribution of PET performs, industrial fabrics and related products.
Oriental Petrochemical (Shanghai) Co., Ltd. (O.P.S.C)	2003/01/21	Mainland China	Manufacture and distribution of PTA and its by-products.
Far Eastern Industries (Suzhou) Ltd. (F.E.I.Z.)	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 Ho Apparel Ltd.	2008/01/31	88 Tian Ling Rd. Wuzhong District Economic Development Zone. Su Zhou	Manufacture and distribution of various woven garments.
Far Eastern Fibertech Co., Ltd.	1995/04/10	No. 17, Gongye 5th Rd., Gonyin Industry District Gonyin Township, Taoyuan County 328, Taiwan (R.O.C.)	Manufacture and distribution of nylon-fiber materials.
Oriental Petrochemical (Taiwan) Co., Ltd.	1987/01/26	No. 47, Jingjian 4th Rd., Shuren Village Gonyin Township, Taoyuan County 328, Taiwan (R.O.C.)	Manufacture and distribution of PTA
Martens Beer Trading (Shanghai) Ltd.	2007/10/26	Mainland China	Beer sales

(Continued)

Consolidated Entity	Setup Date	Location	Operations
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 (R.O.C.)	Providing services on information software, electronic information, auto controlling equipment engineering.
Far EasTone Telecommunications Co., Ltd.	1997/04/11	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Telecommunications
Far Eastern Info Service Holding Ltd. (F.E.I.S.(H))	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.	2000/08/05	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	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 (R.O.C.)	Providing Type II communications service.
Arcoa Communication Co., Ltd.	1981/05/04	36F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Distribution of cellular phones and other communications equipment and accessories and providing related maintenance services.
ADCast Interactive Marketing Co., Ltd.	2000/06/12	1F., No. 220, Gangqian Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	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 (R.O.C.)	Providing Type II communications service.
New Century InfoComm Tech Co., Ltd.	2000/06/01	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.
New Diligent Co., Ltd.	2001/05/02	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 Inc.	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.	2000/08/16	P.O.Box 2681, Zephyt House, Mary Street, George Town, Grand Cayman, British West	Investment.

		Indies	
New Diligence Corporation (Shanghai)	2000/10/08	Mainland China	Providing business consulting and machinery selling.
Sino Lead Enterprise Ltd.	2006/04/11	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 Co., Ltd. (Shanghai)	2005/08/23	Mainland China	Design and research of computer system.
O-music Co., Ltd.	2010/10/05	12F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing electronic information service.
DataExpress Infotech Co., Ltd.	2004/07/22	6F.-1, No. 778, Sec. 4, Bade Rd., Nangang Dist., Taipei City 115, Taiwan, ROC	Communications products wholesale.
Linkwell Tech Co., Ltd.	2005/04/08	2F., No. 2, Guanqian Rd., Zhongzheng Dist., Taipei City 100, Taiwan, ROC	Communications products wholesale.
FarEastern New Diligent Co., Ltd.	2010/07/27	British Virgin Islands	Providing electronic information service.
FarEastern New Century Information Technology (Beijing) Ltd.	2010/07/23	Mainland China	Providing electronic information service.

(Concluded)

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

RELATED PARTIES
JUNE 30, 2011

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
1	Oriental Securities Co., Ltd.	a
2	Yuan-Ding Co., Ltd.	a
3	Freundenberg Far Eastern Spunweb Co., Ltd.	a
4	Everest Textile Co., Ltd.	a
5	Pacific Liu Tung Investment Corporation	a
6	Air Liquide Far Eastern Ltd.	a
7	Yue Ding Industry Co., Ltd.	a
8	Far Eastern International Leasing Corp. (FEILC)	a
9	Ding Ding Hotel Co., Ltd.	a
10	Da Ju Fiber Co., Ltd.	a
11	iScreen Corp.	a
12	Yue Ming Co., Ltd.	a
13	Ding Ding Integrated Marketing Service Co., Ltd.	a
14	Malaysia Garment Manufactures Pte. Ltd.	a
15	Far Eastern Electronic Commerce Co., Ltd.	a
16	Far Eastern Geant 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	Yuan-Ze University	b
21	Oriental Institute of Technology	b
22	Far Eastern Memorial Hospital	b
23	Bai Ding Investment Corp.	b
24	Far Eastern Department Stores Co., Ltd.	a and b
25	Oriental Union Chemical Corporation	a and b
26	Asia Cement Corporation	b and c
27	Yu Chang Vocational School	c
28	Pacific SOGO Department Stores	d
29	Pacific Petrochemical (Holding) Ltd.	e
30	Far Eastern Recreation Center Employee's Welfare Committee	f
31	Far Eastern Recreation Center Employee's Welfare Committee of FENC-Golf Club	f
32	Oriental Petrochemical (Yangzhou) Corporation	g
33	F.E. Memorial Foundation	h
34	Far Eastern Medical Foundation	h
35	TECO Electronic & Machinery Co., Ltd.	i
36	Systemex Corporation	i
37	MITAC Inc.	i

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
38	Telecommunication & Transportation Foundation	j
39	Ding Ding Management Consultants Co.	k
40	Oriental Securities Investment Consultant Co., Ltd.	k
41	Everest Textile (Shanghai) Ltd.	l
42	Far Eastern Asset Management Co., Ltd.	m
43	Far Eastern International Bank	n
44	Far Eastern Technical Consultants Co., Ltd.	o
45	YDT Technology International Co., Ltd.	o
46	Ya Tung Ready-mixed Concrete Corp.	p
47	Ya-Li Precast Prestressed Concrete Industries Corp.	p
48	Chiahui Power Corporation	p
49	Fu Ming Transport Corp.	p
50	Fu Dar Transportation Corporation	p
51	Asia Investment Corp.	p
52	Far Eastern Citysuper Ltd.	q
53	Ya Tung Department Store Ltd.	q
54	New Century InfoComm Tech Co.	r
55	Information Security Service Digital United Co., Ltd.	s

- Note:
- a. Equity-method investee.
 - b. Same Chairman or general manager.
 - c. The chairman is the relative of the Company's chairman.
 - d. The subsidiary of Pacific Liu Tung Investment Corporation.
 - e. Equity-method investee of equity-method subsidiary as of June 30, 2009 and have been merged by Oriental Union Chemical Corporation in February 2010.
 - f. The chairman of the organization is FENC's senior manager.
 - g. The sub-subsidiary of Oriental Union Chemical Corporation.
 - h. The chairman of the Company is the investee's director.
 - i. Institutional director of Far Eastern Electronic Toll Collection Co., Ltd.
 - j. Far EasTone's donation is over one third of the foundation's fund.
 - k. The chairman of the organization is FENC's general manager or vice president.
 - l. The subsidiary of Everest Textile Co., Ltd.
 - m. The subsidiary of Far Eastern International Bank.
 - n. The vice president 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 Co., Ltd.
 - r. Equity-method investee and the shareholding is less than 50%. As of August 2010, the investee has become a subsidiary.
 - s. The subsidiary of New Century InfoComm Tech Co., Ltd. covered by consolidated statements in August 2010.

(Concluded)

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

CONSOLIDATED RELATED-PARTY TRANSACTIONS
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

	Notes	2011		2010	
		Amount	%	Amount	%
Operating revenue					
Far Eastern Department Stores Co., Ltd.		\$ 544,274	-	\$ 310,216	-
New Century InfoComm Tech Co., Ltd.		-	-	674,789	1
Others	b.	<u>1,194,745</u>	<u>1</u>	<u>704,718</u>	<u>1</u>
		<u>\$ 1,739,019</u>	<u>1</u>	<u>\$ 1,689,723</u>	<u>2</u>
Operating cost					
Oriental Union Chemical Corporation		\$ 944,181	1	\$ 573,911	1
Others	b.	<u>646,776</u>	<u>1</u>	<u>930,578</u>	<u>1</u>
		<u>\$ 1,590,957</u>	<u>2</u>	<u>\$ 1,504,489</u>	<u>2</u>
Operating expense					
Yuan Ding Co., Ltd.		\$ 78,980	1	\$ 79,080	1
Ding Ding Integrated Marketing Service Co.		75,593	1	70,269	1
Others	b.	<u>210,175</u>	<u>1</u>	<u>199,726</u>	<u>2</u>
		<u>\$ 364,748</u>	<u>3</u>	<u>\$ 349,075</u>	<u>4</u>
Nonoperating revenue					
New Century InfoComm Tech. Co., Ltd.		\$ -	-	\$ 22,402	1
Others	b.	<u>12,151</u>	<u>-</u>	<u>6,255</u>	<u>-</u>
		<u>\$ 12,151</u>	<u>-</u>	<u>\$ 28,657</u>	<u>1</u>
Nonoperating expense					
Yuan-Ze University	d.	\$ 80,000	8	\$ -	-
Far Eastern Y.Z. Hsu Science Technology Memorial Foundation	d.	-	-	90,000	8
Others	b. and d.	<u>24,705</u>	<u>3</u>	<u>21,057</u>	<u>2</u>
		<u>\$ 104,705</u>	<u>11</u>	<u>\$ 111,057</u>	<u>10</u>

Note:

- a. For the relationships between Far Eastern New Century Corporation (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 based on agreement.
- d. An FENC subsidiary, Far EasTone Telecommunications Co., Ltd., donated NT\$80,000 thousand to Yuan-Ze University for the six months ended June 30, 2011. Two FENC subsidiaries, Yuan-Ding Investment Co., Ltd. and Far Eastern Resources Development Co., had donated NT\$60,000 thousand and NT\$30,000 thousand, respectively, to Far Eastern Y.Z. Hsu Science Technology Memorial Foundation for technological development for the benefit of the general public for the six months ended June 30, 2010. Moreover, Far EasTone donated NT\$3,502 thousand to Telecommunication & Transportation Foundation for telecommunications technology research on telecommunications technology for the six months ended June 30, 2011 and 2010.

(Concluded)

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

CONSOLIDATED RELATED-PARTY TRANSACTIONS
SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)

	Notes	2011		2010	
		Amount	%	Amount	%
Accounts/notes receivable from related parties					
New Century InfoComm Tech Co., Ltd.		\$ -	-	\$ 498,628	40
Freundenberg Far Eastern Spunweb Co., Ltd.		92,836	10	85,554	7
Pacific SOGO Department Stores Co., Ltd.		81,148	8	20,778	2
Far Eastern Department Stores Co., Ltd.		53,600	6	64,159	5
Others	e.	<u>151,138</u>	<u>15</u>	<u>250,338</u>	<u>20</u>
		<u>\$ 378,722</u>	<u>39</u>	<u>\$ 919,457</u>	<u>74</u>
Refundable deposits					
Yuan Ding Co., Ltd.		\$ 33,301	6	\$ 33,687	8
Ding Ding Integrated Marketing Service Co., Ltd.		27,446	5	31,096	7
Others	e.	<u>11,116</u>	<u>1</u>	<u>21,375</u>	<u>5</u>
		<u>\$ 71,863</u>	<u>12</u>	<u>\$ 86,158</u>	<u>20</u>
Accounts and notes payable to related parties					
Ya Tung Ready Mixed Concrete Co., Ltd.		\$ 185,400	17	\$ 218,839	12
New Century InfoComm Tech Co., Ltd.		-	-	183,995	10
Oriental Union Chemical Corporation		105,981	10	146,143	8
Ding Ding Integrated Marketing Services Co., Ltd.		89,431	8	76,249	4
Others	e.	<u>114,214</u>	<u>10</u>	<u>216,744</u>	<u>13</u>
		<u>\$ 495,026</u>	<u>45</u>	<u>\$ 841,970</u>	<u>47</u>
Accrued expenses					
Others	e.	<u>\$ 39,019</u>	<u>-</u>	<u>\$ 57,283</u>	<u>-</u>
Advance construction receipts					
Far Eastern Department Stores Co., Ltd.		\$ 1,281,952	5	\$ 649,435	3
Others	e.	<u>393,056</u>	<u>1</u>	<u>246,056</u>	<u>1</u>
		<u>\$ 1,675,008</u>	<u>6</u>	<u>\$ 895,491</u>	<u>4</u>

(Continued)

	Notes	2011		2010	
		Amount	%	Amount	%
Deferred credits					
Rent revenue					
Yuan Ding Co., Ltd.	b.	\$ 586,971	79	\$ 633,618	64
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	c.	-	-	212,245	21
Sales of lands and buildings					
Oriental Securities Co., Ltd.	d.	\$ 115,314	16	115,870	12
Sales of securities					
Far Eastern International Leasing Corp.		24,326	3	24,326	2
Others	e.	<u>11,932</u>	<u>2</u>	<u>11,932</u>	<u>1</u>
		<u>\$ 738,543</u>	<u>100</u>	<u>\$ 997,991</u>	<u>100</u>

Financing to related parties:

Six Months Ended June 30, 2011				
	Highest Outstanding Balance	Balance on June 30, 2011	Interest Rate (%)	Interest Revenue
Malaysia Garment Manufactures Pte. Ltd.	\$ 259,640	\$ 259,640	0-1.46044	\$ 685
Yue Ding Industry Co., Ltd.	74,000	74,000	0.98-1.09	223
Da Ju Fiber Co., Ltd.	260,000	<u>260,000</u>	0.98-1.67	<u>1,976</u>
		<u>\$ 593,640</u>		<u>\$ 2,884</u>

Six Months Ended June 30, 2010				
	Highest Outstanding Balance	Balance on June 30, 2010	Interest Rate (%)	Interest Revenue
Malaysia Garment Manufactures Pte. Ltd.	\$ 288,665	\$ 288,665	0-1.44571	\$ 743
Yue Ding Industry Co., Ltd.	40,000	40,000	0.93-1.61	223
Da Ju Fiber Co., Ltd.	148,000	<u>-</u>	0.93-1.61	<u>424</u>
		<u>\$ 328,665</u>		<u>\$ 1,390</u>

Financing from related parties:

Six Months Ended June 30, 2011				
	Highest Outstanding Balance	Balance on June	Interest Rate (%)	Interest Expense
Pacific Petrochemical (Holding) Ltd.	\$ 612,644	\$ 596,784	-	\$ -
Oriental Petrochemical (Yangzhou) Corp.	181,620	<u>-</u>	3	<u>1,220</u>
		<u>\$ 596,784</u>		<u>\$ 1,220</u>

(Continued)

Six Months Ended June 30, 2010

	Highest Outstanding Balance	Balance on June 30, 2010	Interest Rate (%)	Interest Expense
Pacific Petrochemical (Holding) Ltd.	\$ 662,290	\$ 662,290	-	\$ -
Oriental Petrochemical (Yangzhou) Corp.	260,390	<u>260,390</u>	1.25	<u>73</u>
		<u>\$ 922,680</u>		<u>\$ 73</u>

- a. For the relationships between Far Eastern New Century Corporation (FENC) and subsidiaries, please refer to schedule C.
- b. FENC, Asia Cement Corporation and Yuan Ding Co., Ltd. co-own the Metro Tower Building located in Taipei City. Under an agreement, Yuan Ding Co., Ltd. collected rentals from the lessees and then allocated rental incomes proportionally to the Company. The Company was rental-exempt and the deferred income resulted from its 12% of the ownership of the building had been listed to rental incomes. The ownership of the building had been transferred in September 2, 2003; please refer to Note 15 to the financial statements.
- c. The unrealized gain from superficies right Far Eastern Resources Development Co. granted to Far Eastern Y.Z. Science and Technology Memorial Foundation. In June 2011, Far Eastern Resources Development Co. sold the land to Far Eastern Y.Z. Science and Technology Memorial Foundation. The ownership of the land had not been transferred as of June 30, 2011 (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. An FENC subsidiary, Far Eastern Resources Development Co., sold land in the Ya-Tung Section of Banciao to Far Eastern Memorial Foundation for \$432,907 thousand for the construction of its new medical building on March 28, 2011. The gain on this sale was \$327,480 thousand.
- 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), issued by FENC 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 were written off on June 30, 2011; part of ARCOA was written off on June 30, 2011 and 2010. Interest expense from above bonds were NT\$10,036 thousand (all is write-off of) and NT\$10,036 thousand (including write-off of NT\$100 thousand), in June 30, 2011 and 2010, respectively; interest payable were NT\$17,671 thousand (all is write-off) and NT\$17,671 thousand (including write-off of NT\$177 thousand), as of June 30, 2011 and 2010, respectively.

- h. Far EasTone bought from FEILC a switch center in Neihu, land in Taichung land for a switch center and an office space in Kaohsiung for \$239,177 thousand (including VAT) based on appraisal reports and market prices. The ownership of these properties had been transferred to Far EasTone as of June 30, 2010.
- i. The terms of sales to and purchases from the related parties were based on agreement.

(Concluded)

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

FINANCING PROVIDED
SIX MONTHS ENDED JUNE 30, 2011
(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		
Yuan Ding Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	Receivables from related parties	\$ 180,000	\$ 180,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,740,684 (Note J)	\$ 17,406,845 (Note L)
	Far Eastern Resources Development Co.	"	650,000	650,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,740,684 (Note J)	17,406,845 (Note L)
	Da Ju Fiber Co., Ltd.	"	100,000	100,000	100,000	1.63-1.67%	2	-	For revolving fund	-	Promissory note	-	1,740,684 (Note J)	17,406,845 (Note L)
	Ding Yuan International Investment Co., Ltd.	"	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,740,684 (Note J)	17,406,845 (Note L)
Far Eastern Investment (Holding) Ltd.	Flying Dutchman Ltd.	Other receivables	US\$ 5,000	US\$ -	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	FEDP (Holding) Ltd.	Receivables from affiliates	US\$ 20,000	US\$ 20,000	US\$ 1,900	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Oriental Petrochemical (Shanghai) Co., Ltd.	"	US\$ 30,000	US\$ 30,000	US\$ -	1%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Waldorf Services B.V.	"	US\$ 10,000	US\$ 5,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	F.E.T.G. Investment Antilles N.V.	"	US\$ 15,000	US\$ 1,000	US\$ -	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 76,600	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	PET Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 12,460	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,786	0-1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 20,000	US\$ 10,000	MYR 19,060	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,000	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 5,000	US\$ 5,000	US\$ 2,500	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 12,840	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	24,307,729 (Note G)
Ding Yuan International Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	Receivables from related parties	90,000	74,000	74,000	0.98-1.09%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Da Ju Fiber Co., Ltd.	"	90,000	-	-	1.69-1.71%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	130,000	130,000	-	1.69%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Yuan Ding Investment Co., Ltd.	"	90,000	90,000	80,000	0.98-1.09%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	An Ho Garment Co., Ltd.	"	90,000	-	-	1.69%	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	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Industries (Shanghai) Ltd.	"	US\$ 66,000	US\$ 66,000	US\$ 30,000	-	1	HK\$ 1,269,924	Business Relationship	-	Promissory note	-	4,697,449 (Note I)	4,697,449 (Note I)

(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		
Far Eastern Apparel (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	US\$	10,000	US\$	10,000	US\$	10,000	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,861,546 (Note C)	\$ 14,584,637 (Note D)
	Oriental Petrochemical (Shanghai) Co., Ltd.	"	US\$	4,000	US\$	4,000	US\$	-	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Receivables from affiliates	US\$	25,000	US\$	25,000	US\$	15,000	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Apparel (Suzhou) Ltd.	"	US\$	30,000	US\$	30,000	US\$	12,000	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Investment (Holding) Ltd.	"	US\$	20,000	US\$	20,000	US\$	-	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Receivables from affiliates	US\$	15,000	US\$	1,000	US\$	-	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to affiliates	RMB	80,000	RMB	40,000	RMB	-	3%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Industries (Suzhou) Ltd.	"	RMB	20,000	RMB	-	RMB	-	3%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	RMB	40,000	RMB	40,000	RMB	40,000	4.45%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Sino Belgium (Suzhou) Ltd.	"	RMB	10,000	RMB	10,000	RMB	5,000	3%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Sino Belgium (Suzhou) Ltd.	"	US\$	15,000	US\$	-	US\$	-	1.25%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to affiliates	RMB	60,000	RMB	-	RMB	-	3%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (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	-	4,861,546 (Note C)	14,584,637 (Note D)
	Chuang Yuan Co., Ltd.	Other receivables	US\$	10,000	US\$	10,000	US\$	6,380	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	US\$	5,000	US\$	5,000	US\$	-	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	US\$	64,900	US\$	64,900	US\$	48,900	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	US\$	138,000	US\$	138,000	US\$	103,000	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Polychem Industries Ltd.	"	US\$	25,000	US\$	25,000	US\$	-	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Far Eastern Apparel (Holding) Ltd.	"	US\$	20,000	US\$	20,000	US\$	-	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	Receivables from affiliates	US\$	42,000	US\$	42,000	US\$	32,700	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	US\$	42,800	US\$	42,800	US\$	37,600	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Far Eastern Resources Development Co.	An Ho Garment Co., Ltd.	Receivables from related parties		870,000		870,000		-	-	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Da Ju Fiber Co., Ltd.	"		160,000		160,000		160,000	0.98-1.25%	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	1.07-1.71%	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)
	Kai Yuan International Investment Co., Ltd.	"		500,000		500,000		-	-	2	-	For revolving fund	-	Promissory note	-	879,193 (Note B)	8,791,930 (Note E)

(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		
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	\$ -	\$ 4,861,546 (Note C)	\$ 14,584,637 (Note D)
	FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 4,000	1.46044%	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
	Martens Beers Trading (Shanghai) Ltd.	"	US\$ 3,600	US\$ 3,600	US\$ 1,800	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Receivables from affiliates	US\$ 12,000	US\$ 12,000	US\$ 12,000	-	2	-	For revolving fund	-	Promissory note	-	4,861,546 (Note C)	14,584,637 (Note D)
Yuan Tong Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	360,000	-	-	1.69-1.71%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	360,000	-	-	1.69-1.71%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Yuan Ding Investment Co., Ltd.	"	360,000	-	-	1.69-1.71%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Da Ju Fiber Co., Ltd.	"	360,000	360,000	-	-	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Far Eastern Resources Development Co.	"	360,000	360,000	-	-	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Far Eastern New Century Corporation	"	360,000	360,000	-	-	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	226,203 (Note B)	2,262,035 (Note E)
An Ho Garment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	80,000	80,000	-	-	2	-	For revolving fund	-	Promissory note	-	83,200 (Note B)	831,996 (Note E)
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Receivables from related parties	10,000	10,000	10,000	1.50%	2	-	For revolving fund	-	Promissory note	-	17,033 (Note H)	56,776 (Note F)
Far EasTone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd.	Other receivables - related parties	6,000,000	-	-	0.810-0.827%	2	-	For the tender offer payment and business operations	-	-	-	6,721,321 (Note K)	33,606,605 (Note L)

- Notes: A. Reasons for financing are as follows:
1. Business relationship.
 2. For short-term financing.
- B. The upper limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- C. The upper limit is equal to 5% of the net value of FENC (based on audited financial statements) as of June 30, 2011.
- D. The upper limit is equal to 15% of the net value of FENC (based on audited financial statements) as of June 30, 2011.
- E. 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%.
- F. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of June 30, 2011. For short-term financing, the upper limit is 30%.
- G. The upper limit is equal to 25% of the net value of FENC (based on audited financial statements) as of June 30, 2011.
- H. The upper limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- I. 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 June 30, 2011.
- J. The upper limit is equal to 5% of the net value of the financier (based on audited financial statements) as of June 30, 2011.
- K. The upper limit is equal to 10% of the net value of the financier (based on audited financial statements) as of June 30, 2011.
- L. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of June 30, 2011. For short-term financing, the upper limit is 15%.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

ENDORSEMENT/GUARANTEE PROVIDED

SIX MONTHS ENDED JUNE 30, 2011

(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)	\$ 48,615,458 (Note G)	\$ 10,522,000	\$ 10,522,000	\$ 3,777,000	\$ -	10.82	\$ 97,230,916 (Note H)
Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	17,406,845 (Note G)	156,000	156,000	132,000	-	0.45	34,813,689 (Note H)
	Oriental Resources Development Ltd.	(Note A)	17,406,845 (Note G)	119,000	119,000	30,000	-	0.34	34,813,689 (Note H)
	Far Eastern Apparel Co., Ltd.	(Note A)	17,406,845 (Note G)	135,000	135,000	-	-	0.39	34,813,689 (Note H)
	Oriental Textile (Holding) Ltd. (O.T (H))	(Note A)	17,406,845 (Note G)	2,826,320	2,826,320	1,883,252	-	8.21	34,813,689 (Note H)
	Far Eastern Apparel (Holding) Ltd.	(Note A)	17,406,845 (Note G)	1,095,920	1,095,920	770,028	-	3.15	34,813,689 (Note H)
	FEDP (Holding) Ltd.	(Note C)	17,406,845 (Note G)	299,550	288,400	288,400	-	0.83	34,813,689 (Note H)
	Far Eastern Polychem Industries Ltd.	(Note B)	17,406,845 (Note G)	1,442,000	1,442,000	288,400	-	4.14	34,813,689 (Note H)
	Oriental Industries (Suzhou) Ltd.	(Note A)	17,406,845 (Note G)	838,740	318,310	308,163	-	0.91	34,813,689 (Note H)
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	48,615,458 (Note O)	US\$ 27,500	US\$ -	US\$ -	-	-	97,230,916 (Note M)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	11,457,435 (Note L)	1,641,000	1,498,000	384,900	-	39.22	11,457,435 (Note L)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	48,615,458 (Note O)	US\$ 10,000	US\$ 10,000	US\$ -	-	0.83	97,230,916 (Note M)
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	48,615,458 (Note O)	US\$ 10,000	US\$ 10,000	US\$ 5,204	-	0.83	97,230,916 (Note M)
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	(Note A)	48,615,458 (Note K)	1,497,750	1,442,000	1,442,000	-	1.48	97,230,916 (Note I)
Far EastTone Telecommunications Co., Ltd.	Q-Ware Communication Corp.	(Note A)	33,606,606 (Note G)	149,840	149,840	149,840	-	0.22	67,213,212 (Note H)
	KGEx.com	(Note A)	33,606,606 (Note G)	45,000	45,000	23,320	-	0.07	67,213,212 (Note H)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note C)	48,615,458 (Note O)	RMB 40,000	RMB -	RMB -	-	-	97,230,916 (Note M)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	RMB 1,626,501 (Note P)	RMB 110,000	RMB 110,000	RMB 2,759	-	0.51	RMB 3,253,002 (Note F)
	Wuhan Far Eastern New Material Ltd.	(Note C)	RMB 1,626,501 (Note P)	RMB 80,000	RMB 80,000	RMB -	-	0.37	RMB 3,253,002 (Note F)
	Everest Textile (Shanghai) Ltd.	(Note E)	RMB 1,626,501 (Note P)	RMB 45,000	RMB 45,000	RMB 8,894	-	0.21	RMB 3,253,002 (Note F)
Oriental Textile (Holding) Ltd. (O.T (H))	Far Eastern Industries (Wuxi) Ltd.	(Note A)	48,615,458 (Note O)	US\$ 10,000	US\$ 10,000	RMB -	-	1.73	97,230,916 (Note M)
	Oriental Industries (Suzhou) Ltd.	(Note A)	48,615,458 (Note O)	RMB 70,000	RMB 70,000	US\$ -	-	2.30	97,230,916 (Note M)
				US\$ 38,000	US\$ 20,000	US\$ 8,748	-		
				RMB 50,000	RMB 50,000	RMB 48,479	-		
Far Eastern Resources Development Co.	Far Eastern New Century Corp.	(Note D)	48,615,458 (Note K)	9,761,448	9,421,448	6,530,000	9,421,448	9.69	97,230,916 (Note I)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	48,615,458 (Note O)	RMB 50,000	RMB 50,000	RMB -	-	0.23	97,230,916 (Note M)
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	(Note A)	48,615,458 (Note O)	US\$ 3,000	US\$ 3,000	US\$ -	-	0.09	97,230,916 (Note M)
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	48,615,458 (Note O)	US\$ 6,000	US\$ 6,000	US\$ 241	-	0.18	97,230,916 (Note M)
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	US\$ 24,526 (Note J)	RMB 100,000	RMB 100,000	RMB -	-	0.46	US\$ 24,526 (Note J)

(Continued)

- 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. The subsidiary has the same ultimate parent company.
 - D. Parent company of the investee.
 - E. Business relationship.
 - 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 June 30, 2011.
 - H. Limit is calculated using the net value of the guarantor (based on audited financial statements) as of June 30, 2011.
 - I. Limit is computed using the net value of parent company (based on audited financial statements) as of June 30, 2011.
 - 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 June 30, 2011.
 - 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 June 30, 2011.
 - M. The amount of the collateral/guarantee is equal to the net value of FENC (based on audited financial statements) as of June 30, 2011.
 - 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 June 30, 2011.
 - P. The amount of the collateral/guarantee is equal to the net value of the guarantor (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

JUNE 30, 2011

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

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				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	\$ 12,523,832	22.33	\$ 28,151,899	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	208,750	4,274,718	16.80	12,003,092	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,221,827	9.17	3,100,971	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,124	0.03	867	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	34,351,762	99.70	34,709,248	-
	Far Eastern Resources Development Co.	(Note A)	Equity method investments	487,279	17,194,546	100.00	17,940,860	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	7,033,090	100.00	7,357,275	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	202	5,208,290	85.27	5,325,621	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	678,205	6,095,922	67.15	6,098,343	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	385,760	6,390,468	75.56	6,398,913	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	140,278	2,061,048	19.65	2,054,591	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	1,700	5,613,882	100.00	5,613,882	-
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity method investments	302,844	4,193,785	100.00	4,195,684	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	46	3,802,075	100.00	3,805,804	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,599,655	100.00	2,599,615	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	186,926	3,399,903	37.13	3,474,050	-
	Oriental Securities Corp.	(Note A)	Equity method investments	154,372	2,431,023	65.11	2,486,645	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,480,682	100.00	1,551,331	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	67,500	1,441,158	16.83	1,347,316	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	5,386	26,703	19.00	26,704	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	244	704,557	50.43	704,557	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	3,999	131,437	99.99	134,597	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,939	53,667	3.73	57,420	-
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	62,343	891,508	3.11	891,508	-	
Yuan Ding Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	21,953,925	32.73	48,852,919	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	74,354	1,333,971	9.23	3,122,879	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	806,438	25.23	797,613	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,926	141,926	0.40	283,231	-
	Asia Cement Corporation	(Note A)	Equity method investments	6,024	122,314	0.20	246,968	-
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	86	5,566,126	100.00	5,566,126	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	331,717	2,984,307	32.85	2,985,284	-
	Oriental Securities Corp.	(Note A)	Equity method investments	185,247	2,827,304	25.96	2,714,361	105,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	111	2,243,962	100.00	2,243,962	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	59,827	1,190,914	14.92	1,195,966	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	64,759	1,174,897	12.86	1,203,239	43,500 thousand shares pledged or mortgaged as collaterals for loans
	Air Liquide Far Eastern Ltd.	(Note A)	Equity method investments	69,115	1,140,784	35.00	1,137,722	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,038,990	16.87	1,050,520	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	853,167	100.00	836,172	-
	Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	558,939	41.86	569,155	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	26,528	431,116	5.20	440,370	-
Yuan Ding Leasing Corp.	(Note A)	Equity method investments	36,706	384,847	46.20	386,468	-	
Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	22,024	369,984	100.00	369,882	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	\$ 272,925	29.80	\$ 272,649	-
	Oriental Resources Development Ltd.	(Note A)	Equity method investments	21,322	135,528	70.32	139,450	-
	Yuan Faun Ltd.	(Note A)	Equity method investments	5,000	128,265	100.00	126,243	-
	Yue Ming Co., Ltd.	(Note A)	Equity method investments	1,280	111,338	45.50	113,367	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	1,270	17,380	1.00	16,078	-
	Yue Yuan Investment Co., Ltd.	-	Financial assets carried at cost	95,838	677,240	19.05	2,341,342	-
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost	2,985	81,405	5.27	114,738	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,688	56,019	3.54	54,495	-
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost	909	22,493	0.16	62,193	-
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost	1,400	14,000	1.16	14,472	-
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,000	10,000	1.11	8,405	-
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80	13,626	-
	Nan Shan Insurance Co., Ltd.	-	Financial assets carried at cost	5	221	-	863	-
	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	31,269	-
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	55,650	0.83	55,650	-
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	3,294	202,581	0.38	202,581	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	15,771	225,529	0.79	225,529	-
	Far Eastern International Bank (private)	(Note C)	Available-for-sale financial assets - noncurrent	69,044	620,236	3.44	620,236	-
	<u>Under asset management contracts (Note E)</u>							
	Grape King Inc.	-	Financial assets at fair value through profit or loss - current	150	7,298	-	7,298	-
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss - current	180	12,996	-	12,996	-
	Yang Ming	-	Financial assets at fair value through profit or loss - current	1,050	22,890	-	22,890	-
	Chinatrust	-	Financial assets at fair value through profit or loss - current	650	16,250	-	16,250	-
	Unimicron	-	Financial assets at fair value through profit or loss - current	340	17,374	-	17,374	-
	Avdentec	-	Financial assets at fair value through profit or loss - current	589	15,137	-	15,137	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	285	26,990	-	26,990	-
	ADLINK Technology Inc.	-	Financial assets at fair value through profit or loss - current	261	15,451	-	15,451	-
	Tong Hsing Electronic Industries Ltd.	-	Financial assets at fair value through profit or loss - current	90	11,385	-	11,385	-
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	400	10,600	-	10,600	-
	Merida Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	58	3,787	-	3,787	-
Far Eastern Investment (Holding) Ltd.	F.E.T.G. Investment Autilles N.V.	(Note A)	Equity method investments	6	US\$ 18,340	100.00	US\$ 18,340	-
	Filsyn Corporation	(Note A)	Equity method investments	45,066	US\$ -	21.85	PESO (111,535)	-
	PET F.E. (M) Sdn. Bhd.	(Note A)	Equity method investments	Common stock: 5,000 Preferred stock: 3,000	US\$ 6,292	50.00	US\$ 6,292	-
	Com2B	(Note A)	Equity method investments	9,000	US\$ 877	20.00	US\$ 877	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 6,314	100.00	US\$ 6,314	-
	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	376,205	0.39	495,945	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	1,588	38,628	0.13	91,338	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	8,645	51,144	1.83	58,009	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Kai Yuan International Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	13,158	\$ 335,029	1.63	\$ 552,647	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	920	39,368	0.03	42,120	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	174,595	2.24	179,268	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	9,683	203,601	13.20	121,342	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	19,659	220,841	-	220,841	-
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	63,024	901,247	3.14	901,247	1,900 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	57,289	-
	Asia Cement Corporation	(Note A)	Equity method investments	17,007	394,238	0.55	697,276	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	92,462	2,291,704	2.84	4,234,761	67,065 thousand shares pledged or mortgaged as collaterals for loans
		Oriental Union Chemical Corporation	(Note A)	Equity method investments	25,303	481,560	3.14	1,062,721
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	8,187	220,605	0.66	470,778	-
	Kowloon Cement Co., Ltd.	(Note A)	Equity method investments	1,127	349,779	49.00	288,486	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	74,970	1,023,997	16.80	1,046,161	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	174,595	2.24	179,268	-
	DFE DWS Taiwan Thematic	-	Available-for-sale financial assets - current	5,000	69,150	-	69,150	-
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	36,489	521,788	1.82	521,788	-
	Far Eastern International Bank (Private)	(Note D)	Available-for-sale financial assets - noncurrent	40,025	359,556	1.99	359,556	-
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	HK\$ 1,826,594	87.64	RMB 1,509,123	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	35	HK\$ 249,247	14.73	US\$ 31,955	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	240	HK\$ 187,629	49.57	US\$ 24,055	-
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	HK\$ 16,941	10.00	-	-
Far Eastern Construction Co., Ltd.	<u>Stocks</u>							
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	125,639	1,538,102	98.95	1,590,906	-
	Asia Cement Corporation	(Note A)	Equity method investments	16,217	426,186	0.53	664,905	-
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	97,772	0.19	97,772	-
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 17,923	38.46	RMB 115,631	-
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 63,230	100.00	RMB 406,653	-
Far Eastern Apparel Co., Ltd.	Ming Ding Co., Ltd.	(Note A)	Equity method investments	448	6570	44.80	6,600	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	6	60	0.01	92	-
Far Eastern General Constructor Inc.	<u>Stocks</u>							
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	45,909	0.09	45,909	-
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - noncurrent	20,000	76,317	2.00	76,317	-
	Ya-Li Precast Prestressed Concrete Industries Corp.	(Note I)	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	16,551	-
	Far Eastern Technical Consultants Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	450	3,864	9.00	5,414	-
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity method investments	2	US\$ 18,242	100.00	US\$ 18,242	-
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	US\$ (143)	50.00	US\$ (143)	-
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity method investments	30	US\$ 1,912	37.92	US\$ 1,912	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	US\$ (210)	41.00	US\$ (210)	-
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	-	US\$ 3,013	25.00	CAD 20,930	-
	Filsyn Corporation	-	Financial assets carried at cost	20,513	US\$ -	9.95	PESO (50,740)	-
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	80,172	1,836,845	2.46	3,671,859	39,579 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity method investments	2,843	105,563	0.09	116,570	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	11,494	143,435	15.66	144,037	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	4,841	98,964	1.21	96,426	-
	Oriental Securities Corp.	(Note A)	Equity method investments	5,000	79,500	0.70	73,264	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	5,502	\$ 146,918	0.30	\$ 104,301	-
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	15,694	224,425	0.78	224,425	-
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Co., Ltd.	(Note A)	Equity method investments	750	11,203	55.56	11,260	-
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	38,828	-
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	3,326	47,556	0.17	47,556	-
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	520	19,574	0.02	23,816	-
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	174,595	2.24	179,268	-
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	104,261	2,709,921	3.20	4,775,155	72,013 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	37,271	51,754	9.09	58,664	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	7,584	221,839	0.61	436,072	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	3,938	148,602	0.49	165,411	-
	Asia Cement Corporation	(Note A)	Equity method investments	20,245	674,444	0.66	830,049	-
	Sino Belgium (Holding) Ltd.	(Note A)	Equity method investments	17	(78,005)	87.50	(78,463)	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	25,021	281,071	-	281,071	-
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	9,862	100,888	-	100,888	-
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	15,166	216,875	0.76	216,875	-
	Bockhold N.V.	-	Financial assets carried at cost	1	223,533	12.51	77,992	-
	Bockhold N.V.	-	Financial assets carried at cost	-	7,895	-	-	-
	Bockhold N.V.	-	Bond investments with no active market	-	258,903	-	-	-
	<u>Under asset management contracts (Note E)</u>							
	LCY Chemical Corp.	-	Financial assets at fair value through profit or loss - current	745	48,202	-	48,202	-
	Nantex Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	290	8,091	-	8,091	-
	Promise Technology Inc.	-	Financial assets at fair value through profit or loss - current	186	5,143	-	5,143	-
	Elite Advanced Laser Corp.	-	Financial assets at fair value through profit or loss - current	276	22,522	-	22,522	-
	Giga Solar Materials Corp.	-	Financial assets at fair value through profit or loss - current	7	4,431	-	4,431	-
	Swancor Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	197	10,756	-	10,756	-
	Nceevoton Technology Corp.	-	Financial assets at fair value through profit or loss - current	117	5,288	-	5,288	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	235	22,255	-	22,255	-
	Prime Electronics & Satellitics Inc.	-	Financial assets at fair value through profit or loss - current	186	4,929	-	4,929	-
	PChome Online	-	Financial assets at fair value through profit or loss - current	81	14,621	-	14,621	-
	E Ink Holdings Inc.	-	Financial assets at fair value through profit or loss - current	525	28,298	-	28,298	-
	Acme Electronics Corp.	-	Financial assets at fair value through profit or loss - current	462	44,814	-	44,814	-
	Che Full International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	831	24,097	-	24,097	-
Far EasTone Telecommunications Co., Ltd.	<u>Stocks</u>							
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	2,599,449	27,377,801	100.00	27,377,801	-
	ARCOA Communication Co., Ltd.	(Note A)	Equity method investments	82,010	1,122,347	61.07	1,122,347	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	KGEx.com Co., Ltd.	(Note A)	Equity method investments	89,088	\$ 706,540	79.25	\$ 706,540	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	167,720	263,991	40.91	263,991	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	185,751	100.00	185,751	-
	E. World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	81,466	85.92	81,466	-
	Far EasTron Holding Ltd.	(Note A)	Equity method investments	4,487	26,753	100.00	26,753	-
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity method investments	3,000	24,498	14.96	24,498	-
	iScreen Corporation	(Note A)	Equity method investments	4,000	21,534	40.00	21,534	-
	O-music Co., Ltd.	(Note A)	Equity method investments	2,500	21,231	50.00	21,231	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	1,725	5,283	15.00	5,283	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	387	3,826	8.56	3,826	-
	Q-ware Communications Co., Ltd.	(Note A)	Other liabilities - other	36,460	(203,997)	51.00	(203,997)	-
	ACC	-	Available-for-sale financial assets - current	2,091	85,727	-	85,727	-
	LCYCIC	-	Available-for-sale financial assets - current	200	12,940	-	12,940	-
	EVAAIR	-	Available-for-sale financial assets - current	200	5,860	-	5,860	-
	GET	-	Available-for-sale financial assets - current	170	16,915	-	16,915	-
	NTC	-	Available-for-sale financial assets - current	200	9,040	-	9,040	-
	Covetronic	-	Available-for-sale financial assets - current	450	20,407	-	20,407	-
	SAS	-	Available-for-sale financial assets - current	100	9,470	-	9,470	-
	Motech	-	Available-for-sale financial assets - current	170	18,870	-	18,870	-
	Chinsan	-	Available-for-sale financial assets - current	264	14,256	-	14,256	-
	EIH	-	Available-for-sale financial assets - current	300	16,170	-	16,170	-
	ACME	-	Available-for-sale financial assets - current	242	23,474	-	23,474	-
	CF	-	Available-for-sale financial assets - current	525	15,225	-	15,225	-
	<u>Open-end mutual funds</u>							
	KGI EM Trend ETF Fund of Funds	-	Available-for-sale financial assets - current	500	4,730	-	4,730	-
	PCA Global Green Solutions Fund	-	Available-for-sale financial assets - current	4,978	51,522	-	51,522	-
	<u>Private funds</u>							
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	149,708	-	149,708	-
	<u>Bonds</u>							
	Asia Cement Corporation 1st Unsecured Corporation Bond Issue in 2009	(Note B)	Held-to-maturity financial assets - noncurrent	-	199,717	-	203,337	-
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	RMB 350	0.17	RMB 329	-
	Suzhou An Ho Appared Ltd.	(Note A)	Equity method investments	(Note H)	RMB 4,220	100.00	RMB 4,220	-
PET Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 212,182	53.24	RMB 1,364,627	-
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 7,026	-
	Shanghai Yuanzi Information Co., Ltd.	(Note A)	Equity method investments	(Note H)	RMB 2,338	100.00	RMB 2,326	-
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 103,282	100.00	RMB 664,246	-
	Oriental Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 94,876	100.00	RMB 610,187	-
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 40,108	100.00	RMB 257,952	-
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 29,172	96.20	RMB 186,210	-
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 28,678	61.54	RMB 185,021	-
	Far Eastern (China) Investment Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 69,548	100.00	RMB 352,472	-
ARCOA Communication Co., Ltd.	<u>Stock</u>							
	DataExpress Infotech Co., Ltd.	(Note A)	Equity method investments	6,143	157,409	70.00	157,409	-
	THI consultants Inc.	-	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	June 30, 2011				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	9,208	\$ 120,267	-	\$ 120,267	-	
	Bond Fund	-	Available-for-sale financial assets - current	9,482	120,346	-	120,346	-	
	Capital Income Fund	-	Available-for-sale financial assets - current	5,825	90,299	-	90,299	-	
	Fuh Hwa Money Market Fund	-	Available-for-sale financial assets - current	6,499	90,358	-	90,358	-	
	Fuh Hwa Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	3,095	40,234	-	40,234	-	
	Fuh Hwa Global Short-Term Income Fund	-	Available-for-sale financial assets - current	4,709	50,693	-	50,693	-	
	<u>Bonds</u>								
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	-	10,000	-	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 212,834	-	
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 207,872	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 2,466	100.00	RMB 15,859	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 1,855	100.00	RMB 2,379	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 20,540	100.00	RMB 20,480	-	
New Century InfoComm Tech Co., Ltd.	<u>Stock</u>								
	New Diligent Co., Ltd.	(Note A)	Equity method investments		80,000	720,893	100.00	720,893	-
	Information Security Service Digital United Co., Ltd.	(Note A)	Equity method investments		14,878	110,382	100.00	110,382	-
	Simple InfoComm Co., Ltd.	(Note A)	Equity method investments		3,400	21,418	100.00	21,418	-
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity method investments		1,000	8,166	4.99	8,166	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments		575	1,762	5.00	1,762	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments		932	9,221	20.63	9,221	-
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - noncurrent		30,000	33,269	3.00	33,269	-
	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		565	24,174	-	24,174	-
	CHC	-	Financial assets at fair value through profit or loss - current		200	3,620	-	3,620	-
	S.F.C.	-	Financial assets at fair value through profit or loss - current		18	1,926	-	1,926	-
	NPC	-	Financial assets at fair value through profit or loss - current		58	4,443	-	4,443	-
	UPC	-	Financial assets at fair value through profit or loss - current		403	9,269	-	9,269	-
	FCFC	-	Financial assets at fair value through profit or loss - current		40	4,280	-	4,280	-
	YUNGTAY	-	Financial assets at fair value through profit or loss - current		96	5,501	-	5,501	-
	WALSIN	-	Financial assets at fair value through profit or loss - current		673	9,691	-	9,691	-
	TFC	-	Financial assets at fair value through profit or loss - current		99	8,742	-	8,742	-
	TGI	-	Financial assets at fair value through profit or loss - current		234	11,817	-	11,817	-
	Tung Ho Steel	-	Financial assets at fair value through profit or loss - current		259	8,443	-	8,443	-
	FH	-	Financial assets at fair value through profit or loss - current		54	2,943	-	2,943	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	CST	-	Financial assets at fair value through profit or loss - current	54	\$ 4,455	-	\$ 4,455	-
	YL	-	Financial assets at fair value through profit or loss - current	385	27,142	-	27,142	-
	DELTA	-	Financial assets at fair value through profit or loss - current	53	5,592	-	5,592	-
	TSMC	-	Financial assets at fair value through profit or loss - current	203	14,657	-	14,657	-
	FTC	-	Financial assets at fair value through profit or loss - current	120	14,280	-	14,280	-
	EPISTAR	-	Financial assets at fair value through profit or loss - current	40	3,408	-	3,408	-
	VPEC	-	Financial assets at fair value through profit or loss - current	114	8,014	-	8,014	-
	CATCHER	-	Financial assets at fair value through profit or loss - current	60	10,860	-	10,860	-
	HTC	-	Financial assets at fair value through profit or loss - current	10	9,660	-	9,660	-
	HUANG HSIANG	-	Financial assets at fair value through profit or loss - current	194	14,763	-	14,763	-
	RADIUM	-	Financial assets at fair value through profit or loss - current	316	11,882	-	11,882	-
	FSC	-	Financial assets at fair value through profit or loss - current	63	4,196	-	4,196	-
	EVAAir	-	Financial assets at fair value through profit or loss - current	250	7,325	-	7,325	-
	GFRT	-	Financial assets at fair value through profit or loss - current	6	3,264	-	3,264	-
	CHANG HWA BANK	-	Financial assets at fair value through profit or loss - current	722	17,039	-	17,039	-
	CHINA LIFE	-	Financial assets at fair value through profit or loss - current	40	1,520	-	1,520	-
	CATHAY HOLDINGS	-	Financial assets at fair value through profit or loss - current	68	3,034	-	3,034	-
	Yuanta Group	-	Financial assets at fair value through profit or loss - current	100	1,990	-	1,990	-
	MEGA FHC	-	Financial assets at fair value through profit or loss - current	674	16,917	-	16,917	-
	CFHC	-	Financial assets at fair value through profit or loss - current	470	11,750	-	11,750	-
	FFHC	-	Financial assets at fair value through profit or loss - current	818	19,427	-	19,427	-
	RUENTEX IND. LTD.	-	Financial assets at fair value through profit or loss - current	39	2,777	-	2,777	-
	LARGAN	-	Financial assets at fair value through profit or loss - current	13	11,960	-	11,960	-
	NOVATEK	-	Financial assets at fair value through profit or loss - current	29	2,683	-	2,683	-
	WT	-	Financial assets at fair value through profit or loss - current	51	2,698	-	2,698	-
	TXC	-	Financial assets at fair value through profit or loss - current	97	4,864	-	4,864	-
	KINSUS	-	Financial assets at fair value through profit or loss - current	109	12,753	-	12,753	-
	Dynapack	-	Financial assets at fair value through profit or loss - current	63	8,064	-	8,064	-
	Wistron	-	Financial assets at fair value through profit or loss - current	92	4,692	-	4,692	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	ELASER	-	Financial assets at fair value through profit or loss - current	40	\$ 3,264	-	\$ 3,264	-
	VIVOTEK	-	Financial assets at fair value through profit or loss - current	80	6,896	-	6,896	-
	EDISON OPTO	-	Financial assets at fair value through profit or loss - current	60	7,200	-	7,200	-
	Gigasolar	-	Financial assets at fair value through profit or loss - current	4	2,532	-	2,532	-
	EXCELSIOR	-	Financial assets at fair value through profit or loss - current	82	7,306	-	7,306	-
	PAHSCO	-	Financial assets at fair value through profit or loss - current	14	1,576	-	1,576	-
	DMT	-	Financial assets at fair value through profit or loss - current	13	2,184	-	2,184	-
	TWNCAL	-	Financial assets at fair value through profit or loss - current	172	13,485	-	13,485	-
	RECHI	-	Financial assets at fair value through profit or loss - current	196	3,891	-	3,891	-
	SMP	-	Financial assets at fair value through profit or loss - current	31	7,177	-	7,177	-
	CHIPBOND	-	Financial assets at fair value through profit or loss - current	66	2,696	-	2,696	-
	Career Tech.	-	Financial assets at fair value through profit or loss - current	187	11,014	-	11,014	-
	ROEC	-	Financial assets at fair value through profit or loss - current	127	11,757	-	11,757	-
	PTI	-	Financial assets at fair value through profit or loss - current	45	4,338	-	4,338	-
	FLEXIUM	-	Financial assets at fair value through profit or loss - current	55	3,916	-	3,916	-
	WNC	-	Financial assets at fair value through profit or loss - current	93	8,370	-	8,370	-
	Richtek	-	Financial assets at fair value through profit or loss - current	28	5,516	-	5,516	-
	Topoint	-	Financial assets at fair value through profit or loss - current	351	10,688	-	10,688	-
	TAIFLEX	-	Financial assets at fair value through profit or loss - current	18	1,112	-	1,112	-
	CCI	-	Financial assets at fair value through profit or loss - current	161	5,764	-	5,764	-
	Co Asia	-	Financial assets at fair value through profit or loss - current	57	3,209	-	3,209	-
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	1,065	62,675	-	62,675	-
	iShares FTSE/Xinhua A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,250	59,702	-	59,702	-
	<u>Share certificates</u> Digital United (Cayman) Ltd.	(Note A)	Equity method investments	3,320	22,510	100.00	22,510	-
	<u>Open-end mutual funds</u> Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	14,107	205,301	-	205,301	-
	Mega Diamond Bond Fund	-	Financial assets at fair value through profit or loss - current	3,594	43,200	-	43,200	-
	DFE DWS Global Multi-asset Income Plus FOF-A	-	Financial assets at fair value through profit or loss - current	9,571	106,528	-	106,528	-
	Deutsche Far Eastern DWS Global Agribusiness Fund	-	Financial assets at fair value through profit or loss - current	5,000	51,150	-	51,150	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2011				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	<u>Private funds</u>							
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	30	\$ 954,998	-	\$ 954,998	-
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	10	299,416	-	299,416	-
	Capital Convertible Bond Arbitrage Plus I Fund	-	Available-for-sale financial assets - current	4,779	48,985	-	48,985	-
	Capital CB Arbitrage VIII Fund	-	Available-for-sale financial assets - current	4,768	48,869	-	48,869	-
	Fuh Hwa Angel Fund	-	Available-for-sale financial assets - current	8,114	100,528	-	100,528	-
	<u>Bonds</u>							
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	1	990,000	-	990,000	-
Digital United (Cayman) Ltd.	<u>Stock</u> Digital United Information Technologies Co., Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 433	100.00	US\$ 433	-
New Diligent Co., Ltd.	<u>Share certificates</u> New Diligence Corporation (Shanghai)	(Note A)	Equity method investments	-	2,080	100.00	2,080	-
	Far Eastern New Diligent Company Ltd.	(Note A)	Equity method investments	-	-	100.00	-	-
	Sino Lead Enterprise Limited	(Note A)	Equity method investments	-	522	100.00	522	-
DataExpress Infotech Co., Ltd.	<u>Stock</u> Linkwell Tech. Co., Ltd.	(Note A)	Equity method investments	1,000	8,212	100.00	8,212	-
Far Eastern Info Service (Holding) Ltd.	<u>Share certificates</u> Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 5,830	100.00	US\$ 5,830	-
Far EasTron Holding Ltd.	<u>Stocks</u> ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	2,734	US\$ 941	60.52	US\$ 941	-
E. World (Holdings) Ltd.	<u>Stocks</u> Yuan Cing Co., Ltd.	(Note A)	Equity method investments	19,350	US\$ 3,052	100.00	US\$ 3,052	-
Far Eastern Tech-info Ltd. (Shanghai)	<u>Share certificates</u> Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Equity method investments	-	RMB 48,552	55.00	RMB 48,552	-

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 chairman of FENC is the vice president of the investee company.

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 shareholding of Pacific Liu Tung Investment Co., Ltd.

H. The private company.

I. Institutional director of the investee is FENC.

J. All companies are recognized in financial reports not reviewed by the independent accountants during the same period, except for Asia Cement Corporation, Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation, Everest Textile Co., Ltd., Far EasTone Telecommunications Co., Ltd., Yuan Ding Investment Co., Ltd., Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Oriental Securities Co., Ltd., Pacific Liu Tung Investment Corporation, KGEx. com Co., Ltd., Q-Ware Communications Corp., New Century Infocomm Tech Co., Ltd., Arcoa Communication Co., Ltd., Data Express Infotech Co., Ltd., Linkwell Tech. Co., Ltd. and Far Eastern Electronic Toll Collection Co., Ltd.

(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 NT\$100 MILLION OR 20% OF THE CAPITAL STOCK

SIX MONTHS ENDED JUNE 30, 2011

(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
Yuan Tong Investment Co., Ltd.	Oriental Union Chemical Corporation	Equity method investments	Open market	-	439	\$ 9,977	3,499	\$ 147,258	-	\$ -	\$ -	\$ -	\$ (8,633)	3,938	\$ 148,602
	Asia Cement Corporation	Equity method investments	Open market	-	16,781	574,317	3,464	113,174	-	-	-	-	(13,047)	20,245	674,444
Ding Yuan International Investment Co., Ltd.	Oriental Union Chemical Corporation	Equity method investments	Open market	-	10,045	222,374	3,113	122,100	-	-	-	-	(9,445)	13,158	335,029
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Equity method investments	Stock dividend	-	16,096	375,174	911	28,500	-	-	-	-	(9,436)	17,007	394,238
	Far Eastern Department Stores Co., Ltd.	Equity method investments	Open market	-	10,947	296,242	-	-	2,760	123,919	76,010	46,323	373	8,187	220,605
Far EasTone Telecommunications Co., Ltd.	Stocks														
	Yuan Cing Infocomm Tech Co., Ltd.	Equity method investments	Der Ching Investment Corporation	Note A	1,500,100	15,076,670	836,504 (Note A)	1,545,584 (Note A)	2,336,604 (Note B)	-	-	-	(16,622,254) (Note B)	-	-
	Far Eastern Electronic Toll Collection Co., Ltd.	Equity method investments	Issuance of stock by cash	-	157,714	169,347	10,006	100,064	-	-	-	-	(5,420)	167,720	263,991
Far Eastern Tech-info Ltd. (Shanghai)	Stocks														
	Far Eastern New Century Corporation	Equity method investments	Yuan Dong New Century Company Ltd. and issuance of stock by cash	-	-	-	-	RMB 49,874	-	-	-	-	RMB (1,322)	-	RMB 48,552
New Diligent Co., Ltd.	FSITC Taiwan Bond Fund	Financial assets at fair value through profit or loss - current	-	-	10,940	160,000	-	-	10,940	160,656	160,000	656	-	-	-
Far Eastern General Constructor Inc.	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current	-	-	11,853	190,030	-	-	11,853	190,081	190,030	51	-	-	-
	Shin Kong Chi-Shin Fun	Financial assets at fair value through profit or loss - current	-	-	11,239	167,005	-	-	11,239	167,202	167,005	197	-	-	-
	FSITC Money Market Bond Fund	Financial assets at fair value through profit or loss - current	-	-	760	130,003	-	-	760	130,075	130,003	72	-	-	-
	Capital Income Fund	Financial assets at fair value through profit or loss - current	-	-	8,407	130,003	-	-	8,407	130,043	130,003	40	-	-	-
	Union Bond	Financial assets at fair value through profit or loss - current	-	-	-	-	8,282	105,000	8,282	105,012	105,000	12	-	-	-

Notes: A. Though a share swap and a cash merger (NT\$10.93 per share), Far EasTone acquired 695,096,070 shares and 141,407,477 shares, respectively. Each merger included 90,688 thousand shares of \$991,222 thousand acquired from related parties.

B. The investment cost recognized due to the share swap was NT\$6,170,177 thousand; the investment income recognized under the equity method was NT\$48,214 thousand; and the adjustment arising from changes in shareholders' equity was NT\$2,292 thousand. On March 1, 2011, the amount of NT\$22,842,937 thousand was eliminated due to the cash merger.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

REAL ESTATE SOLD AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK

YEAR ENDED JUNE 30, 2011

(In Thousands of New Taiwan Dollars)

Company Name	Real Estate	Trading Date	Acquiring Date	Trading Amount	Payment Amount	Payment	Gain (Loss)	Related Party	Nature of Relationship	Price Basis of the Transfer	Purpose	Other Contract Items
Far Eastern Resources Development Co., Ltd.	Lot of the Ya-Yong Section in Banciao, Taipei County	2011.3.28	2003.09.02	\$ 147,693	\$ 432,907	The full amount had been paid off by the end of 2011	\$ 327,480 (Note A)	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	The same chairman	A new medical building of Far Eastern Memorial Hospital	Refer to Appraisal Report provided by Great Eastern Real Estate Appraisers Firm and TeamCan Real Estate Appraisers Firm	None

Note A. The amount is calculated by the transaction price amounting to NT\$432,907 thousand less the carrying value amounting to NT\$147,693 thousand and the land value increment tax NT\$51,414 thousand, and reversing the allowance for land value increment tax NT\$39,785 thousand and the unrealized revaluation increments NT\$53,895 thousand.

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

SIX MONTHS ENDED JUNE 30, 2011

(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	\$ 940,169	4	For contract	\$ -	-	\$ -	-	\$ (104,902)	(2)	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note H)	Sale	(282,649)	(1)	For contract	-	-	-	-	92,836	1	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note F)	Purchase	5,285,611	22	For contract	-	-	-	-	(719,396)	(16)	
	Everest Textile Co., Ltd.	(Note A)	Sale	(173,563)	-	For contract	-	-	22,942	-	10,105	-	
	Oriental Resources Development Ltd.	(Note F)	Purchase	124,490	-	For contract	-	-	-	-	(28,929)	(1)	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note F)	Purchase	3,483,496	93	For contract	-	-	-	-	(1,040,781)	(85)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note G)	Sale	(389,929)	(10)	For contract	-	-	-	-	240,161	26	
	Wuhan Far Eastern New Material Ltd.	(Note G)	Sale	(247,641)	(7)	For contract	-	-	-	-	127,832	13	
	Wuhan Far Eastern New Material Ltd.	(Note G)	Purchase	265,683	7	For contract	-	-	-	-	(186,850)	(15)	
Far Eastern General Constructor Inc.	Far Eastern Department Stores Co., Ltd.	(Note B)	Construction income	(379,488)	(10)	For contract	-	-	1,165,583	4	9,113	1	
	Far Eastern Construction Co., Ltd.	(Note E)	Construction income	(675,820)	(16)	For contract	-	-	(301,396)	17	-	-	
	Ya Tung Ready Mixed Concrete Co., Ltd.	(Note I)	Purchase	361,912	9	For contract	-	-	(96,423)	(11)	(88,977)	(10)	
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc.	(Note F)		795,068	62	For contract	-	-	(639,865)	(97)	-	-	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note G)	Purchase	280,349	18		-	-	-	-	(116,616)	(11)	
	An Ho Garment (Suzhou) Ltd.	(Note F)	Purchase	119,010	7	For contract	-	-	-	-	(23,186)	(3)	
Far EastTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note F)	Sales of equipment and accessories and telecommunications service revenues	(213,091)	(1)		-	-	-	-	178,124	3	
			Cost of telecommunications services, marketing expenses and cost of sales	940,083	4	For contract	-	-	-	-	Accounts payable and accrued expense (166,393)	(3)	
	KGEx.com Co., Ltd.	(Note F)	Telecommunications service revenues	(126,928)	-	For contract	-	-	-	-	60,069	1	
	New Century InfoComm Tech Co., Ltd.	(Note F)	Telecommunications service revenues	(412,623)	(1)	For contract	-	-	-	-	Accounts receivable (Note C)	-	
			Cost of telecommunications services	628,444	4	For contract	-	-	-	-	Accounts payable and accrued expense (301,396) (Note C)	(5)	
New Century InfoComm Tech Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note E)	Telecommunications service revenues	(628,444)	(12)	For contract	-	-	-	-	301,396 (Note K)	47	
			Cost of telecommunications services	412,623	10	For contract	-	-	-	-	Accounts receivable (Note C)	-	
	KGEX.com Co., Ltd.	(Note G)	Cost of telecommunications services	213,286	5	For contract	-	-	-	-	(54,590)	(10)	

(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	
ARCOA Communication Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note E)	Commission revenue, sales of cellular phone equipment and accessories and service revenues	\$ (940,083)	(43)	For contract	\$ -	-	\$ -	-	\$ 166,393	76	
			Cost of telecommunications services and cost of sales	213,091	11	For contract	-	-	-	-	(178,124)	(32)	
KGEx.com Co., Ltd. (Note C)	Far EastTone Telecommunications Co., Ltd.	(Note E)	Cost of telecommunications services	126,928	-	For contract	-	-	-	-	(60,069)	(45)	
	New Century InfoComm Tech Co., Ltd.	(Note G)	Telecommunications service revenues	(213,286)	(40)	For contract	-	-	-	-	54,590	46	
Data Express Info Technology Inc.	Pacific SOGO Department Stores Co., Ltd.	(Note K)	Sales revenue	(148,752)	(13)	For contract	-	-	-	-	42,855	24	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note G)	Sale	(940,125)	(6)	For contract	-	-	-	-	545,354	15	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	987,595	6	For contract	-	-	-	-	(159,100)	(4)	
	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note G)	Purchase	5,624,233	37	For contract	-	-	(2,279,331)	(95)	(937,156)	(20)	
	Far Eastern Polychem Industries Ltd.	(Note E)	Sale	(3,483,496)	(21)	For contract	-	-	-	-	1,040,781	28	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note G)	Purchase	1,513,641	11	For contract	-	-	-	-	(606,458)	(13)	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note G)	Sale	(169,464)	(1)	For contract	-	-	-	-	36,376	1	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note E)	Sale	(124,490)	(41)	For contract	-	-	-	-	28,929	33	
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sale	(119,010)	(100)	For contract	-	-	-	-	23,186	100	
Oriental Industries (Suzhou) Ltd. Ltd.	Far Eastern New Century Corporation	(Note E)	Sale	(5,285,611)	(29)	For contract	-	-	-	-	719,396	16	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(1,513,641)	(8)	For contract	-	-	-	-	606,458	14	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(391,026)	(2)	For contract	-	-	-	-	237,305	5	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Purchase	1,602,400	72	For contract	-	-	(375,791)	(100)	(224,001)	(27)	
	Oriental Textile (Holding) Ltd.	(Note E)	Sale	(979,956)	(38)	For contract	-	-	-	-	353,046	42	
Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note F)	Purchase	979,956	85	For contract	-	-	-	-	(353,046)	(92)	
	Far Eastern Industries (Wuxi) Ltd.	(Note F)	Purchase	166,604	15	For contract	-	-	-	-	(29,068)	(8)	
Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	940,125	85	For contract	-	-	-	-	(545,354)	(80)	
	Far Eastern Polychem Industries Ltd.	(Note G)	Purchase	247,641	5	For contract	-	-	-	-	(127,832)	(14)	
	Far Eastern Polychem Industries Ltd.	(Note G)	Sale	(265,683)	(20)	For contract	-	-	-	-	186,850	64	
Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(5,624,233)	(41)	For contract	-	-	2,279,331	41	937,156	81	
	Far Eastern Industries (Suzhou) Ltd.	(Note G)	Sale	(1,530,811)	(11)	For contract	-	-	597,388	11	217,692	19	
Far Eastern Industries (Suzhou) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	(Note G)	Purchase	1,530,811	58	For contract	-	-	(597,388)	(84)	(217,692)	(28)	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Sale	(987,595)	(39)	For contract	-	-	-	-	159,100	30	
	Oriental Industries (Suzhou) Ltd.	(Note G)	Sale	(1,602,400)	(59)	For contract	-	-	375,791	100	224,001	60	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note G)	Purchase	391,026	15	For contract	-	-	-	-	(237,305)	(21)	
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	Sale	(166,604)	(10)	For contract	-	-	-	-	29,068	10	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note G)	Sale	(280,349)	(24)	For contract	-	-	-	-	116,616	31	
	Far Eastern Apparel (Holding) Ltd. (F.E.A.H)	(Note E)	Sale	(401,174)	(34)	For contract	-	-	-	-	91,602	24	
	Far Eastern Industries (Shanghai) Ltd.	(Note G)	Purchase	169,464	13	For contract	-	-	-	-	(36,376)	(27)	

(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 Apparel (Holding) Ltd. (F.E.A.H)	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note F)	Purchase	\$ 401,174	100	For contract	\$ -	-	\$ -	-	\$ (91,602)	(100)	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note G)	Purchase	389,929	87	For contract	-	-	-	-	(240,161)	(76)	

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. Including the receivables collected by Far EasTone for NCIC.
- K. 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
SIX MONTHS ENDED JUNE 30, 2011
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Far EasTone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd.	(Note C)	\$ 180,630	10.32	\$ -	-	\$ 167,025	\$ -
	New Century InfoComm Tech Co., Ltd.	(Note C)	285,498	(Note E)	-	-	134,757	-
Arcoa Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	166,393	10.79	-	-	99,302	-
New Century Infocomm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note D)	338,302	(Note F)	-	-	160,585	-
Far Eastern Polychem Industries Ltd.	Wu Han Far Eastern New Material Ltd.	(Note B)	127,832	1.92	-	-	19,509	-
	Pet Far Eastern (M) Sdn. Bhd.	(Note B)	240,161	1.57	-	-	22,857	-
Oriental Petrochemicals (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note D)	719,396	12.42	-	-	719,396	-
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	606,458	8.35	-	-	402,449	-
	Far Eastern Industries (Suzhou) Ltd.	(Note B)	237,305	6.02	-	-	125,060	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd.	(Note B)	545,354	4.06	-	-	30,979	-
	Far Eastern Polychem Industries Ltd.	(Note D)	1,040,781	6.52	-	-	118,632	-
Oriental Petrochemicals (Shanghai) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note B)	3,216,487	11.65	-	-	3,216,487	-
	Far Eastern Industries (Suzhou) Ltd.	(Note B)	815,080	11.75	-	-	815,080	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note B)	599,792	5.41	-	-	599,792	-
	Far Eastern Industries (Shanghai) Ltd.	(Note B)	159,100	3.51	-	-	159,100	-
Far Eastern General Constructor Inc.	Far Eastern Construction Co., Ltd.	(Note D)	639,865	(Note G)	-	-	639,865	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note D)	353,046	11.36	-	-	190,990	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note B)	314,435	(Note H)	-	-	-	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note B)	116,616	0.89	-	-	15,347	-
Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note B)	186,850	6.00	-	-	RMB 32,502	-
Pet Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Co., Ltd.	(Note C)	270,501	(Note I)	-	-	-	-

(Continued)

Note A: Receivables from the financier in the Group provided weren't included in Schedule L, and please refer to Schedule F.

Note B: The same ultimate parent company.

Note C: The subsidiary.

Note D: The parent company.

Note E: The turnover rate is unavailable because the receivables from related parties were mainly due to the advances made for NCIC's daily operating expenditures and the management service charges to NCIC.

Note F: The turnover rate was unavailable as the receivables from related parties were partially due to collection of telecommunications bills by Far Eastone for NCIC.

Note G: 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".

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

(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

SIX MONTHS ENDED JUNE 30, 2011

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2011	December 31, 2010	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	\$ 12,523,832	\$ 5,917,329	\$ 946,031	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	4,274,718	940,433	161,986	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	9.17	1,221,827	1,637,501	149,940	Including write off and reversed by upstream transactions \$(219)
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,124	64,922	19	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,294	1,828,323	99.70	34,351,762	2,317,628	2,339,738	Including write off and reversed by side-stream transactions \$29,063
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate Investment	14,931,733	14,931,733	487,279	100.00	17,194,546	411,426	622,884	Including write off and reversed by side-stream transactions \$211,458
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,033,090	62,618	47,396	Including write off and reversed by side-stream transactions \$(15,222)
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	5,613,882	497,093	497,093	
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,846,795	5,846,795	678,205	67.15	6,095,922	339,577	255,475	Including write off by side-stream transactions \$27,449
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	100.00	4,193,785	253,790	253,790	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	385,760	75.56	6,390,468	1,452,790	1,127,083	Including write off and reversed by upstream transactions and side-stream transactions \$29,355
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,984,602	46	100.00	3,802,075	238,087	241,202	Including write off and reversed by side-stream transactions \$3,115
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	37.13	3,399,903	288,870	107,564	
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	65.11	2,431,023	587,198	382,325	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,599,655	138,676	138,676	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	2,061,048	206,600	40,597	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	2,827,853	2,827,853	202	85.27	5,208,290	864,473	725,433	Including write off and reversed by side-stream transactions \$(16,566); discount amortization of \$4,863
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Garment production	1,023	1,023	66,346	100.00	1,480,682	118,130	118,130	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,441,158	368,251	61,977	
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	131,437	1,605	1,605	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	19.00	26,703	(23,372)	(4,440)		
FEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	676,315	244	50.43	704,557	(33,036)	(16,660)		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,749	116,594	6,024	0.20	122,314	5,917,329	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	21,953,925	4,010,664	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	806,438	64,922	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,166,082	1,130,169	74,354	9.23	1,333,971	1,637,501	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	4,926	0.40	141,926	940,433	-	
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,606,913	5,606,913	86	100.00	5,566,126	248,545	-	
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM11, Bermuda	Investment	1,620,452	1,620,452	331,717	32.85	2,984,307	339,577	-	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,827,304	206,600	-	
	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	2,179,442	2,179,442	111	100.00	2,243,962	32,502	-	
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,140,784	347,378	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	\$ 188,846	\$ 188,846	64,759	12.86	\$ 1,174,897	\$ 288,870	\$ -	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,190,914	368,251	-	
	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	1,038,990	114,368	-	
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	853,167	27,836	-	
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	384,847	12,846	-	
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,024	100.00	369,984	24,320	-	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	558,939	37,151	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	272,925	121,271	-	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	135,528	5,974	-	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	-	-	26,528	5.20	431,116	1,452,790	-	
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	128,265	14,188	-	
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	111,338	4,552	-	
	Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	17,380	133,827	-	
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\$ 18,340	US\$ 1,982	-	
	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 (6,961)	-	
	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 1)	50.00	US\$ 6,292	US\$ (928)	-	
	Com 2B Corp.	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	US\$ 877	US\$ (32)	-	
Ding Yuan International Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	30,033	85,591	1,588	0.13	38,628	940,433	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	147,325	146,380	8,645	1.83	51,144	64,922	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	328,343	206,243	13,158	1.63	335,029	1,637,501	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	39,368	4,010,664	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	174,595	368,251	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	9,683	13.20	203,601	30,473	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	12,096	0.39	376,205	5,917,329	-	
	Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	308,875	280,375	17,007	0.55	394,238	5,917,329	-
Far EasTone Telecommunications Co., Ltd.		Taipei, Taiwan	Telecommunications	1,934,181	1,934,181	92,462	2.84	2,291,704	4,010,664	-	
Oriental Union Chemical Corporation		Taipei, Taiwan	Petrochemical materials production	566,438	566,438	25,303	3.14	481,560	1,637,501	-	
Far Eastern Department Stores Co., Ltd.		Taipei, Taiwan	Department store operations	214,068	290,078	8,187	0.66	220,605	940,433	-	
Kowloon Cement Co., Ltd.		Hong Kong	Cement production	226,896	226,896	1,127	49.00	349,779	3,244	-	
Far Eastern International Leasing Corp.		Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,023,997	114,368	-	
Pacific Liu Tung Investment Corp. (Note C)		Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	174,595	368,251	-	
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\$ 1,826,594	RMB 95,455	-	
	PET Far Eastern (Holding) Ltd.	Claredon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	14.72	HK\$ 249,247	US\$ 29,738	-	
	FEDP (Holding) Ltd.	Claredon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 189,629	US\$ 1,136	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc.	Taipei, Taiwan	Construction	271,587	271,587	125,639	98.95	1,538,102	133,827	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	216,959	216,959	16,217	0.53	426,186	5,917,329	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	China	Garment production	US\$ 10,000	US\$ 10,000	(Note B)	38.46	US\$ 17,923	RMB 10,332	-	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China	Dyeing and finishing	US\$ 50,000	US\$ 50,000	(Note B)	100.00	US\$ 63,230	RMB 12,341	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Apparel Co., Ltd.	Ming Ding Co.	Taipei, Taiwan	Underwear selling	\$ 2,174	\$ 2,174	448	44.80	\$ 6,570	\$ 73	\$ -	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	29	29	6	0.01	60	30,473	-	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Leidesplein 9, 1017 PS Amsterdam, The Netherland	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 18,242	US\$ 1,985	-	
Waldorf Services B.V.	Cemtex Apparel Inc.	#100 Marc Alvarez Ave. Talon Las Pinas City Filipino	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	US\$ (143)	PESO (1,847)	-	
	Malaysia Garment Manufactures Pte. Ltd.	No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.92	US\$ 1,912	US\$ 192	-	
	Far Eastern International Garments	Bldg. #5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	US\$ 290	59	41.00	US\$ (210)	PESO (734)	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,836,845	4,010,664	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	99,925	99,925	2,843	0.09	105,563	5,917,329	-	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	86,200	86,200	5,000	0.70	79,500	206,600	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	11,494	15.66	143,435	30,473	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	98,964	368,251	-	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	146,918	2,317,628	-	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan	Personnel recruitment	7,304	6,271	750	55.56	11,203	3,403	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,574	4,010,664	-	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	174,595	368,251	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,289,664	2,287,705	104,261	3.20	2,709,921	4,010,664	-	
	Far Eastern Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	372,712	350,476	37,271	9.09	51,754	(38,133)	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	211,061	189,735	7,584	0.61	221,839	940,433	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Chemical materials production	156,801	9,543	3,938	0.49	148,602	1,637,501	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	661,627	548,453	20,245	0.66	674,444	5,917,329	-	
	Sino Belgium (Holding) Ltd.	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,086,142	1,086,142	17	87.50	(78,005)	(114,713)	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd. (Note E)	Taiwan	Type I, II telecommunications services	27,243,773	6,422,241	2,599,449	100.00	27,377,801	129,861	-	
	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	1,122,347	39,735	-	
	KGEx.com Co., Ltd. (Note D)	Taiwan	Type II telecommunications services	2,355,649	2,355,649	89,088	79.25	706,540	(25,266)	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	1,677,204	1,577,140	167,720	40.91	263,991	(38,133)	-	
	Far Eastern Info Service (Holding) Ltd.	Cayman Islands	Investment	92,616	92,616	1	100.00	185,751	9,698	-	
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	81,466	4,158	-	
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	26,753	(171)	-	
	Far Eastern Electronic Taiwan Commerce Co., Ltd. (Note F)	Taiwan	Electronic information providing services	30,000	-	3,000	14.96	24,498	(38,782)	-	
	iScreen Corporation (Note D)	Taiwan	Information service	100,000	100,000	4,000	40.00	21,534	(6,867)	-	
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	21,231	(5,204)	-	
	Ding Ding Integrated Marketing Service Co., Ltd. (Note F)	Taiwan	Marketing	60,000	90,000	1,725	15.00	5,283	2,881	-	
	ADCast Interactive Marketing Co., Ltd. (Note D)	Taiwan	Internet advertisements and marketing	4,652	4,652	387	8.56	3,826	(88)	-	
	Q-ware Communications Co., Ltd.	Taiwan	Type II telecommunications services	495,855	495,855	36,460	51.00	(203,997)	(89,531)	-	
Yuan Cing Infocomm Tech Co., Ltd. (Note E)	Taiwan	Production and sale of communications products	-	15,001,000	-	-	-	48,214	-		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value			
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 350	(Note B)	0.17	RMB 350	RMB 6,543	\$ -	
				RMB 1,000	RMB 1,000	(Note B)	100.00	RMB 4,220	RMB 739	-	
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\$ 212,182	RMB 368,379	-	
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 6,650	(Note B)	3.63	RMB 3,700	RMB 6,543	-	
				RMB 2,000	RMB 2,000	(Note B)	100.00	RMB 2,338	RMB 158	-	
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\$ 59,960	(Note B)	100.00	US\$ 103,282	RMB 50,986	-	
				US\$ 138,000	US\$ 138,000	(Note B)	100.00	US\$ 94,876	RMB 14,302	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 40,108	RMB (6,409)	-	
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern New Century (China) Investment Ltd.	China China China	Garment production and sales Garment production Investment	US\$ 22,000	US\$ 22,000	(Note B)	96.20	US\$ 29,172	RMB 6,543	-	
				US\$ 16,000	US\$ 16,000	(Note B)	61.54	US\$ 28,678	RMB 10,332	-	
				US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 69,548	RMB 41,330	-	
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	141,750	6,143	70.00	157,409	29,795	-	
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 219,138	(Note B)	12.36	RMB 219,138	RMB 95,455	-	
				RMB 115,232	RMB 115,232	(Note B)	8.11	RMB 115,232	RMB 368,379	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beer Trading (Shanghai) Ltd.	China China	Brewer Beer sale	US\$ 30,000	US\$ 30,000	(Note B)	100.00	US\$ 2,466	RMB (15,109)	-	
				US\$ 8,463	US\$ 3,633	(Note B)	100.00	US\$ 1,855	RMB (4,637)	-	
Oriental Petrochemical (Shanghai) Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB 19,000	RMB 5,000	(Note B)	100.00	RMB 20,540	RMB (60)	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	720,893	2,518	-	
	Information Security Service Digital United	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	110,382	(16,631)	-	
	Digital United (Cayman) Ltd.	Cayman Islands	General investment	102,442	102,442	3,320	100.00	22,510	(1,631)	-	
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications	34,000	34,000	3,400	100.00	21,418	(2,698)	-	
	Far Eastern Electronic Commerce Co., Ltd. (Note F)	Taiwan	Electronic toll collection service	10,000	-	1,000	4.99	8,166	(38,782)	-	
	Ding Ding Integrated Marketing Service Co., Ltd. (Note F)	Taiwan	Market Sales	20,000	30,000	575	5.00	1,762	2,881	-	
	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	54,275	54,275	932	20.63	9,221	(88)	-	
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Shanghai	Design and research of computer system	US\$ 2,100	US\$ 2,100	-	100.00	US\$ 433	(1,599)	-	
New Diligent Co., Ltd.	New Diligence Corporation (Shanghai)	Shanghai	Consulting services, supporting services, and wholesale of machine equipment	39,630	39,630	-	100.00	2,080	1	-	
	Sino Lead Enterprise Limited Far Eastern New Diligent Co., Ltd.	Hong Kong Virgin Islands	Telecommunication services Electronic toll collection service	125 -	125 -	- -	100.00 100.00	522 -	(4) -	- -	
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	US\$ 2,500	-	100.00	US\$ 5,830	14,619	-	
Far EasTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	US\$ 4,532	US\$ 4,532	2,734	60.52	US\$ 941	(88)	-	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	100.00	US\$ 3,052	4,279	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2011			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2011	December 31, 2010	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Data Express Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	\$ 10,000	\$ 10,000	1,000	100.00	\$ 8,212	\$ 1,658	\$ -	
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing)	Beijing	Electronic toll collection service	RMB 49,874	-	-	55.00	RMB 48,552	(10,678)	-	

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. The financial information is based on the investees' unreviewed financial statement, except for Asia Cement Corporation, Far Eastern Department Stores Co., Ltd., Oriental Union Chemical Corporation, Everest Textile Co., Ltd., Far Eastone Telecommunication Co., Ltd. Yuan Ding Investment Co., Ltd., Far Eastern Construction Co., Ltd., Far Eastern General Contractor Inc., Oriental Securities Co., Ltd., Pacific Liu Tung Investment Corporation, KGEx.com Co., Ltd., Qware Communication Ltd., New Century InfoComm Tech. Co., Ltd., Arcoa Communication Co., Ltd., Data Express Infotech Co., Ltd., Linkwell Tech Co., Ltd. and Far Eastern Electronic Toll Collection Co., Ltd.
- E. Yuan Cing Infocomm Tech Co., Ltd. was dissolved on March 1, 2011 upon its merger with Far Eastone. Thus, its holding of the common shares of New Century InfoComm Tech Co., Ltd. was transferred to Far Eastone.
- F. Ding Ding Integrated Marketing Service Co., Ltd. (DDIM) spun off its electronic commerce business, with a net worth of \$200,000 thousand, to Far Eastern Electronic Commerce Co., Ltd. (FEEC). DDIM reduced its capital by \$200,000 thousand and FEEC issued new stocks of 200,000 thousand shares to the original shareholders of DDIM as the consideration for the spin-off. Thus, the Group became the shareholder of FEEC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

INVESTMENT IN MAINLAND CHINA

SIX MONTHS ENDED JUNE 30, 2011

(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, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2011	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of June 30, 2011 (Note B)	Accumulated Inward Remittance of Earnings as of June 30, 2011
				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.	\$ 8,417,608 (RMB 1,880,399)	\$ 4,640,047 793,920 (Note D)	\$ -	\$ -	\$ 4,640,047 793,920 (Note D)	100.00%	\$ 428,212	\$ 7,708,339	\$ 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.	915,790 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	100.00%	46,349	1,345,867	-
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.	2,155,303 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	100.00%	228,725	2,973,499	-
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Manufacture and distribution of PTA and its by-product.	6,723,119 (RMB 1,501,870)	2,976,148	-	-	2,976,148 -	61.35%	1,013,839	7,039,294	-
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.	1,653,051 (RMB 369,273)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	100.00%	55,364	1,820,381	-
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,765,396 (RMB 394,370)	1,099,293 666,026 (Note I)	-	-	1,099,293 660,026 (Note I)	100.00%	(28,749)	1,154,721	-
Wu Han Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, FET sheets, PET performs and garments and its by-product.	765,695 (RMB 171,048)	724,110	-	-	724,110	100.00%	29,351	866,496	-
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	3,523,305 (RMB 787,080)	3,421,559 (Note D)	-	-	3,421,559 (Note D)	100.00%	64,159	2,731,504	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2011	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2011	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of June 30, 2011 (Note B)	Accumulated Inward Remittance of Earnings as of June 30, 2011
				Outflow	Inflow					
Far Eastern New Century (China) Investment Ltd.	Investment	\$ 1,631,864 (RMB 364,540)	\$ 1,577,040	\$ -	\$ -	\$ 1,577,040	100.00%	\$ (1,453)	\$ 1,577,839	\$ -
Sino Belgium (Suzhou) Ltd.	Brewer	978,023 (RMB 218,480)	962,577 (Note H)	-	-	962,577 (Note H)	87.50%	(59,307)	62,119	-
Martens Beer Trading (Shanghai) Ltd.	Beer sales	254,290 (RMB 56,806)	123,565 (Note H)	-	-	123,565 (Note H)	87.50%	(18,201)	(53,413)	-
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	71,813 (US\$ 2,500)	92,616 (Note E)	-	-	92,616 (Note E)	41.26%	6,032	69,097	-
Digital United Information Technologies (Shanghai) Co., Ltd.	Design and research of computer system	60,323 (US\$ 2,100)	60,323 (US\$ 2,100) (Note K)	-	-	60,323 (US\$ 2,100) (Note K)	41.26%	(660)	5,132	-
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machine equipment	34,470 (US\$ 1,200)	34,470 (Note L)	-	-	34,470 (US\$ 1,200) (Note L)	41.26%	-	858	-

Accumulated Investment in Mainland China as of June 30, 2011	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$361,744 (Note F)	US\$561,915, RMB6,695 (Note G)	(Note J)

Notes:

- A. Recognition of gains/loss was based on the investee's unreviewed financial statements.
- B. Recognition of the investment amount was based on the investee's unreviewed 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, Far EasTone Telecommunications Co., Ltd.
- F. It was the actual amount remitted for the investments in Mainland China by FENC.
- G. The investment amounts had been approved by the Investment Commission under the Ministry of Economic Affairs.
- H. The amount was remitted by the FENC's subsidiary, Yuan Tong Investment Corporation.
- I. The amount was remitted by the FENC's subsidiaries, Yuan Ding Investment and Yuan Tong Investment.
- J. Based on MOEA Approval Letter No. 09701098660, there is no cap on the amount of the Company's investment.
- K. The amount was remitted by a company subsidiary, New Century InfoComm Tech Co., Ltd.
- L. The amount was remitted by a company subsidiary, New Diligent Co., Ltd.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE

SIX MONTHS ENDED JUNE 30, 2011

(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.					
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd.	6,592				6,592
				PET Far Eastern (Holding) Ltd.					

(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\$)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	\$ 49,500	\$ 49,500			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	4,800 2,936 (Note F)	4,800			
Far Eastern Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd.	2003.10.31 2008.10.13	No. 092033525 No. 09700348610	Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd.	20,000 30,000	20,000 30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd. FEDP	1,569			\$ 1,569	
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	Far Eastern Polytex (Holding) Ltd. FEDP	5,288	5,288			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP	4,800 754 (Note G)	4,800			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP	18,224	18,224			
	Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd.	2005.08.01 2006.02.09 2007.10.02 2008.09.01	No. 094015006 No. 094037416 No. 09600280400 No. 09700172130	Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd.	19,800 30,200 23,000 32,500	19,800 30,200 23,000 32,500			
Wu Han Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation Far Eastern New Century Corporation	2009.6.29 2010.12.21	No. 09800135640 No. 09900470530	Far Eastern Polytex (Holding) Ltd. Far Eastern Polytex (Holding) Ltd.	10,000 RMB 6,695	10,000			RMB 6,695
Far Eastern New Century (China) Investment Ltd.	Far Eastern New Century Corporation	2006.08.01	No. 09500124430 (Note A)	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 Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd	166,000	166,000			
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\$18,224 thousand.
- J. According to MOEA Approval Letter No. 10000021360, Far Eastern Polytex (Holding) Ltd. indirectly invested US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. The amount was not remitted as of August 11, 2011.

(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

SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(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	Six months ended June 30, 2011 Far Eastern New Century Corporation	Far Eastern Apparel (Suzhou) Ltd.	1	Accounts receivable	\$ 27,418	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Other payables	(282,627)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Accrued expense - outsourced process	(209,337)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Sales	72,574	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Cost of goods sold	(636,108)	Based on agreement	1
		Far Eastern Apparel (Suzhou) Ltd.	1	Outsourced process expenses	(238,078)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	1	Dividends receivable	4,205,144	Based on agreement	1
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Accounts payable	(719,396)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	1	Cost of goods sold	(5,285,611)	Based on agreement	4
		Far Eastern Apparel (Vietnam) Ltd.	1	Accrued expense - outsourced process	57,174	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	1	Outsourced process expenses	(206,922)	Based on agreement	-
		Far Eastern Construction Co., Ltd.	1	Dividends receivable	1,080,611	Based on agreement	-
		Oriental Resources Development Ltd.	1	Cost of goods sold	(124,490)	Based on agreement	-
		An Ho Garment Co., Ltd.	1	Dividends receivable	226,904	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	1	Dividends receivable	529,976	Based on agreement	-
		Ding Yuan International Investment Corp.	1	Dividends receivable	102,500	Based on agreement	-
1	Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	1	Other receivables	3,708,174	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	1	Accounts payable	(1,040,781)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	1	Cost of goods sold	(3,483,496)	Based on agreement	3
		Pet Far Eastern (M) Sdn. Bhd.	3	Accounts receivable	240,161	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	3	Sales	389,929	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	127,832	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts payable	(186,850)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	247,641	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(265,683)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Other receivables	289,701	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Accounts payable	(314,435)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(371,043)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(3,712)	Based on agreement	-
2	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	696,904	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts payable	(232,358)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	1,436,775	Based on agreement	1
		Far Eastern New Century Corporation	2	Cost of goods sold	(635,163)	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)
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Accounts payable	\$ (116,616)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Cost of goods sold	(280,349)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Other receivables	179,060	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	7,984	Based on agreement	-
		Suzhou An He Apparel Ltd.	1	Cost of goods sold	(119,010)	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other payables	(347,641)	Based on agreement	-
3	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	2	Accounts receivable	1,040,781	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Other payables	(3,708,174)	Based on agreement	1
		Far Eastern Polychem Industries Ltd.	2	Sales	3,483,496	Based on agreement	3
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	545,354	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	940,125	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	3	Accounts payable	(937,156)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Notes payable	(2,279,331)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	3	Cost of goods sold	(5,624,233)	Based on agreement	5
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Sales	169,464	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts payable	(159,100)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Cost of goods sold	(987,595)	Based on agreement	1
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	(606,458)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(1,513,641)	Based on agreement	1
4	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	3	Notes payable	(240,161)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	(389,929)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(227,031)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(1,226)	Based on agreement	-
5	Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Accounts receivable	186,850	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Accounts payable	(127,832)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	265,683	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	(247,641)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(545,354)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(940,125)	Based on agreement	1
		Far Eastern Polytex (Holding) Ltd.	2	Other payables	(347,641)	Based on agreement	-
6	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	937,156	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Notes receivable	2,279,331	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	5,624,233	Based on agreement	5
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	217,692	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes receivable	597,388	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	1,530,811	Based on agreement	1
		PET Far Eastern (Holding) Ltd.	2	Other payables	(270,501)	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	2	Other payables	(947,323)	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)
7	Yuan Ding Investment Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	\$ (4,205,144)	Based on agreement	1
		Far Eastern Resources Development Co.	3	Other payables	(870,000)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	(6,497)	Based on agreement	-
		Far Eastone Telecommunication Co., Ltd.	1	Dividends receivable	2,666,644	Based on agreement	1
		New Century InfoComm Tech Co., Ltd.	1	Other deferred charges	(81)	Based on agreement	-
		New Century InfoComm Tech Co., Ltd.	1	Interest payables	(17,494)	Based on agreement	-
		New Century InfoComm Tech Co., Ltd.	1	Bonds payable	(989,919)	Based on agreement	-
		New Century InfoComm Tech Co., Ltd.	1	Interest expenses	9,936	Based on agreement	-
		Arcoa Communication Co., Ltd.	1	Other deferred charges	(1)	Based on agreement	-
		Arcoa Communication Co., Ltd.	1	Interest payables	(177)	Based on agreement	-
		Arcoa Communication Co., Ltd.	1	Bonds payable	(9,999)	Based on agreement	-
		Arcoa Communication Co., Ltd.	1	Interest expenses	100	Based on agreement	-
		8	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	3	Accounts receivable	116,616
Far Eastern Apparel (Suzhou) Ltd.	3			Sales	280,349	Based on agreement	-
Far Eastern Industries (Shanghai) Ltd.	3			Cost of goods sold	(169,464)	Based on agreement	-
Far Eastern Apparel (Holding) Ltd.	2			Other payables	(431,850)	Based on agreement	-
Far Eastern Apparel (Holding) Ltd.	2			Sales	401,174	Based on agreement	-
9	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	3	Other payables	(179,060)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest expenses	(7,984)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts payable	(224,001)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Notes payable	(375,791)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Cost of goods sold	(1,602,400)	Based on agreement	1
		Oriental Textile (Holding) Ltd.	2	Accounts receivable	353,046	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Other payables	(2,983,922)	Based on agreement	1
		Oriental Textile (Holding) Ltd.	2	Sales	979,956	Based on agreement	1
10	Far Eastern Industries (Suzhou) Ltd.	Far Eastern Polychem Industries Ltd.	3	Other payables	(289,701)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	159,100	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	987,595	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	3	Accounts payable	(217,692)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Notes payable	(597,388)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Cost of goods sold	(1,530,811)	Based on agreement	1
		Oriental Industries (Suzhou) Ltd.	3	Accounts receivable	224,001	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Notes receivable	375,791	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Sales	1,602,400	Based on agreement	1
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	(237,305)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(391,026)	Based on agreement	-
		FEDP (Holding) Ltd.	2	Other payables	(1,089,276)	Based on agreement	-
		11	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	3	Other receivables	314,435
Far Eastern Polychem Industries Ltd.	3			Other receivables	371,043	Based on agreement	-
Far Eastern Polychem Industries Ltd.	3			Interest revenue	3,712	Based on agreement	-
Pet Far Eastern (M) Sdn. Bhd.	1			Other receivables	227,031	Based on agreement	-
Pet Far Eastern (M) Sdn. Bhd.	1			Interest revenue	1,226	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Oriental Textile (Holding) Ltd.	3	Other receivables	\$ 2,222,308	Based on agreement	1
		Oriental Textile (Holding) Ltd.	3	Guarantee deposits received - noncurrent	(29,746)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	15,511	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Other receivables	361,103	Based on agreement	-
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	2,342	Based on agreement	-
12	Oriental Textile (Holding) Ltd.	Oriental Industries (Suzhou) Ltd.	1	Other receivables	2,983,922	Based on agreement	1
		Oriental Industries (Suzhou) Ltd.	1	Accounts payable	(353,046)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	1	Cost of goods sold	(979,956)	Based on agreement	1
		Far Eastern Investment (Holding) Ltd.	3	Refundable deposits	29,746	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(2,222,308)	Based on agreement	1
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(15,511)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	1	Other receivables	1,416,639	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	1	Cost of goods sold	(166,604)	Based on agreement	-
13	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd.	3	Other receivables	870,000	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	6,497	Based on agreement	-
		Far Eastern General Contractor Inc.	3	Construction in progress	220,207	Based on agreement	-
14	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	719,396	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	5,285,611	Based on agreement	4
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	606,458	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	1,513,641	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	237,305	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	391,026	Based on agreement	-
15	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	270,501	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	947,323	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(361,103)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(2,342)	Based on agreement	-
16	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Accounts receivable	(57,174)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	206,922	Based on agreement	-
17	Far Eastern Construction Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(1,080,611)	Based on agreement	-
		Far Eastern General Contractor Inc.	1	Dividends receivable	191,599	Based on agreement	-
		Far Eastern General Contractor Inc.	1	Notes payable	(639,865)	Based on agreement	-
		Far Eastern General Contractor Inc.	1	Construction cost	(7,628)	Based on agreement	1
18	Far Eastern General Contractor Inc.	Far Eastern Resources Development Co.	3	Construction in progress	(220,207)	Based on agreement	-
		Far Eastern Construction Co., Ltd.	2	Notes receivable	639,865	Based on agreement	-
		Far Eastern Construction Co., Ltd.	2	Dividends payable	(191,599)	Based on agreement	-
		Far Eastern Construction Co., Ltd.	2	Construction income	675,820	Based on agreement	-
		Far Eastern Construction Co., Ltd.	2	Construction cost	(668,192)	Based on agreement	1
19	Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd.	2	Other payables	(1,416,639)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Sales	166,604	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)
20	Far EasTone Telecommunication Co., Ltd.	Yuan Ding Investment Co., Ltd.	3	Dividends payable	\$ (2,666,644)	Based on agreement	1
		An Ho Garment Co., Ltd.	3	Dividends payable	(200,429)	Based on agreement	-
		Yuan Cheng Human Resources Consultant Corp.	3	Operating expense	(139,867)	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Dividends payable	(231,155)	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Dividends payable	(260,653)	Based on agreement	-
21	New Century InfoComm Tech Co., Ltd.	Yuan Ding Investment Co., Ltd.	2	Interest receivable	17,494	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	2	Held-to-maturity financial assets - noncurrent	990,000	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	2	Interest revenue	(9,936)	Based on agreement	-
22	Arcoa Communication Co., Ltd.	Yuan Ding Investment Co., Ltd.	2	Interest receivable	177	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	2	Held-to-maturity financial assets - noncurrent	10,000	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	2	Interest revenue	(100)	Based on agreement	-
23	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	124,490	Based on agreement	-
24	An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(226,904)	Based on agreement	-
		Far EasTone Telecommunication Co., Ltd.	3	Dividends receivable	200,429	Based on agreement	-
25	Suzhou An He Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	119,010	Based on agreement	-
26	Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunication Co., Ltd.	3	Other operating revenue	139,867	Based on agreement	-
27	Kai Yuan International Investment Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(529,976)	Based on agreement	-
		Far EasTone Telecommunication Co., Ltd.	3	Dividends receivable	231,155	Based on agreement	-
28	Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunication Co., Ltd.	3	Dividends receivable	260,653	Based on agreement	-
29	Ding Yuan International Investment Corp.	Far Eastern New Century Corporation	2	Dividends payable	(102,500)	Based on agreement	-
30	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	3	Other receivables	347,641	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	1	Other receivables	431,850	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	1	Cost of goods sold	(401,174)	Based on agreement	-
31	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	1,089,276	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Other payables	(115,992)	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest expenses	(840)	Based on agreement	-
32	Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd.	1	Other receivables	347,641	Based on agreement	-
33	Sino Belgium (Suzhou) Ltd.	Sino Belgium (Holding) Ltd.	2	Other payables	(857,515)	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)
3	An Ho Garment Co., Ltd.	Far Eastern Resources Development Co.	3	Interest expenses	\$ (2,293)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Other payables	(400,000)	Based on agreement	-
		Far Eastone Telecommunication Co., Ltd.	3	Dividends receivable	224,480	Based on agreement	-
		Far Eastern New Century Corporation	2	Dividends payable	(245,481)	Based on agreement	-
4	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Other payables	(383,121)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Cost of goods sold	(283,541)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Accounts payable	(162,651)	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Interest revenue	1,074	Based on agreement	-
		Far Eastern Industries (Wuxi) Ltd.	3	Other receivables	143,790	Based on agreement	-
		Suzhou An He Apparel Ltd.	3	Cost of goods sold	(129,011)	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	29,802	Based on agreement	-
		Far Eastern New Century Corporation	2	outsourced process expenses	(309,644)	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	11,219	Based on agreement	-
		Far Eastern New Century Corporation	2	Accrued expense - outsourced process	(81,150)	Based on agreement	-
		Far Eastern New Century Corporation	2	Prepayments and other current assets	291,804	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts payable	(170,667)	Based on agreement	-
5	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Sales	156,520	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Cost of goods sold	(189,432)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	100,091	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Cost of goods sold	(4,600,520)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	3	Accounts payable	(866,682)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Notes payable	(1,951,014)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Interest expenses	(149)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Other payables	(624,733)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	(854,536)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	(366,064)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Cost of goods sold	(527,170)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Accounts payable	(215,766)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Sales	676,503	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Cost of goods sold	(126,981)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	3	Accounts receivable	403,909	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Other payables	(3,160,030)	Based on agreement	-
Far Eastern Polychem Industries Ltd.	2	Sales	2,667,537	Based on agreement	-		
Far Eastern Polychem Industries Ltd.	2	Accounts receivable	1,446,880	Based on agreement	-		
6	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Investment (Holding) Ltd.	2	Interest expenses	(1,292)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Other payables	(233,107)	Based on agreement	-
7	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	126,981	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(676,503)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(403,909)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Sales	150,041	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)
		Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polytex (Holding) Ltd.	3 3 2	Cost of goods sold Accounts receivable Other payables	\$ (130,993) 115,001 (386,340)	Based on agreement Based on agreement Based on agreement	- - -
8	Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. PET Far Eastern (Holding) Ltd.	3 3 3 3 3 3 3 3 2	Interest revenue Other receivables Sales Accounts receivable Notes receivable Sales Accounts receivable Notes receivable Other payables	149 624,733 4,600,520 866,682 1,951,014 1,133,722 219,755 407,250 (882,143)	Based on agreement Based on agreement	1 - - - - - - - -
9	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Industries (Shanghai) Ltd.	3 3 3	Sales Accounts receivable Cost of goods sold	283,541 162,651 (156,520)	Based on agreement Based on agreement Based on agreement	- - -
10	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Industries (Suzhou) Ltd.	3 3 3 3 3	Sales Accounts receivable Cost of goods sold Accounts payable Notes payable	527,170 215,766 (1,669,672) (567,449) (425,002)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - -
11	Far Eastern Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd. Oriental Petrochemical (Shanghai) Corp. Oriental Petrochemical (Shanghai) Corp. Oriental Petrochemical (Shanghai) Corp. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. FEDP (Holding) Ltd.	3 3 3 3 3 3 3 3 3 3 3 2	Sales Accounts payable Other payables Cost of goods sold Accounts payable Notes payable Cost of goods sold Accounts payable Sales Accounts receivable Notes receivable Other payables	189,432 (100,091) (322,452) (1,133,722) (219,755) (407,250) (161,144) (110,159) 1,669,672 567,449 425,002 (901,460)	Based on agreement Based on agreement	- - - - - - - - - - - -
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd.	3 3 3	Other receivables Interest revenue Other receivables	383,121 3,096 206,056	Based on agreement Based on agreement Based on agreement	- - -
13	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd.	3 3 3 3	Interest expenses Other payables Interest revenue Other receivables	(7,870) (1,274,846) 149 624,733	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
14	Suzhou An He Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	129,011	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	FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	1	Other receivables	\$ 901,460	Based on agreement	-
16	Far Eastern Resources Development Co.	An Ho Garment Co., Ltd.	3	Interest revenue	2,293	Based on agreement	-
		An Ho Garment Co., Ltd.	3	Other receivables	400,000	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	1,986	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Other receivables	300,000	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	2,293	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Other receivables	400,000	Based on agreement	-
17	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	3	Sales	854,536	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts receivable	366,064	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	161,144	Based on agreement	1
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts receivable	110,159	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	4,620,005	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	734,132	Based on agreement	-
18	Yuan Ding Investment Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(3,839,479)	Based on agreement	-
19	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Interest expenses	(2,293)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Other payables	(400,000)	Based on agreement	-
		Far EasTone Telecommunication Co., Ltd.	3	Dividends receivable	291,805	Based on agreement	-
20	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(2,779)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(392,639)	Based on agreement	-
		Wu Han Far Eastern New Material Ltd.	1	Other receivables	386,340	Based on agreement	-
21	Kai Yuan International Investment Co., Ltd.	Far Eastern Resources Development Co.	3	Interest expenses	(1,986)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Other payables	(300,000)	Based on agreement	-
		Far EasTone Telecommunication Co., Ltd.	3	Dividends receivable	258,894	Based on agreement	-
		Far Eastern New Century Corporation	2	Dividends payable	(349,435)	Based on agreement	-
22	Far Eastern Industries (Wuxi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	3	Interest expenses	(1,074)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Other payables	(143,790)	Based on agreement	-
23	PET Far Eastern (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	(1,650)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(160,981)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	2	Other receivables	882,143	Based on agreement	-
24	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	89,371	Based on agreement	-
		Far Eastern New Century Corporation	2	Accounts receivable	38,229	Based on agreement	-
25	Far EasTone Telecommunication Co., Ltd.	An Ho Garment Co., Ltd.	3	Dividends payable	(224,480)	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Dividends payable	(258,894)	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Dividends payable	(291,805)	Based on agreement	-
26	Far Eastern Construction Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(162,092)	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: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of June 30, 2009; while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended June 30, 2010.

(Concluded)