

**Far Eastern New Century Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2012 and 2011 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") and subsidiaries as of June 30, 2012 and 2011, 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 disclosure in the next paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 - "Standards for the 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 disclosed in Note 2 to the consolidated financial statements, the financial statements as of June 30, 2012 and 2011 of some immaterial subsidiaries, with combined total assets that were 49.82% (NT\$172,319,718 thousand) and 43.69% (NT\$135,507,359 thousand), respectively, of the consolidated total assets and with combined total liabilities that were 29.65% (NT\$53,741,613 thousand) and 28.54% (NT\$46,963,070 thousand), respectively, of the consolidated total liabilities, had not been reviewed by independent accountants. For the six months ended June 30, 2012 and 2011, these subsidiaries' combined total net operating revenues were 37.30% (NT\$46,265,204 thousand) and 38.93% (NT\$45,905,827 thousand), respectively, of the consolidated net operating revenues. In addition, as disclosed in Note 14 to the consolidated financial statements, the Company's and subsidiaries' investments in certain equity-method investees, with carrying values of NT\$29,021,778 thousand and NT\$28,234,078 thousand as of June 30, 2012 and 2011, respectively, had not been reviewed by independent accountants. The Company's equity of NT\$946,014 thousand and NT\$1,215,919 thousand in the gains of these investees was included in the consolidated net incomes for the six months ended June 30, 2012 and 2011, respectively. These investment amounts and other information on the Company's and subsidiaries' investments in Notes 37 and 39 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 the Company 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, starting on January 1, 2011, the Company changed its method of calculating depreciation expenses from the fixed-percentage-of-declining-balance method to straight-line method and service lives from 7 to 15 years to 15 years. This accounting change resulted in increases of NT\$111,934 thousand in net consolidated income that belongs to the parent company and NT\$0.024 in after income tax basic consolidated earnings per share for the six months ended June 30, 2011.

As disclosed in Note 34 (j) to the consolidated 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 the Company'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.

As disclosed in Note 34 (k) of the consolidated financial statements, on May 11, 2012, referencing No. 92, Taipei District Court revoked the previous decision on interim administrators and reappointed Min-Qiu Jian, Kung Wang, Chen-Chuan Chiu, Chin-Yu Wu and Cheng-Xiong Chen as the interim administrators of PLT. Based on this new decision, Taipei District Court in the meantime rejected the withdrawal appeal of Far Eastern Department Co., Ltd. (FEDS, an equity-method investee of the Company) and other interested parties of PLT. Department of Commerce accepted the newly-appointed PLT's interim administrators on May 18, 2012. However, FEDS and other interested parties of PLT, did not agree with the Taipei District Court's decision and filed an appeal suit against the aforesaid decision at the Taiwan High Court on May 24, 2012.

August 24, 2012

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

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

ASSETS	2012		2011		LIABILITIES AND SHAREHOLDERS' EQUITY	2012		2011	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 2 and 5)	\$ 35,717,680	10	\$ 27,170,715	9	Short-term bank loans (Notes 20 and 33)	\$ 27,306,144	8	\$ 36,275,539	12
Financial assets at fair value through profit or loss - current (Notes 2 and 6)	791,192	-	1,456,752	1	Commercial papers payables (Notes 21 and 33)	7,937,974	2	3,235,738	1
Available-for-sale financial assets - current (Notes 2, 7 and 33)	2,848,982	1	3,290,588	1	Financial liabilities at fair value through profit or loss - current (Notes 2 and 6)	30,608	-	76,806	-
Hedging derivative assets - current (Note 2)	3,300	-	23,445	-	Hedging derivative liabilities - current (Note 2)	19,980	-	-	-
Notes and accounts receivable, net (Notes 2, 4, 25 and 33)	30,447,629	9	32,935,011	11	Notes and accounts payable (Note 25)	19,964,158	6	18,934,534	6
Dividends receivable	3,363,216	1	2,958,962	1	Payable to related parties (Notes 25 and 32)	1,104,999	-	1,091,810	-
Receivable from related parties (Notes 2, 4, 25 and 32)	1,585,470	1	972,362	-	Income tax payable (Notes 2 and 28)	2,434,547	1	1,613,746	1
Other receivables	750,562	-	658,294	-	Accrued expenses (Notes 25, 26 and 32)	8,934,907	3	10,019,541	3
Inventories, net (Notes 2 and 9)	20,562,470	6	19,934,152	7	Guarantee deposits received - current	500,149	-	659,438	-
Available for sale - building and land, net (Notes 2, 12 and 25)	1,037,525	-	-	-	Payables to suppliers of machinery and equipment	1,926,699	1	2,342,186	1
Available for construction - land (Notes 2, 11, 25 and 33)	620,181	-	620,287	-	Dividends payable	14,976,601	4	14,931,429	5
Construction-in-progress (net of billings on construction-in-progress) (Notes 2, 10, 25 and 33)	2,452,397	1	10,426,783	3	Receipts in advance	882,818	-	747,397	-
Deferred income taxes assets - current (Notes 2 and 28)	413,923	-	376,831	-	Advances on land and building (Notes 2, 10, 12 and 25)	15,811	-	1,347,349	-
Restricted assets (Notes 25 and 33)	11,499,793	3	3,040,843	1	Unearned revenue (Notes 2 and 22)	2,592,939	1	2,576,607	1
Prepayments and other current assets (Notes 2, 10 and 25)	6,656,163	2	6,430,487	2	Billings on construction-in-progress (net of construction-in-progress) (Notes 2, 23, 25 and 32)	315,013	-	653,005	-
Total current assets	118,750,483	34	110,295,512	36	Current portion of long-term liabilities (Notes 2, 24 and 33)	3,265,697	1	2,801,713	-
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 13, 14, 15 and 33)					Deferred income tax liabilities - current (Notes 2 and 28)	7,716	-	943	-
Equity-method investments	43,369,800	13	41,828,836	13	Advances on land	-	-	206,005	-
Available-for-sale financial assets - noncurrent	4,065,722	1	4,211,301	1	Other current liabilities (Note 25)	3,002,812	1	1,892,692	1
Held-to-maturity financial assets - noncurrent	199,819	-	199,717	-	Total current liabilities	95,219,572	28	99,406,478	32
Financial assets carried at cost - noncurrent	1,140,699	-	1,543,454	1	LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
Bond investments with no active market - noncurrent	248,391	-	258,903	-	Long-term debt (Notes 24 and 33)	35,067,821	10	31,434,267	10
Total funds and investments	49,024,431	14	48,042,211	15	Bonds payable (Notes 2, 24 and 33)	37,111,236	11	22,704,876	7
PROPERTIES (Notes 2, 16, 32 and 33)					Total long-term liabilities	72,179,057	21	54,139,143	17
Cost					RESERVE FOR LAND VALUE INCREMENT TAX (Note 16)	8,660,653	2	6,322,321	2
Land	12,625,294	4	11,006,715	3	OTHER LIABILITIES				
Buildings	30,772,724	9	20,786,589	7	Accrued pension cost (Note 2)	1,986,475	1	1,885,775	1
Machinery and equipment	104,675,365	30	98,034,692	32	Hedging derivative liabilities - noncurrent	143,678	-	-	-
Telecommunications equipment	137,358,234	40	136,272,121	44	Guarantee deposits received - noncurrent	680,308	-	349,754	-
Computer equipment	25,997,545	7	22,275,142	7	Deferred income tax liabilities - noncurrent (Notes 2 and 28)	1,079,822	-	873,885	-
Leasehold improvements	3,526,069	1	3,094,232	1	Deferred income (Notes 2, 16 and 32)	213,044	-	738,543	-
Operating and miscellaneous equipment	15,720,675	5	8,428,638	3	Others (Notes 2, 14 and 25)	1,086,233	-	822,502	-
Total cost	330,675,906	96	299,898,129	97	Total other liabilities	5,189,560	1	4,670,459	2
Appreciation	32,267,151	9	18,871,496	6	Total liabilities	181,248,842	52	164,538,401	53
Total cost and appreciation	362,943,057	105	318,769,625	103	SHAREHOLDERS' EQUITY OF PARENT COMPANY				
Less: Accumulated depreciation	220,517,385	64	200,400,009	65	Capital stock of parent company - NTS\$10.00 par value				
Less: Accumulated impairment	5,875,378	1	5,731,504	2	Authorized - 6,000,000 thousand shares				
	136,550,294	40	112,638,112	36	Issued and outstanding - 4,897,217 thousand shares in 2012; 4,754,580 thousand shares in 2011	48,972,173	14	47,545,799	15
Construction in progress and prepayments for equipment	14,481,132	4	13,488,668	5	Stock dividends for distribution	1,469,165	-	1,426,374	1
Net properties	151,031,426	44	126,126,780	41	Capital surplus				
INTANGIBLE ASSETS					Premium on capital stock	932,814	-	932,814	-
Deferred pension costs (Note 2)	44,968	-	55,852	-	From long-term investments	9,154,024	3	9,305,626	3
Goodwill (Notes 2 and 17)	11,701,845	4	11,938,522	4	Others	8,884	-	7,672	-
3G concession (Notes 1, 2 and 18)	4,778,779	1	5,480,298	2	Total capital surplus	10,095,722	3	10,246,112	3
Land leasehold rights (Notes 2 and 33)	1,832,427	1	1,252,347	-	Retained earnings				
Other intangible assets (Notes 2 and 17)	824,375	-	767,248	-	Legal reserve	11,820,720	3	10,710,699	3
Total intangible assets	19,182,394	6	19,494,267	6	Special reserve	3,152,367	1	3,151,409	1
OTHER ASSETS					Unappropriated earnings	9,110,436	3	10,721,676	4
Nonoperating properties, net (Notes 2 and 33)	5,190,531	2	3,690,442	1	Total retained earnings	24,083,523	7	24,583,784	8
Deferred income taxes assets, net (Notes 2 and 28)	393,055	-	384,739	-	Other shareholders' equity				
Refundable deposits (Notes 25 and 32)	583,819	-	534,111	-	Cumulative translation adjustments	1,549,178	-	(817,173)	(1)
Restricted assets (Notes 25 and 33)	103,920	-	438,012	-	Net loss not recognized as pension cost	(129,921)	-	(92,046)	-
Farmland (Note 19)	276,661	-	276,661	-	Unrealized gains on financial instruments	2,374,029	1	5,687,274	2
Deferred charges, net (Note 2)	809,297	-	717,865	-	Unrealized revaluation increment on properties	19,165,621	6	8,650,792	3
Other (Note 13)	545,761	-	159,121	-	Treasury stock - 713 thousand shares	(25,063)	-	-	-
Total other assets	7,903,044	2	6,200,951	2	Total other shareholders' equity	22,933,844	7	13,428,847	4
TOTAL	\$ 345,891,778	100	\$ 310,159,721	100	Total shareholders' equity of parent company	107,554,427	31	97,230,916	31
					MINORITY INTEREST	57,088,509	17	48,390,404	16
					Total shareholders' equity	164,642,936	48	145,621,320	47
					TOTAL	\$ 345,891,778	100	\$ 310,159,721	100

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

(With Deloitte & Touche review report dated August 24, 2012)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

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

(Reviewed, Not Audited)

	2012		2011	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 2 and 32)				
Net sales	\$ 78,963,865	64	\$ 81,334,577	69
Telecommunications service income	33,349,969	27	30,693,864	26
Gain on disposal of investments, net	3,726,173	3	87,763	-
Construction income, net	4,867,886	4	4,683,704	4
Other operating revenue	<u>3,137,558</u>	<u>2</u>	<u>1,107,847</u>	<u>1</u>
Total operating revenues	<u>124,045,451</u>	<u>100</u>	<u>117,907,755</u>	<u>100</u>
OPERATING COSTS (Notes 2, 9, 29 and 32)				
Cost of sales	78,078,591	63	73,566,103	62
Cost of telecommunications services	14,514,953	12	14,953,280	13
Construction cost	3,159,249	3	3,747,637	3
Other operating cost	<u>1,625,041</u>	<u>1</u>	<u>740,971</u>	<u>1</u>
Total operating costs	<u>97,377,834</u>	<u>79</u>	<u>93,007,991</u>	<u>79</u>
GROSS PROFIT EXCLUDING REALIZED CONSTRUCTION INCOME				
	26,667,617	21	24,899,764	21
REALIZED CONSTRUCTION INCOME (Note 2)				
	<u>277</u>	<u>-</u>	<u>277</u>	<u>-</u>
GROSS PROFIT				
	<u>26,667,894</u>	<u>21</u>	<u>24,900,041</u>	<u>21</u>
OPERATING EXPENSES (Notes 2, 29 and 32)				
Selling	9,768,587	8	9,572,433	8
General and administrative	6,044,288	5	3,733,263	3
Research and development	<u>339,226</u>	<u>-</u>	<u>343,660</u>	<u>-</u>
Total operating expenses	<u>16,152,101</u>	<u>13</u>	<u>13,649,356</u>	<u>11</u>
OPERATING INCOME				
	<u>10,515,793</u>	<u>8</u>	<u>11,250,685</u>	<u>10</u>
NONOPERATING INCOME AND GAINS (Note 32)				
Interest income (Note 32)	208,133	-	140,376	-
Investment income from equity-method investees, net (Note 2)	1,756,753	2	2,243,290	2
Dividend income (Note 2)	122,845	-	268,562	-
Gain on disposal of properties (Note 2)	-	-	8,358	-
Rental income (Notes 25 and 32)	44,615	-	52,198	-

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

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

(Reviewed, Not Audited)

	2012		2011	
	Amount	%	Amount	%
Valuation gain on financial assets, net (Notes 2 and 6)	\$ 65,389	-	\$ -	-
Exchange gain, net	-	-	359,640	1
Valuation gain on financial liabilities, net (Notes 2 and 6)	20,114	-	-	-
Other	<u>248,115</u>	<u>-</u>	<u>249,743</u>	<u>-</u>
Total nonoperating incomes and gains	<u>2,465,964</u>	<u>2</u>	<u>3,322,167</u>	<u>3</u>
NONOPERATING EXPENSES AND LOSSES				
(Note 32)				
Interest expense (Notes 10, 15 and 32)	722,363	1	618,951	1
Loss on disposal of properties, net (Note 2)	631,976	-	-	-
Exchange loss, net (Note 2)	245,988	-	-	-
Impairment loss on assets (Note 2)	36,064	-	26,565	-
Valuation loss on financial liabilities, net (Notes 2 and 6)	-	-	29,870	-
Valuation loss on financial assets, net (Notes 2 and 6)	-	-	45,586	-
Other	<u>137,444</u>	<u>-</u>	<u>234,867</u>	<u>-</u>
Total nonoperating expenses and losses	<u>1,773,835</u>	<u>1</u>	<u>955,839</u>	<u>1</u>
CONSOLIDATED INCOME BEFORE INCOME TAX				
	11,207,922	9	13,617,013	12
INCOME TAX EXPENSE (Notes 2 and 28)	<u>1,656,305</u>	<u>1</u>	<u>2,055,738</u>	<u>2</u>
CONSOLIDATED NET INCOME	<u>\$ 9,551,617</u>	<u>8</u>	<u>\$ 11,561,275</u>	<u>10</u>
BELONG TO:				
Shareholders of parent company	\$ 6,335,373	5	\$ 8,114,545	7
Minority interest	<u>3,216,244</u>	<u>3</u>	<u>3,446,730</u>	<u>3</u>
	<u>\$ 9,551,617</u>	<u>8</u>	<u>\$ 11,561,275</u>	<u>10</u>

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FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

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

(Reviewed, Not Audited)

	2012		2011	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
CONSOLIDATED EARNINGS PER SHARE				
(Note 30)				
Basic	<u>\$ 1.30</u>	<u>\$ 1.29</u>	<u>\$ 1.78</u>	<u>\$ 1.66</u>
Diluted	<u>\$ 1.29</u>	<u>\$ 1.29</u>	<u>\$ 1.77</u>	<u>\$ 1.65</u>

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

(With Deloitte & Touche review report dated August 24, 2012)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(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	
	Shares in Thousand	Amount			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)	Treasury Stock (Notes 2 and 27)		Minority Interests
BALANCE, JANUARY 1, 2012	4,897,217	\$ 48,972,173	\$ -	\$ 10,361,728	\$ 10,710,699	\$ 3,152,529	\$ 13,709,450	\$ 27,572,678	\$ 2,915,415	\$ (130,034)	\$ 2,716,548	\$ 19,167,218	\$ (25,063)	\$ 56,859,561	\$ 168,410,224
Appropriation of the 2011 earnings															
Legal reserve	-	-	-	-	1,110,021	-	(1,110,021)	-	-	-	-	-	-	-	-
Cash dividends - NTS\$1.7 per share	-	-	-	-	-	-	(8,325,270)	(8,325,270)	-	-	-	-	-	-	(8,325,270)
Stock dividends - NTS\$0.3 per share	-	-	1,469,165	-	-	-	(1,469,165)	(1,469,165)	-	-	-	-	-	-	-
Balance after appropriations	4,897,217	48,972,173	1,469,165	10,361,728	11,820,720	3,152,529	2,804,994	17,778,243	2,915,415	(130,034)	2,716,548	19,167,218	(25,063)	56,859,561	160,084,954
Consolidated net income in the six months ended June 30, 2012	-	-	-	-	-	-	6,335,373	6,335,373	-	-	-	-	-	3,216,244	9,551,617
Adjustments due to changes in investees' equity in equity-method investments	-	-	-	(245,636)	-	1	(30,282)	(30,281)	(1,060,647)	21	(348,251)	(412)	-	-	(1,685,206)
Adjustments due to sales of long-term investment	-	-	-	(20,370)	-	(163)	351	188	(4,493)	92	(824)	(1,185)	-	-	(26,592)
Changes in unrealized gain on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	6,556	-	-	-	6,556
Translation adjustment on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	(301,097)	-	-	-	-	-	(301,097)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,987,296)	(2,987,296)
BALANCE, JUNE 30, 2012	4,897,217	\$ 48,972,173	\$ 1,469,165	\$ 10,095,722	\$ 11,820,720	\$ 3,152,367	\$ 9,110,436	\$ 24,083,523	\$ 1,549,178	\$ (129,921)	\$ 2,374,029	\$ 19,165,621	\$ (25,063)	\$ 57,088,509	\$ 164,642,936
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 - NTS\$2.0 per share	-	-	-	-	-	-	(9,509,160)	(9,509,160)	-	-	-	-	-	-	(9,509,160)
Stock dividends - NTS\$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
Change in unrealized loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	(28,055)	-	-	-	(28,055)
Translation adjustment on foreign-currency equity-method investees	-	-	-	-	-	-	-	-	(376,506)	-	-	-	-	-	(376,506)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,555,739)	(6,555,739)
BALANCE, JUNE 30, 2011	4,754,580	\$ 47,545,799	\$ 1,426,374	\$ 10,246,112	\$ 10,710,699	\$ 3,151,409	\$ 10,721,676	\$ 24,583,784	\$ (817,173)	\$ (92,046)	\$ 5,687,274	\$ 8,650,792	\$ -	\$ 48,390,404	\$ 145,621,320

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

(With Deloitte & Touche review report dated August 24, 2012)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 9,551,617	\$ 11,561,275
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	8,026,568	7,666,687
Amortization of 3G concession	368,596	365,353
(Reversal of allowance) allowance for losses on inventories	83,417	(41,009)
Loss on disposal of deferred charges, net	-	393
Net gain on disposal of investments	(3,770,650)	(99,328)
Allowance for doubtful accounts	234,315	34,412
Cash dividends received on equity-method investments	30,666	261,733
Deferred income on hedging derivative financial instruments	43,163	72,380
Investment income from equity-method investees, net	(1,756,753)	(2,243,290)
Impairment loss on assets	36,064	26,565
(Gain) loss on disposal of properties, net	631,976	(8,358)
Realized construction income	(277)	(277)
Realized deferred rental income	-	(26,299)
Accrued pension liabilities	(118,624)	(4,169)
Deferred income taxes	(129,660)	1,016,826
Casualty loss	9,351	-
Net changes in operating assets and liabilities		
Financial assets held for trading	163,679	1,253,168
Notes and accounts receivable	1,346,423	(7,283,373)
Dividends receivable	(107,911)	(176,867)
Receivable from related parties	473,561	397,057
Other receivables	35,813	424,551
Inventories	533,729	(4,621,921)
Available for sale - land	652,977	-
Available for construction - land	(180)	(274)
Construction-in-progress, net	(488,216)	(2,144,495)
Prepayments and other current assets	(1,680,479)	(1,695,737)
Financial liabilities held for trading	25,900	72,345
Notes and accounts payable	(1,891,473)	1,678,852
Payable to related parties	(30,433)	(276,705)
Income taxes payable	733,975	(433,528)
Accrued expenses	(638,165)	424,573
Receipts in advance	(280,755)	(171,984)
Advances on land and building	(974,336)	8,308
Unearned revenue	(183,266)	593,774
Billings on construction-in-progress, net	(189,928)	(243,078)
Other current liabilities	<u>740,960</u>	<u>768,688</u>
Net cash provided by operating activities	<u>11,481,644</u>	<u>7,156,248</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in receivables from related parties	\$ (205,502)	\$ (98,903)
Proceeds of the disposal of available-for-sale financial assets	844,185	1,724,292
Increase in available-for-sale financial assets	(166,772)	(1,310,651)
Proceeds of the disposal of financial assets carried at cost	980	-
Acquisition of financial assets carried at cost	(126,000)	-
Proceeds of the disposal of equity-method investments	-	256,332
Acquisition of investments accounted for by the equity method	(1,084,425)	(495,827)
Payments of land value increment tax	-	(51,414)
Proceeds of the disposal of properties	74,821	37,327
Acquisition of properties	(10,270,970)	(7,370,820)
Increase in other intangible assets	(20,667)	(5,290)
(Increase) decrease in refundable deposits	(48,310)	10,524
Increase in deferred charges	(115,901)	(56,683)
Increase in restricted assets	(8,300,582)	(189,998)
Cash payment due to merger	-	(229,025)
Increase in other assets	<u>(616,938)</u>	<u>(78,601)</u>
Net cash used in investing activities	<u>(20,036,081)</u>	<u>(7,858,737)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term bank loans	(65,575)	7,641,862
Decrease in commercial papers payable	(2,827,116)	(3,966,958)
Decrease in payable to related parties	(12,320)	(174,192)
Subsidiary's issuance of common stock for cash	1,393,826	147,700
Distribution of cash dividends	(2,040)	-
Increase (decrease) in long-term bank loans and bonds payable	11,446,744	(120,568)
Increase (decrease) in guarantee deposits	44,790	(6,625)
Decrease in other liabilities	(42,689)	(77,182)
Increase (decrease) in minority interest	<u>6,077,505</u>	<u>(1,547,543)</u>
Net cash provided by financing activities	<u>16,013,125</u>	<u>1,896,494</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(71,890)</u>	<u>(336,343)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,386,798	857,662
CASH AND CASH EQUIVALENTS ARISING FROM INCREASING SUBSIDIARIES	-	56,930
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>28,330,882</u>	<u>26,256,123</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 35,717,680</u>	<u>\$ 27,170,715</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS SIX MONTHS ENDED JUNE 30, 2012 AND 2011 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2012	2011
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 793,105	\$ 569,012
Less: Capitalized interest	<u>54,417</u>	<u>47,639</u>
Interest paid (excluding capitalized interest)	<u>\$ 738,688</u>	<u>\$ 521,373</u>
Income tax paid	<u>\$ 723,267</u>	<u>\$ 1,149,707</u>
 NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 3,265,697</u>	<u>\$ 2,801,713</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 24, 2012)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(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”), 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 depositary 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.

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 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.

In February 2012, Far EasTone applied for the renewal of the type I license that Far EasTone got from DGT and through the merger with KGT. The renewed licenses are expected to be valid from the application date to June 30, 2017.

On June 13, 2012, the stockholders 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 9, 2011, 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 stockholders' meeting to discuss in good faith and set a new private placement price, provided that any upward or downward adjustment is not more than NT\$5 per Far EasTone'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 utilization 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. TANFB consented to the improvement plan in writing on July 15, 2011, and set six inspection points. If FEETC fails to meet any requirement of each inspection point, FEETC will be sentenced a punitive fine \$500 thousand each day retrospective to April 15, 2011. However, FEETC was notified by the missive from TANFB on June 29, 2012 that FEETC will be fined with \$500 thousand each day retrospective to April 15, 2011 (about \$221,500 thousand in total) due to the failure of achieving the requirements of the utilization rate. This notice contradicted TANFB's previous consent in writing on July 15, 2011. FEETC sent the dispute to the Negotiation Committee. The Negotiation Committee preliminarily concluded and suggested that it was in doubt if it was proper to sentence FEETC a punitive fine. 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.

FENC and its consolidated subsidiaries (collectively, the “Group”) had 22,392 and 23,844 employees as of June 30, 2012 and 2011, respectively.

The intercompany relationships, percentages of ownership and major operations of subsidiaries as of June 30, 2012 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 or which there is de facto control) are included in the consolidated financial statements. For subsidiaries acquired during the reporting period, their revenues and expenses generated before the acquisition date need not be consolidated. If FENC loses control over its subsidiaries during the reporting period, their revenues and expenses generated after the control lose date need not be consolidated.

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

On August 31, 2010, the boards of directors of Far EasTone resolved to merge New Century InfoComm Tech Co., Ltd. (NCIC) through a two-stage process. In the first stage, Yuan Cing Infocomm Tech Co., Ltd. (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 NT\$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 integrate the resources and enhance the operating efficiency of NCIC, FENC's subsidiary, NCIC gradually acquired the ownership of ADCast Interactive Marketing Co., Ltd. (ADCast) from other stockholders and related parties. The interest of NCIC in ADCast increased from 20.63% to 90.57%. On January 16, 2012, NCIC and ADCast, the board of directors of both companies approved their merger based on Article 19 of EM&A Law. The record date of this merger is March 31, 2012 and NCIC will be the survivor entity.

In addition, Far Eastern Industries (Shanghai) Ltd. sold its subsidiary, Shanghai Far Eastern IT Co., to Far Eastern New Century (China) Investment Ltd. (FENCI) in 2011. Thus, Shanghai Far Eastern IT became a 100% subsidiary of FENCI.

FENC's subsidiary, Yuan Tong, bought the new shares issued by Sino Belgium (Holding) Ltd. (SINO) in December 2011. Thus, the interest of Yuan Tong in SINO increased from 87.5% to 91.39%.

FENC's subsidiary, Far Eastern Tech-Info (Shanghai) Ltd., had control over an investee, Far Eastern New Century Information Technology (Beijing) Limited. Thus, the accounts of this investee began to be included in the consolidated financial statements on April 1, 2011.

FENC's subsidiary, Far Eastern Polytex (Holding) Ltd. (FEPH) acquired 3.63% and 0.17% equity in Wuhan Far Eastern New Material Ltd. from Far Eastern Industries (Shanghai) Ltd. and Far Eastern Apparel (Suzhou) Ltd., respectively.

FENC's subsidiaries, Jing Yuan Technology Co., Ltd. and Home Master Technology Co., Ltd., established by DE Infotech in 2011. They mainly provide information processing services and wholesale telecommunications products, respectively.

FENC's subsidiary, Sugian Far Eastern Apparel Co., Ltd., was established by Far Eastern Apparel (Suzhou) in July 2011. It mainly produces and sells textiles and knitwear and other garments.

FENC's subsidiary, Worldwide Polychem (HK) Ltd., was established by Far Eastern Investment (Holding) Ltd. (FEIH) in August 2011 and officially began to operate in October 2011. It mainly sells fiber, silk and polychem products and does other general investments.

FENC's subsidiary, Far Eastern Yihua Petrochemical Co., was co-established by Far Eastern Polytex (Holding) Ltd. and Sinpec Yizheng Chemical Fibre Co., Ltd. (YCF) in December 2011 and Far Eastern Polytex (Holding) Ltd. acquired 60% of registered capital. It mainly produces PTA (purified terephthalic acid) and does related business.

FENC's subsidiary, Far Eastern Textile Limited was established by FENC in December 2011. It mainly manufactures and sells knitwear and other garments and textiles.

FENC's subsidiary, Far Eastern Industries Co., Ltd. (Yangzhou) was established by FENC's subsidiary, Far Eastern Polychem Industries Ltd. in May 2012. It mainly manufactures and sells PET resin, PET sheet, and PET preform.

To enhance operating efficiency of the Group's resources and profit, and support Government strategy of distance-based toll scheme with the expected boost of utilization of ETC lanes and enhance the utilization of existing properties of Far EasTone by providing FEETC telecommunication service. On April 20, 2012, the Group has participated the capital increase through cash injection of FEETC amounting of \$11,479,259 thousand. Thus, the interest of Group in FEETC increased from 58.14% to 58.89%.

FENC's subsidiaries, Kai Yuan Investment Co, Ltd. (Kai Yuan), An Ho Garment Co., Ltd. (An Ho) and Yuan Tong sold 95,788 thousands share of Far EasTone for NT\$5,937,741 thousand for six months ended June 30, 2012. Thus, the interest of Group in Far EasTone decreased from 41.44% to 38.51%.

FENC appointed the general manager of Yuan Ding (Yuan Ding) Co., Ltd., and approved December 28, 2011 as the start date of his term. Thus, Yuan Ding and its subsidiaries, Far Eastern Electronic Commerce Co. (FEEC), Ding Ding Integrated Marketing Service (DDIMS) Co., Ltd., Ding Ding Hotel (DDH) Co., Ltd., FET Consulting Engineers Co., Ltd., YDT Technology International Co., Ltd., Far Eastern Realty Management Co, Ltd., DDIM (Virgin Islands) Ltd., YDC (Virgin Islands) Ltd., Yuan Ding Integrated Information Service Inc., and Speedy (Shanghai) Digital Tech. Co., Ltd., have been included in the consolidated financial statements since December 28, 2011.

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

FENC’s subsidiary, DDIM (Virgin Island) Ltd., participated the issuance of new capital stock of Yuan Ding Integrated Information Service (Shanghai) Inc., in the first quarter of 2011. Thus, the interest of DDIM (Virgin Island) Ltd., in Yuan Ding Integrated Information Service (Shanghai) Inc., increased to 98.61%. The original shareholder of DDIM (Virgin Island) Ltd., YDC (Virgin Island), did not participate this issuance of new capital stock and the ownership of DDIM (Virgin Island) Ltd., decrease from 100% to 1.39%.

The financial statements of the subsidiaries included in the consolidated financial statements such as YDI, Far EasTone, NCIC, ARCOA, Q-ware. Com., KGEx.com, FEETC, Far Eastern Construction Co., Ltd. (FECC), Far Eastern General Contractor Inc. (FEGC), YCIC (dissolved due to the merger with Far EasTone on March 1, 2011), DataExpress and Linkwell for the six months ended June 30, 2012 and 2011 and New Diligent Co., Ltd. for the six months ended June 30, 2012 had been audited. Other immaterial subsidiaries’ financial statements had not been reviewed by independent accountants. As of June 30, 2012 and 2011, the total assets of the subsidiaries presented above were 49.82% (NT\$172,319,718 thousand) and 43.69% (NT\$135,507,359 thousand), respectively, of the consolidated assets, and the total liabilities of the subsidiaries presented above were 29.65% (NT\$53,741,613 thousand) and 28.54% (NT\$46,963,070 thousand), respectively, of the consolidated liabilities. For the six months ended June 30, 2012 and 2011, the operating revenues of the subsidiaries were 37.30% (NT\$46,265,204 thousand) and 38.93% (NT\$45,905,827 thousand), respectively, of the consolidated operating revenues. The information in Note 37 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, idle and rental assets, impairment loss on assets, asset retirement obligations, product warranty reserve, income tax, pension cost, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

Current and Noncurrent Assets and Liabilities

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

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

Cash Equivalents

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

Financial Instruments at Fair Value through Profit or Loss

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

The Group recognizes a financial asset or a financial liability on its balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Group 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, canceled or expired.

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

If derivative financial instruments do not meet the criteria for hedge accounting, they are classified as financial assets or liabilities held for trading. They are classified as financial assets when their fair value is positive; otherwise, they are classified as financial liabilities.

The fair values of listed securities and mutual funds are determined at their closing prices and net asset values, respectively, as of the balance sheet date. The fair values of cotton futures contracts, currency option contracts and forward exchange contracts are determined at their market quotation on the balance sheet date. The fair values of financial instruments with no quoted market prices are determined at estimates made using valuation techniques.

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 premeasured 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 as those of financial assets at FVTPL.

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

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

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

Held-to-maturity Financial Assets

Held-to-maturity financial assets are carried at amortized cost using the effective interest method (Straight-line method can be used if there will be no significant difference). These 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 stockholders' 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 instrument and the hedged item. Two Company subsidiaries, Far EasTone and NCIC, use cross-currency swap contracts and foreign exchange swap contract to hedge against the adverse effects of exchange rate fluctuations of foreign currency-denominated assets.

Derivative instruments held by Far EasTone and NCIC are for cash flow hedge purposes. For the cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in stockholders' equity. The amount recognized in stockholders' 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 stockholders' equity is not expected to be recovered in the future, the amount that is not expected to be recovered is reclassified to 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 and stocks traded in the Emerging Stock Market, are measured at their original cost. The accounting treatment for dividends on financial assets carried at cost is the same as 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 these bond investments is the same as that for held-to-maturity financial assets, except for the absence of restriction on the timing of their disposal.

Impairment of Accounts Receivable

Accounts receivable are assessed for impairment at the end of each reporting period and considered 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 into bankruptcy or undergo financial reorganization.

Accounts receivable that are assessed as not 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 and 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 collaterals 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 properties, intangible assets, idle assets, leased assets, 3G concession, goodwill, land use 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 reduction of the unrealized revaluation increment, and any remaining loss is charged to earnings.

If an impairment loss 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 gain 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 on which the Group has significant influence but over which it has 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 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 weighted-average cost on the balance sheet date.

Real Estate

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

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

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

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

FECC treats its marketing expenses for presold real estate as deferred marketing expenses and recognizes them as current expenses when the construction is completed but the ownership of real estate has not yet been transferred to customers.

Long-term Construction Contracts

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

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

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

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

Investments Accounted for by the Equity Method

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.

On the acquisition date or the adoption of the equity method for the first time, the cost of acquisition is subjected to an initial analysis. The investment cost in excess of the fair value of identifiable net assets is recognized as goodwill, which is no longer amortized. If the fair value of identifiable net assets acquired exceeds the cost of investments, the excess should be assigned to noncurrent assets in proportion to their respective fair values (except for financial assets not under the equity method, assets for disposal, deferred income tax assets and prepaid pension costs or other retirement benefit costs). If these assets are all reduced to zero, the remaining excess should be recognized as extraordinary gain.

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

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

When the Group's share in losses of an investee over which the Group has control exceeds its investment in the investee, unless the other stockholders of the investee have assumed legal or constructive obligations and have demonstrated the ability to make payments on behalf of the investee, the Group has to bear all of the losses in excess of the capital contributed by stockholders of the investee. If the investee subsequently reports profits, such profits are first attributed to the Group to the extent of the excess losses previously borne by the Group.

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.

When the Group receives stock dividends, the Group does not recognize these dividends as investment income but as an increase in the number of shares held. In addition, the Group should add the received stock dividends to the total number of shares held to recalculate the carrying value per share.

Properties, Rental Assets and Idle Assets

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

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

Depreciation expenses for properties, rental assets and idle assets were calculated by the Company using the fixed-percentage-of-declining-balance method, and the subsidiaries, by the straight-line method in 2010. But from 2011, the straight-line method has been used by both the Company and its subsidiaries to calculate these depreciation expenses.

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

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

Properties not currently used in operations are transferred to idle assets at the lower of net carrying value or fair value. However, starting from January 1, 2006, based on related regulations, idle assets should be depreciated over the estimated useful lives of the properties.

The Group estimated and capitalized the cost of dismantling, removing and restoring properties in which they are located. The Group recorded these costs as properties and accrued asset retirement cost.

Intangible Assets

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

Land leasehold rights are amortized over 50 years.

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

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

Operating rights are measured in accordance with the integrated network business license issued by the National Communications Commission. 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 the 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 with the revised ROC Statement of Financial Accounting Standards No. 5 - "Long-term Investment under Equity Method," goodwill is longer amortized; instead, it is tested for impairment annually.

Deferred Charges

Deferred charges, which are derived mainly from costs of routers provided to customers, retail store renovation and computer software of Far EasTone are amortized using the straight-line method over the shorter of terms of lease, duration of dealer agreement and service lives. Other deferred charges are amortized by the straight-line method over 5 to 7 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.

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

The pension plans of subsidiaries in China are based on the Chinese government's regulations. The subsidiaries make monthly contributions to employees' individual pension accounts at a fixed percentage of salaries and wages and recognize these contributions as pension costs. The domestic and overseas holding companies with no employees do not have pension plans.

Income Tax

The inter-period and intra-period allocation methods are used for income taxes. Deferred income tax assets are recognized for the tax effects of deductible temporary differences, unused loss carryforwards and unused investment tax credits; and deferred tax liabilities are recognized for the tax effects of taxable temporary differences. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. Deferred income tax assets and liabilities are classified as current or noncurrent on the basis of the classification of the related assets and liabilities for financial reporting. A deferred asset or liability not related to an asset or a liability in the financial statements is classified as current or noncurrent on the basis of the expected length of the realization or settlement period.

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.

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

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

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

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

Treasury Stock

The Company accounts for its stock held by subsidiaries as treasury stock. The recorded cost of the stock is based on its carrying amount as of December 31, 2011.

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

Revenue is recognized when the earnings process is completed or virtually completed and the revenue is realizable and measurable. The costs of providing services are recognized as incurred. The recognition of revenues by revenue category is follows:

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

For Far Eastern Electronic Toll Collection Co. (FEETC), service revenue is recognized in accordance with the related contracts when users pass the electronic toll collection machines, or “E-toll.” When citizens pay the tolls to FEETC, they were classified as payable before being paid to Taiwan Area National Freeway Bureau (TANFB); toll fee prepayments from enterprise are classified as unearned receipts and subsequently paid to TANFB on the basis of actual passing times at a predetermined fee rate. 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. Since the future values of operating revenues resulting from receivables within one year approximate the fair values of these receivables, the fair values are not recalculated using the pro forma interest rate method.

Usage revenues from fixed network service, cellular services and interconnection and call transfer fees from other telecommunications companies and carriers are billed in arrears and are recognized based upon minutes of traffic processed when the services are provided in accordance with contract terms.

Other revenues are recognized as follows: (a) monthly fees are accrued every month, and (b) prepaid and recharge services are recognized as income based upon actual usage by customers.

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

Where the Group enters into transactions which involve both the provision of air time bundled with products such as 3G data card and handset, total consideration received from handsets in these arrangements are allocated and measured using units of accounting within the arrangement based on relative fair values limited to the amount that is not contingent upon the delivery of other items or services

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 on materials.

Exchangeable Bonds

If bondholders have the right to exchange bonds into the Company’s holding shares at an agreed-upon price and/or amount, the exchangeable bonds are measured at the issue price after deducting the fair value of embedded derivatives. The liability component of nonderivative instruments is measured at amortized cost using the effective interest method (the straight-line method may be used if the difference between using the effective interest method and the 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 Company should remeasure the bond liability components (including bond and embedded derivative component) to fair value. The Company uses the adjusted aggregate 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 on the maturity date, the Company should recognize the fair value of embedded derivatives as gain of the current year.

Promotion Expenses

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

Government Grant

When received, the government grant is included in restricted assets and in deferred revenue (recognized as other liabilities - other) at the same time. The restricted asset is reclassified as cash or cash equivalent when Far EastTone 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; and (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 an irrevocable or noncancelable right to use a specified amount of capacity for a specific period. Costs of IRU acquisition are included in properties and depreciated over the economic useful life of the IRU, using the straight-line method. 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 reestimated remaining service lives.

3. PRO FORMA FINANCIAL INFORMATION

Assuming that the Company and its subsidiaries acquired majority interests in Yuan Ding, Far Eastern Electronic Commerce Co., Ltd. (FEEC), DDIMS, Ding Ding Hotel Co., Ltd., FET Consulting Engineers Co., Ltd., YDT Technology International Co., Ltd., Far Eastern Realty Management Co., Ltd., DDIM (Virgin Islands) Ltd., YDC (Virgin Islands) Ltd., Yuan Ding Integrated Information Service Inc., Speedy (Shanghai) Digital Tech Co., Ltd., and Far Eastern New Century Information Technology (Beijing) Ltd. on January 1, 2011, the pro forma financial information of the Company and its subsidiaries for the six months ended June 30, 2011 would have been as follows:

(In Thousands, Except Earnings Per Share)

	Six Months Ended June 30, 2011
Operating revenue	\$ 119,439,679
Consolidated income before income tax	13,769,294
Consolidated net income	11,685,881
After tax basic consolidated earnings per share	1.65

The pro forma financial information above is only for reference. It does not completely represent both the financial results of the Group after acquiring a majority interests in Yuan Ding, FEEC, DDIMS, DDH, FET Consulting Engineers Co., Ltd., YDT Technology International Co., Ltd., Far Eastern Realty Management Co., Ltd., DDIM (Virgin Islands) Ltd., YDC (Virgin Islands) Ltd., Yuan Ding Integrated Information Service Inc., Speedy (Shanghai) Digital Tech Co., Ltd., and Far Eastern New Century Information Technology (Beijing) Ltd. on January 1, 2011.

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 consolidated 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 restated the segment information.

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 consolidated earnings per share for the six months ended June 30, 2011.

5. CASH AND CASH EQUIVALENTS

	June 30	
	2012	2011
Cash		
Cash on hand and petty cash	\$ 36,572	\$ 23,914
Demand and checking accounts	11,613,474	13,056,140
Time deposits: Interest of 0.1%-4.5% in 2012 and 0.40%-3.67% in 2011	<u>18,720,197</u>	<u>11,964,207</u>
	<u>30,370,243</u>	<u>25,044,261</u>
Cash equivalents		
Commercial paper purchased under resell agreements: Yield of 0.78-0.82% in 2012 and 0.7% in 2011	1,458,892	1,136,841
Corporate bonds purchased under resell agreements: Yield of 0.54-0.81% in 2012 and 0.35%-0.63% in 2011	<u>3,670,175</u>	<u>659,798</u>
	<u>5,129,067</u>	<u>1,796,639</u>
Management discretionary accounts		
Demand accounts	218,370	270,415
Time deposits: Interest of 0.875% in 2011	<u>-</u>	<u>59,400</u>
	<u>218,370</u>	<u>329,815</u>
	<u>\$ 35,717,680</u>	<u>\$ 27,170,715</u>

As of June 30, 2012 and 2011, overseas demand deposits were as follows:

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
U.S.A. - New York (US\$9 thousand in 2012 and US\$9 thousand in 2011)	\$ 256	\$ 246
Belgium (US\$454 thousand in 2012 and US\$1,313 thousand in 2011)	13,566	37,716
China-Hong Kong (US\$1 thousand in 2011)	<u>-</u>	<u>29</u>
	<u>\$ 13,822</u>	<u>\$ 37,991</u>

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

Financial assets held for trading were as follows:

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
<u>Financial assets held for trading</u>		
Marketable equity securities	\$ 140,241	\$ 1,006,388
Open-end mutual funds - beneficial certificates	624,809	406,179
Cotton futures contracts	26,111	44,185
Forward exchange contracts	<u>31</u>	<u>-</u>
	<u>\$ 791,192</u>	<u>\$ 1,456,752</u>
<u>Financial liabilities held for trading</u>		
Exchangeable bonds exchange rights	\$ 8,177	\$ 66,550
Forward exchange contracts	17,763	10,256
Combined foreign exchange options	<u>4,668</u>	<u>-</u>
	<u>\$ 30,608</u>	<u>\$ 76,806</u>

FENC's subsidiaries, Yuan Ding Investment Co., Ltd. (YDI), Far EastOne (has terminated the contract in October 20, 2011) and Yuan Tong individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (trustee) to manage discretionary funds. Moreover, NCIC (has terminated the contract in October 20, 2011) 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, 2012 and 2011, the funds fully entrusted to the trustee were NT\$750,000 thousand, and NT\$1,750,000 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\$218,370 thousand and NT\$329,815 thousand as of June 30, 2012 and 2011, 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, 2012 and 2011. The strategy is to hedge against the Company's market risk exposure. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Company had no outstanding cotton future contracts as of June 30, 2012. 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, 2012 and 2011.

The Company had no outstanding option contracts as of June 30, 2012 and 2011.

The outstanding forward exchange contracts as of June 30, 2012 and 2011 were as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2012</u>			
Sell	USD/NTD	2012.07.06-2012.09.11	USD39,230/NTD1,161,430
Sell	EUR/USD	2012.07.30-2012.08.30	EUR17,000/USD21,145
Sell	JPY/USD	2012.08.30	JPY79,330/USD1,000

June 30, 2011

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

For the six months ended June 30, 2012 and 2011, Far Eastern Investment (Holding) Ltd. (FEIH) engaged in forward exchange contracts mainly to hedge against the exchange rate risk on foreign-currency assets and liabilities.

FEIH had no outstanding forward exchange contracts as of June 30, 2012 and 2011.

An FENC subsidiary, OPTC entered into forward exchange contracts for the six months ended June 30, 2012 and 2011 and entered into combined foreign exchange options for the six months ended June 30, 2012 to hedge against the exchange risks on foreign currency assets and liabilities. As of June 30, 2012, OPTC had outstanding forward exchange contracts and combined foreign exchange options as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2012</u>			
Sell forward contracts	NTD/USD	2012.07.27-2012.07.30	NTD227,209/USD7,600
Buy EUR call options	EUR/USD	2012.09.04-2012.10.02	EUR6,925/USD8,481
Sell EUR put options	EUR/USD	2012.09.04-2012.10.02	EUR27,700/USD35,927

OPTC had no outstanding forward exchange contracts as of June 30, 2011.

An FENC subsidiary, Far Eastern Fibertech Co., Ltd. entered into forward exchange contracts for the six months ended June 30, 2012 to hedge against the exchange risks on foreign currency assets and liabilities. As of June 30, 2012, Far Eastern Fibertech Co., Ltd. had outstanding forward exchange contracts as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>June 30, 2012</u>			
Sell	USD/NTD	2012.07.17	USD1,500/NTD44,909

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 gains of NT\$46,597 thousand and net losses of NT\$54,568 thousand for the six months ended June 30, 2012 and 2011, respectively. On the financial liabilities held for trading, there were net gains of NT\$20,114 thousand and net losses of NT\$29,870 thousand for the six months ended June 30, 2012 and 2011, respectively.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
Current		
Private-placement funds - beneficial certificates	\$ 2,179,110	\$ 1,602,504
Open-end mutual funds - beneficial certificates	479,028	1,296,049
Marketable equity securities	<u>190,844</u>	<u>392,035</u>
	<u>\$ 2,848,982</u>	<u>\$ 3,290,588</u>
Noncurrent		
Marketable equity securities	\$ 2,874,442	\$ 3,231,508
Private placement shares	<u>1,191,280</u>	<u>979,793</u>
	<u>\$ 4,065,722</u>	<u>\$ 4,211,301</u>

8. BOND INVESTMENTS WITH NO ACTIVE MARKET

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
Noncurrent		
Convertible bond - Bockhold N.V.	<u>\$ 248,391</u>	<u>\$ 258,903</u>

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 after February 26, 2012. The amount on the host debt contract was recognized as bond investment with no active market.

9. INVENTORIES, NET

	June 30	
	2012	2011
Merchandise	\$ 4,503,410	\$ 2,341,705
Finished goods	5,377,508	6,432,390
Work in process	2,467,175	1,776,875
Raw materials	7,688,643	8,869,299
Supplies	<u>525,734</u>	<u>513,883</u>
	<u>\$ 20,562,470</u>	<u>\$ 19,934,152</u>

The provision for inventory devaluation as of June 30, 2012 and 2011 were NT\$1,109,137 thousand and NT\$629,181 thousand, respectively.

The costs of goods sold were NT\$78,078,591 thousand and NT\$73,566,103 thousand for the six months ended June 30, 2012 and 2011, respectively. The cost of good sold due to write-downs of inventories were NT\$83,417 thousand for the six months ended June 30, 2012. Reversals of provision for losses on decline in value of inventory amounting to NT\$41,009 thousand were included in the cost of goods sold for the six months ended June 30, 2011. 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 (recognized as other current assets) of FECC as of June 30, 2012 and 2011 were as follows:

Project by Accounting Method	June 30, 2012									
	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				
<u>Completed-contract method</u>										
Ban Ciao New Section No. 9 (Zhong Ben 2)	\$ -	\$ -	<u>\$ 208,240</u>	<u>\$ 234,992</u>	<u>\$ -</u>	<u>\$ 443,232</u>	<u>\$ -</u>	<u>\$ -</u>	-	2013
Project by Accounting Method	June 30, 2011									
	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				
<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>13,307</u>	<u>1,347,349</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>		

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, 2012 and 2011, FECC's capitalized interests which generally referred to construction-in-progress and prepaid construction, were NT\$5,252 thousand and NT\$19,820 thousand, respectively. The capitalization rates were 1.4542% to 1.8558% and 1.4311% to 2.1262% for the six months ended June 30, 2012 and 2011, respectively.

Construction-in-progress (net of billings on construction-in-progress) of FEGC as of June 30, 2012 and 2011 was as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	Construction-in-progress	Billings on Construction-in-progress	Percentage of Completion	Expected Year of Completion	Recognized Cumulative (Loss) Gain
<u>June 30, 2012</u>							
a. Percentage of completion method							
Kaohsiung Rapid Transit	\$ 8,119,754	\$ 7,283,088	\$ 8,034,578	\$ 7,929,278	99	2012	\$ 828,300
Zhong-Ben	2,568,919	2,618,919	1,592,313	1,235,675	89	2012	(50,000)
Yuan Yang California	2,836,976	2,676,392	114,378	-	99	2012	158,978
Wu-Yang C904B	3,288,552	3,227,684	2,885,074	2,497,898	88	2013	53,564
Far Eastern Communication Park	262,065	254,167	250,513	-	96	2012	2,645
Wu-Yang C905	2,768,282	2,816,638	2,059,377	1,828,304	75	2013	(48,356)
Wu-Yang C908	2,245,789	2,328,513	1,683,568	1,595,246	76	2013	(82,724)
Zhong-Ben (2)	1,706,781	1,706,781	920,110	495,507	54	2013	-
Hsinchu Big City	251,421	247,676	<u>244,652</u>	<u>194,232</u>	97	2012	3,632
			<u>17,784,563</u>	<u>15,776,140</u>			
b. Completed-contract method							
Yuan Ze memorial hall	-	-	3,861	3,419	-	2012	-
Taipei Flora Expo park	-	-	<u>300</u>	<u>-</u>	-	2012	<u>-</u>
			<u>4,161</u>	<u>3,419</u>			
			<u>17,788,724</u>	<u>\$ 15,779,559</u>			<u>\$ 866,039</u>
			<u>\$ 2,009,165</u>				
<u>June 30, 2011</u>							
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
Far Eastern Communication Park	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	<u>218,424</u>	<u>148,574</u>	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	-	-	<u>8,069</u>	<u>-</u>	-	2011	<u>-</u>
			<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>				

11. AVAILABLE FOR CONSTRUCTION - LAND

	Area (Square Meters)	June 30	
		2012	2011
Guang Ming Section No. 201, Shi Tuen, Taichung	12,036	\$ 411,797	\$ 411,903
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>\$ 620,181</u>	<u>\$ 620,287</u>

12. AVAILABLE-FOR-SALE BUILDING AND LAND

June 30, 2012

Yuan Yang California \$ 1,037,525

Yuan Yang California completed the construction in the last-half year of 2011; thus, the unsold units of building and land were reclassified to available-for-sale building and land, amounting to NT\$1,037,525 thousand. The unearned revenue on building and land was NT\$15,811 thousand as of June 30, 2012.

13. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	June 30			
	2012		2011	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Unlisted common stocks				
Din Shen Investment Co., Ltd. (Din Shen)	\$ 396,000	18	\$ -	-
Bockhold N.V.	223,533	13	223,533	13
Hantech Venture Capital Corp.	104,713	7	104,713	7
Chung Nan Textile Corp.	81,405	5	81,405	5
Nippon Parison Co., Ltd.	65,325	10	62,665	10
Alberta & Orient Glycol Company Ltd.	64,384	25	86,747	25
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	-
Ya Li Transportation Corp.	16,240	10	16,240	10
Global Venture Capital Co., Ltd.	14,000	1	14,000	1
THI Consultants Inc.	13,729	18	13,729	18
Overseas Investing Consultants Co., Ltd.,	10,000	1	10,000	1
Yue Yuan Investment Corp.	-	-	637,577	19
Kaohsiung Rapid Transit Corporation	-	5	136,700	5
Others	<u>36,652</u>		<u>41,426</u>	
	<u>1,132,804</u>		<u>1,535,559</u>	
Conversion option embedded into convertible bonds				
Bockhold N.V.	<u>7,895</u>		<u>7,895</u>	
	<u>\$ 1,140,699</u>		<u>\$ 1,543,454</u>	

The above equity, private fund investments and conversion option embedded into convertible bonds, 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.

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. In addition, for the six months June 30, 2011, the Group recognized impairment loss NT\$2,132 thousand incurred by KRTC cumulative operating loss in the previous years.

An FENC subsidiary, Yuan Ding sold 500 thousand shares of Yue Yuan Investment Corp. for a total of NT\$11,804 thousand in 2011. In addition, FENC appointed the general manager of Yuan Ding, and approved December 28, 2011 as the start date of his term. Yuan Ding and its subsidiaries have been included in the consolidated financial statements and the Group owned more than 20% of Yue Yuan's voting stock; thus, the Group reclassified Yue Yuan as long-term equity-method investment.

An FENC subsidiary, Yuan Tong participate the establishment of Din Shen for a total amount of NT\$270,000 thousand on October 11, 2011 and had 18% Din Shen's equity. In April 2012, Yuan Tong participated in issuance of new capital stock for a total amount of NT\$126,000 thousand.

14. EQUITY-METHOD INVESTMENTS

	June 30			
	2012		2011	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
With quoted market prices				
Asia Cement Corp. (ACC)	\$ 14,398,943	25	\$ 14,622,783	25
Far Eastern Department Stores Ltd. (FEDS)	6,054,722	21	4,897,716	19
Oriental Union Chemical Corp. (OUCC)	4,809,828	27	3,520,989	24
Everest Textile Co., Ltd. (Everest Textile)	<u>1,075,168</u>	27	<u>858,706</u>	27
	<u>26,338,661</u>		<u>23,900,194</u>	
With no quoted market prices				
Oriental Securities Co., Ltd. (OSC)	4,767,066	46	4,967,852	46
Pacific Liu Tong Investment Co., Ltd. (PLT)	3,669,601	40	3,254,045	40
Yue Yuan Investment Co., Ltd. (Note 13)	3,019,659	44	-	-
Far Eastern International Leasing Corp.	2,225,344	34	2,062,987	34
Liquid Air Far East Glycol Ltd.	1,149,266	35	1,140,784	35
Da Ju Fiber Co., Ltd.	448,989	42	474,064	42
Yuan Ding Leasing Corp.	411,260	46	384,847	46
Yue Ding Industry Co., Ltd.	372,479	31	347,096	29
Kowloon Cement Corp.	358,923	49	349,779	49
Freudenberg Far Eastern Spunweb Co., Ltd.	323,286	30	272,925	30
Far Eastern Department Store Asia Pacific Development Ltd.	118,336	5	-	-
Yue Ming Corp.	64,943	47	111,338	47
Malaysia Garment Manufactures PTE Ltd.	58,334	38	55,055	38
Com 2B Corporation	23,560	20	25,259	20
iScreen Corporation	20,093	40	21,534	40
Yuan Ding Co., Ltd. (Yuan Ding)	-	-	4,394,665	50

(Continued)

	June 30			
	2012		2011	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Far Eastern Electronic Commerce Co., Ltd. (FEEC)	\$ -	-	\$ 32,664	20
Ding Ding Hotel Co., Ltd. (DDH)	-	-	26,703	19
Ding Ding Integrated Marketing Service Co., Ltd. (DDIMS)	-	-	7,045	20
Far Eastern International Garments	(12,056)	41	(6,036)	41
Cemtex Apparel Inc.	<u>(9,543)</u>	50	<u>(4,128)</u>	50
	17,009,540		17,918,478	
Add: Credit balance on carrying values of long-term investments reclassified to other liabilities	<u>21,599</u>		<u>10,164</u>	
	<u>17,031,139</u>		<u>17,928,642</u>	
	<u>\$ 43,369,800</u>		<u>\$ 41,828,836</u>	

(Concluded)

Investments in Far Eastern Department Store Asia Pacific Development Ltd. and Com2B Corporation for the six months ended June 30, 2012; investment in FEDS, Com2B Corporation, DDH, DDIMS and FEEC for the six months ended 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. DDIMS, FEEC and DDH have been included in the consolidated financial statements since December 28, 2011.

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).

Since the Company appointed the general manager of Yuan Ding and approved December 28, 2011 as the start of his term, Yuan Ding and its subsidiaries, DDIMS, FEEC and DDH have been included in the consolidated financial statements since this approval date. In addition, Far Eastern Department Store Asia Pacific Development Co., Ltd. was accounted for by the equity method since the Yuan Ding had significant influence on it.

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, 2012, YDI, Yuan Tong, Kai Yuan and An Ho bought 7,448 thousand shares of OUCC for NT\$291,486 thousand. Thus, the Group's equity in OUCC increased from 26.08% to 27.02%.

For the six months ended June 30, 2012, three subsidiaries, Kai Yuan, Yuan Tong and Ding Yuan, bought 20,999 thousand shares of FEDS for NT\$621,486 thousand; thus, the Group's equity in FEDS increased from 19.53% to 21.32%.

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

To provide a new micro payment mechanism and support digital content development, the board of directors of Far EasTone on July 25, 2012 resolved to subscribe for Yuan Hsin Digital Payment Co., Ltd.'s common shares amounting to NT\$180,000 thousand, representing 30% ownership of Yuan Hsin Digital Payment Co., Ltd.

The calculation of the gains (losses) on the equity-method investments was based on the audited financial statements of all the listed companies and OSC for the six months ended June 30, 2012 and 2011, and PLT for the six months ended June 30, 2011. 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, and Everest Textile for the six months ended June 30, 2012 and 2011, and PLT for the six months ended June 30, 2011; the accountants expressed a qualified opinion because some of their investees' financial statements for the six months ended June 30, 2011 had not been audited. The equity-method investments, plus the unreviewed investments of the Group, amounted to NT\$29,021,778 thousand and NT\$28,234,078 thousand as of June 30, 2012 and 2011, respectively; the investment incomes were NT\$946,014 thousand and NT\$1,215,919 thousand for the six months ended June 30, 2012 and 2011, respectively.

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

	<u>As of June 30</u>	
	2012	2011
With quoted market prices	<u>\$ 46,320,489</u>	<u>\$ 53,349,242</u>

The difference between the investment cost and the equity in the investees' net assets resulted from the goodwill, which had changes for the six months ended June 30, 2012 and 2011, as follows.

	<u>Six Months Ended June 30, 2012</u>			
	Beginning Balance	Increase	Decrease	Ending Balance
Goodwill	<u>\$ 1,655,069</u>	<u>\$ 382,297</u>	<u>\$ -</u>	<u>\$ 2,037,366</u>
	<u>Six Months Ended June 30, 2011</u>			
	Beginning Balance	Increase	Decrease	Ending Balance
Goodwill	<u>\$ 690,706</u>	<u>\$ 198,682</u>	<u>\$ 33,589</u>	<u>\$ 855,799</u>

15. HELD-TO-MATURITY FINANCIAL ASSETS - NONCURRENT

	<u>June 30</u>	
	2012	2011
Corporate bonds		
Asia Cement Corporation	<u>\$ 199,819</u>	<u>\$ 199,717</u>

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

16. PROPERTIES

a. Accumulated depreciation consisted of:

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
Cost		
Buildings	\$ 12,096,312	\$ 8,679,035
Machinery and equipment	67,274,326	64,034,781
Telecommunications equipment	104,962,904	99,582,041
Computer equipment	21,633,284	19,013,056
Leasehold improvements	2,625,789	2,442,955
Operating and miscellaneous equipment	<u>11,511,751</u>	<u>6,263,722</u>
	<u>220,104,366</u>	<u>200,015,590</u>
Appreciation		
Buildings	244,052	213,968
Machinery and equipment	163,982	165,371
Operating and miscellaneous equipment	<u>4,985</u>	<u>5,080</u>
	<u>413,019</u>	<u>384,419</u>
Total accumulated depreciation	<u>\$ 220,517,385</u>	<u>\$ 200,400,009</u>

b. Accumulated impairment consisted of:

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
Land	\$ 96,557	\$ 96,557
Buildings	202,579	137,275
Machinery and equipment	3,173,758	3,082,300
Telecommunications equipment	2,059,741	2,183,413
Computer equipment	241,951	185,982
Leasehold improvements	25,311	24,335
Operating and miscellaneous equipment	<u>73,687</u>	<u>21,642</u>
	<u>5,873,584</u>	<u>5,731,504</u>
Revaluation increments		
Buildings	<u>1,794</u>	<u>-</u>
Total accumulated impairment	<u>\$ 5,875,378</u>	<u>\$ 5,731,504</u>

Under government regulations, the Company revalued the properties and properties leased to others (excluding land) in 1983 and the lands in 1994. In 2011, the Company and its subsidiaries revalued the land at NT\$11,843,257 thousand and for a net amount of NT\$9,437,269 thousand after deducting the provision for the land value increment tax amounting NT\$2,405,988 thousand. The resulting appreciation was accounted for as an increase in the carrying value of lands. A reserve for incremental land value increment tax was also recognized, and the net appreciation was credited to unrealized revaluation increment on properties.

The Company and ACC co-own a parcel of land located on Tun-Hwa South Road in Taipei. Under an agreement between the Company and ACC dated March 31, 1989, 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 established its wholly owned subsidiary, FERD by spinning-off the Company's real estate development business (including those on operating, nonoperating properties and farmland) to FERD. When the agreement described in the previous paragraph is expired, the Company's right to acquire the building from Yuan Ding had transferred 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 2011, FERD sold lot No. 9 to the Foundation for NT\$330,473 thousand with disposing gain of \$273,065 thousand. In addition, both parties agreed to terminate the superficies rights contract and to consider the remaining superficies rights as the Foundation's first installment payment (taken as advance on sale of land). The ownership of this lot had been transferred on August 30, 2011.

For the six months ended June 30, 2012 and 2011, the capitalized interests on properties amounted to NT\$49,165 thousand and NT\$27,819 thousand, respectively, and the capitalized interest rates were from 0.92% to 4.59% and from 0.01% to 3%, respectively.

Depreciation expenses for properties were NT\$7,669,961 thousand and NT\$7,404,446 thousand for the six months ended June 30, 2012 and 2011, respectively.

17. 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 subsidiaries' large percentage of ownership by Far EasTone.

In conformity with SFAS No. 35 - "Impairment for Assets," the Group was divided into several identifiable cash-generating units: To enhance the operating effectiveness, the Group integrated its telecommunications resources, the identifiable cash-generating units were defined as mobile telecommunications service business, telecommunications equipment business, WiFly business and integrated internet business.

On December 31, 2011 and 2010, the carrying values of the tangible and intangible assets used by the Group were NT\$69,166,301 thousand and NT\$71,937,671 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, 2011 and 2010: Mobile telecommunications service business - 9.31% and 8.33%, respectively; telecommunications equipment business - 7.01% and 9.71%, respectively; WiFly business - both 10.00%, integrated network business - 4.54% and 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 the Group 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.

The Group'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, 2011 and 2010, there was no indication of impairment loss. As of June 30, 2012, there were no significant changes showing that goodwill was impaired.

Operating Rights (Accounted under Other Intangible Assets)

Under SFAS No. 25 - "Business Combinations" and SFAS No. 37 - "Intangible Assets," the Group should measure the fair value of the acquired assets and identify major intangible assets as well as the amortization periods. As the Group acquired NCIC's, DataExpress' and FENCIT's common shares, the cash-generating units of each were identified and the major intangible assets as the operating rights, dealership and customer relationship were recognized, respectively.

18. INTANGIBLE ASSETS - 3G CONCESSION, NET

	Six Months Ended June 30	
	2012	2011
Cost	<u>\$ 10,201,430</u>	<u>\$ 10,169,000</u>
Accumulated amortization		
Beginning balance	5,054,055	4,323,349
Amortization	<u>368,596</u>	<u>365,353</u>
Ending balance	<u>5,422,651</u>	<u>4,688,702</u>
3G concession, net	<u>\$ 4,778,779</u>	<u>\$ 5,480,298</u>

19. FARMLAND

	June 30	
	2012	2011
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.

20. SHORT-TERM BANK LOANS

	June 30	
	2012	2011
Unsecured bank loans: Interest - 0.68%-8.83% in 2012 and 0.64%-5.60% in 2011	\$ 27,006,456	\$ 32,509,525
Secured bank loans: Interest - 1.18%-2.63% in 2012 and 0.52%-2.27% in 2011	<u>299,688</u>	<u>3,766,014</u>
	<u>\$ 27,306,144</u>	<u>\$ 36,275,539</u>

On December 17, 2009, Far Eastern Construction Co., Ltd. (FECC) got a syndicated loan of NT\$4,000,000 thousand from Mega International Commercial Bank and four other banks. A lot under development (No. 17 in the Shin Ya Section) amounting to NT\$4,800,000 thousand and intended for a new residential construction project named Far Eastern California was pledged to the creditor banks to guarantee FECC's debt repayment. In 2011, the construction was completed and this loan was fully repaid in the last-half year of 2011.

21. COMMERCIAL PAPER

Commercial paper with one-year maturities were issued at discounts ranging from 0.79%-1.28% as of June 30, 2012 and from 0.75% to 2.25% as of June 30, 2011.

22. UNEARNED REVENUES

	June 30	
	2012	2011
Unearned telecom revenues from prepaid cards	\$ 1,078,256	\$ 1,095,792
Unearned telecom revenues from postpaid	1,217,747	1,227,269
Other	<u>296,936</u>	<u>253,546</u>
	<u>\$ 2,592,939</u>	<u>\$ 2,576,607</u>

Two FENC subsidiaries, Far EasTone and NCIC, entered into contracts with Far Eastern International Bank Co., Ltd. (FEIB) in accordance with the NCC's prepaid card related regulation of the mandatory and prohibitory provisions of standard contracts of telecommunication products (services) certificate. In 2010, Far EasTone and NCIC placed the proceeds of the sale of prepaid cards and international calling cards to FEIB as trust funds, which were included in 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 NT\$45,000 thousand to KG Telecom for the customers who already bought the prepaid card.

In addition, FENC subsidiary, Q-ware Com. provided a pledged certificates of deposits amounting to \$9,000 thousand in China Trust Bank as a collateral for performance guarantee provided by China Trust Bank in accordance with NCC's prepaid card related regulation of the mandatory and prohibitory provisions of standard contracts of telecommunication products (services) certificates.

23. 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, 2012</u>							
Percentage of completion method							
Er-chung flood spillway bridge	\$ 136,551	\$ 138,799	\$ 136,528	\$ 136,551	-	2012	\$ (2,248)
Tainan science park-Taipower Company	894,236	1,007,357	893,188	894,236	99	2012	(113,121)
Panhsin Headquarter	3,737,685	3,376,864	2,246,088	2,284,301	99	2012	357,213
Panhsin Decoration	1,738,140	1,379,083	1,083,708	1,117,700	98	2012	351,876
Taichung C704	2,314,286	2,159,356	2,242,209	2,281,666	97	2012	150,282
Taichung C709A	3,332,909	2,788,031	3,276,635	3,332,909	98	2012	533,980
Far Eastern Memorial Hospital (2)	692,381	670,244	376,544	398,827	54	2013	11,954
Kaohsiung Harbor CM01	4,009,524	3,914,286	<u>681,657</u>	<u>805,312</u>	17	2016	16,190
			<u>10,936,557</u>	<u>11,251,502</u>			
Completed-contract method							
Miscellaneous	-	-	<u>6,050</u>	<u>6,118</u>	-	2012	<u>-</u>
			<u>\$ 10,942,607</u>	<u>11,257,620</u>			<u>\$ 1,306,126</u>
				<u>\$ 315,013</u>			
<u>June 30, 2011</u>							
Percentage of completion method							
Er-chung flood spillway bridge	136,551	138,799	\$ 136,528	\$ 136,551	-	2011	\$ (2,248)
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	176,055
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	190,550	243,077	28	2012	6,198
			<u>\$ 9,123,304</u>	<u>9,776,309</u>			
				<u>\$ 653,005</u>			<u>\$ 403,861</u>

24. LONG-TERM LIABILITIES

	Due Within One Year	Due After One Year	Total
<u>June 30, 2012</u>			
Long-term debts			
Bank loans	\$ 1,272,631	\$ 35,067,821	\$ 36,340,452
Bonds payable			
Nonconvertible bonds	760,000	37,180,000	37,940,000
Nonconvertible bonds discount	-	(68,764)	(68,764)
	<u>760,000</u>	<u>37,111,236</u>	<u>37,871,236</u>
Exchangeable bonds	1,239,000	-	1,239,300
Exchangeable bonds discount	(5,934)	-	(5,934)
	<u>1,233,066</u>	<u>-</u>	<u>1,233,066</u>
	<u>1,993,066</u>	<u>37,111,236</u>	<u>39,104,302</u>
	<u>\$ 3,265,697</u>	<u>\$ 72,179,057</u>	<u>\$ 75,444,754</u>
<u>June 30, 2011</u>			
Long-term debts			
Bank loans	\$ 1,141,936	\$ 29,436,847	\$ 30,578,783
Commercial paper	-	1,997,420	1,997,420
	<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	(223)	(39,613)	(39,836)
	<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	-	(34,811)	(34,811)
	<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>

Bank Loans

The foregoing loans are repayable through a lump sum payment on maturity in New Taiwan dollars or US dollars. The Company and its subsidiaries had been allowed to make loans within the credit line limit. Except for the following companies mentioned in the next paragraphs, the Group's credit line limit as of June 30, 2012 was due between June 2013 and November 2015; and the Group's credit line limit as of June 30, 2011 was due in March 2013. Bank interest rates were from 0.60% to 4.1% and from 0.71% to 4.1% as of June 30, 2012 and 2011, respectively.

On September 12, 2008, the Company entered into a five-year 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 interest cover within certain ranges in the annual and semi-annual financial statements. The Company's stand-alone financial reports as of June 30, 2012 and 2011 showed that the Company was in compliance with these ratio requirements.

On July 1, 2008, FENC subsidiary, Sino Belgium (Holding) Ltd. (SINO), reached a five-year 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 interest cover ratios within certain ranges in the annual financial statements. Yuan Tong's stand-alone annual financial reports of 2011 and 2010 showed that Yuan Tong was in compliance with these ratio requirements.

On March 22, 2011, an FENC subsidiary, FECC entered into a NT\$4,000,000 thousand syndicated credit agreement with Hua Nan Bank. FECC pledged its land pertaining to the Zhong Ben and Zhong Ben (2) project (Ban Ciao - New Section No. 9) and amounting to NT\$4,800,000 thousand as first mortgage to the creditor banks. The agreement terms are as follows:

	Credit Line	Maturity Period	Interest Rate	Repayment
A	NT\$ 2,000,000 thousand	Twenty years after use of the credit	Hua Nan Bank's periodic savings interest rate plus 0.40% then over 0.946	Revolving credit within the period and no repayment in the first five years; quarterly repayments of NT\$30,000 thousand from the sixth year and redemption of rest on maturity
B	NT\$ 2,000,000 thousand	Five years after use of the credit	Reference interest rate plus 0.433%	Revolving credit within the period; lump sum repayment on maturity
	<u>NT\$ 4,000,000</u> <u>thousand</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), entered into a five-year syndicated loan agreement of NT\$4,200,000 thousand from Mega International Commercial Bank (Mega) and Chinatrust Commercial Bank (Chinatrust). Under this agreement, OPTC, during the contract period, should show keep its liability ratio is within a certain range in the annual financial report. Once OPTC fails to meet its commitment, it should issue new shares for cash by the end of the next October, fully repay the loan, or put the liability ratio back within the required range. Otherwise, OPTC should pay the penalty monthly by annual rate of 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. 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 2011 and 2010 showed that OPTC was in compliance with liability ratio requirement under loan agreement with Mega and Chinatrust.

Commercial Paper

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

Bonds

FENC

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 a par value of NT\$1,000 thousand. These three-year bonds are repayable in lump sum on maturity, with 2.67% interest payable annually. The Company redeemed the bond in May 2011.

The Company issued 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 a par value of NT\$1,000 thousand. Of the total issuance amounts, 30%, 30%, 40% are repaid at the end of the 3rd, 4th and 5th year, respectively, with a 2.83% annual interest rate. The Company has redeemed the bond of \$600,000 thousand as of June 30, 2012.

The Company issued 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 a par value of NT\$1,000 thousand. Of the total issuance amounts, 30%, 30%, 40% are repaid at the end of the 3rd, 4th and 5th year, respectively, with a 2.95% annual interest rate. The Company has redeemed the bond of \$360,000 thousand as of June 30, 2012.

On October 29, 2009, the Company issued five-year unsecured bonds (the 1st tranche of 2009) with an aggregate value of NT\$3,000,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.85% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

On May 27, 2010, the Company issued five-year unsecured bonds (the 1st tranche of 2010) with an aggregate value of NT\$5,500,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.68% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was 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 with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.59% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable 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 with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.50% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

On September 29, 2011, the Company issued five-year unsecured bonds (the 2nd tranche of 2011) amounting to NT\$2,200,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.55% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

On February 15, 2012, the Company issued five-year unsecured bond (the 3rd tranche of 2011) with an aggregate amount of NT\$6,000,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.36% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

On June 7, 2012, the Company issued five-year unsecured bonds (the 1st tranche of 2012) with an aggregate amount of NT\$3,200,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.35% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable 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% effective interest rate. Under the Statement of Financial Accounting Standards No. 36 - "Financial Instruments: Disclosure and Presentation", the Company recognized the call and put options as separate assets and liabilities, respectively (Note 6).

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-dividend 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, 2012, the exchange price of these exchangeable bonds was NT\$40.87.

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 had the option to request the Company to redeem their bond holdings at 100% of face value on September 14, 2010, three years after the issuance date. On September 14, 2010, the bondholders exercised their put options amounting to NT\$1,260,700 thousand. The Company redeemed the bonds within five trading days after the bondholders' notifying the Company of their request for bond redemption. The redemption rights were expired since September 14, 2010.

e. In July 2011, the bondholders exchanged NT\$300 thousand bonds into 6,858 ACC common shares at the price of NT43.74 per ACC share. As of June 30, 2012, the amount of the outstanding exchangeable bonds have not yet been exchanged into ACC's common shares was NT\$1,239,000 thousand.

YDI

On October 11, 2006, YDI issued five-year unsecured nonconvertible bonds (the 5th tranche) amounting to NT\$2,000,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 2.30% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually. The bonds were fully redeemed in 2011.

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 with a par value of NT\$10,000 thousand. These three-year unsecured bond will be repaid in lump sum on maturity, with a 2.00% annual interest rate. 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 and NCIC were written off.

On July 19, 2010, YDI issued five-year unsecured nonconvertible bonds (the 1st tranche) amounting to NT\$2,000,000 thousand with a par value of NT\$1,000 thousand. Of the total issuance amounts, 30%, 30%, 40% are repaid at the end of the 3rd, 4th and 5th year, respectively, with a 1.62% annual interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

On July 20, 2011, YDI issued five-year unsecured nonconvertible bonds (the 1st tranche) amounting to NT\$3,000,000 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 1.50% and paid annually.

On December 15, 2011, YDI issued five-year unsecured bonds (the 2nd tranche) amounting to NT\$2,000,000 thousand with a par value of NT\$1,000 thousand. These five-year bonds will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.45% interest rate. The interest was calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and was payable annually.

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, 2012		
	Within One Year	Over One Year	Total
Assets			
Notes receivable	\$ 2,814	\$ -	\$ 2,814
Accounts receivable	202,263	154,827	357,090
Receivable from related parties	98,324	-	98,324
Available-for-sale building and land	1,037,525	-	1,037,525
Construction-in-progress, net	877,991	1,574,406	2,452,397
Available for construction - land	-	620,181	620,181
Prepayment for land purchases (Note)	-	64,000	64,000
Restricted assets (both current and noncurrent)	621,561	751,662	1,373,223
Refundable deposits - current (Note)	4,224	2,572	6,796
Liabilities			
Notes payable	531,216	-	531,216
Accounts payable	1,307,737	466,147	1,773,884
Payable to related parties	203,032	-	203,032
Accrued expenses	109,133	23,803	132,936
Advances on land and building	15,811	-	15,811
Billings on construction-in-progress, net	169,075	145,938	315,013
	June 30, 2011		
	Within One Year	Over One Year	Total
Assets			
Accounts receivable	\$ 110,410	\$ 312,331	\$ 422,741
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
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	314,772	338,233	653,005

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

26. SHAREHOLDERS' EQUITY

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from long-term 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 will be appropriated 10% as legal reserve and a special reserve as required by government regulations. After adding last years unappropriated earnings, the Company would retain a certain amount for expansion plans and then make the following appropriations:

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

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

The bonus to employees was NT\$162,949 thousand and NT\$242,228 thousand for the six months ended June 30, 2012 and 2011 respectively, and the remuneration to directors and supervisors was NT\$122,036 thousand in 2012 and NT\$181,671 thousand for the six months ended June 30, 2012 and 2011 respectively. Based on the Company's Articles of Incorporation, the bonus to employees and the remuneration to directors and supervisors are at 4% and 3%, respectively, of estimated distributed earnings. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares at the date preceding the stockholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation and distribution from the 2011 and 2010 earnings were approved by the stockholders on June 28, 2012 and June 24, 2011, respectively.

	Appropriation and Distribution		Dividend Per Share (Dollars)	
	2011	2010	2011	2010
Legal reserve	\$ 1,110,021	\$ 1,297,328		
Cash dividends	8,325,270	9,509,160	\$ 1.7	\$ 2.0
Stock dividends	<u>1,469,165</u>	<u>1,426,374</u>	0.3	0.3
	<u>\$ 10,904,456</u>	<u>\$ 12,232,862</u>		

Of the appropriation and distribution of the 2011 earnings as stock dividends, a capital increase of NT\$1,469,165 thousand from retained earnings was approved by the Financial Supervisory Commission under the Executive Yuan. After this approval, the Company's board of directors set August 28, 2012 as the effective date of this capital increase.

The bonus to employees and the remuneration to directors and supervisors for 2011 and 2010 approved in the stockholders' meetings on June 28, 2012 and June 24, 2011, respectively, were as follows:

	Years Ended December 31			
	2011		2010	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	<u>\$ 421,266</u>	<u>\$ 315,950</u>	<u>\$ 470,346</u>	<u>\$ 352,759</u>
Amounts recognized in respective financial statements	<u>\$ 421,266</u>	<u>\$ 315,950</u>	<u>\$ 470,346</u>	<u>\$ 352,759</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, 2011 and 2010. The total bonus to employees was paid by cash.

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

27. TREASURY STOCK

(Shares in Thousands)

Purpose of Treasury Stock	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
Company's shares held by its subsidiaries	<u>713</u>	<u>-</u>	<u>-</u>	<u>713</u>

The Company consolidated its subsidiary, Yuan Ding Co., Ltd., on December 28, 2011 (Note 2); and since that day, the company's shares held by Yuan Ding were recognized as treasury stock. As of December 31, 2011, the Company's shares held by Yuan Ding Co., Ltd. had a carrying value of NT\$25,063 thousand. On June 30, 2012, the Company had 713 thousand treasury shares and its fair value amounting to NT\$22,461 thousand.

The Company's share held by subsidiaries are treated as treasury stock. The subsidiaries holding treasury stock, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

28. INCOME TAX

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

Since 2005, the Company and a subsidiary, Far Eastern Resources Development Co. (FERD), have used the linked tax system and to file business income tax returns and income tax returns on unappropriated earnings from 2004.

Certain income tax information is as follows:

a. Income tax expense components:

	Six Months Ended June 30	
	2012	2011
Income tax expenses - current	\$ 1,705,284	\$ 942,667
Deferred income tax	(129,660)	1,016,826
10% tax on undistributed earnings	1,317	74,344
Prior year's adjustments	79,846	39,095
Tax effects of the linked-tax system	<u>(482)</u>	<u>(17,194)</u>
Income tax expense - current	<u>\$ 1,656,305</u>	<u>\$ 2,055,738</u>

The Legislative Yuan passed the following amendments to tax laws:

- April 2010 - Article 10 of the Statute for Industrial Innovation, which states a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year; this incentive is effective from January 1, 2010 till December 31, 2019.

Thus, the Company and the subsidiaries recalculated the deferred income tax assets or liabilities and recorded the resulting differences as deferred income tax benefits or expenses.

b. Deferred income tax assets (liabilities):

	June 30	
	2012	2011
Current		
Deferred income tax assets		
Bad-debt expense in excess of the tax-deductible amount	\$ 372,440	\$ 355,826
Provision for losses on inventories	91,196	85,278
Investment tax credits	65,404	7,545
Others	<u>41,029</u>	<u>45,911</u>
	570,069	494,560
Less: Valuation allowance	<u>(160,885)</u>	<u>(118,601)</u>
	409,184	375,959
Deferred income tax liabilities		
Others	<u>(2,977)</u>	<u>(71)</u>
Deferred income tax assets, net	<u>\$ 406,207</u>	<u>\$ 375,888</u>
Noncurrent		
Deferred income tax assets		
Loss carryforwards	\$ 3,343,257	\$ 3,087,022
Assets impairment loss	747,897	1,243,935
Accrued pension costs	328,675	375,971
Investment tax credits	56,995	109,479
Deferred credits - sales of building and land	19,787	19,881
Unrealized loss of disposing assets	658,833	-
Losses on long-term investments	33,828	33,828
Others	<u>141,730</u>	<u>115,709</u>
	5,331,002	4,985,825
Less: Valuation allowance	<u>(4,383,631)</u>	<u>(3,958,317)</u>
	947,371	1,027,508
Deferred income tax liabilities		
Investment income recognized on equity-method investments	(703,702)	(777,067)
Goodwill amortization	(874,057)	(739,587)
Others	<u>(56,379)</u>	<u>-</u>
	<u>(1,634,138)</u>	<u>(1,516,654)</u>
Deferred income tax liabilities, net	<u>\$ (686,767)</u>	<u>\$ (489,146)</u>
Recognized		
Deferred income tax assets - current	<u>\$ 413,923</u>	<u>\$ 376,831</u>
Deferred income tax liabilities - current	<u>\$ (7,716)</u>	<u>\$ (943)</u>
Deferred income tax assets - noncurrent	<u>\$ 393,055</u>	<u>\$ 384,739</u>
Deferred income tax liabilities - noncurrent	<u>\$ (1,079,822)</u>	<u>\$ (873,885)</u>

When the Group prepares its financial statements, the current deferred tax liabilities and assets of the same taxable entity should be offset against each other and presented as a net amount; and similarly for 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	100,343	2012-2013
	Personnel training	<u>5,243</u>	<u>5,243</u>	2012-2013
		<u>\$ 147,588</u>	<u>\$ 106,324</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

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	<u>\$ 6,930</u>	<u>\$ 6,930</u>	2012

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	<u>\$ 1,546</u>	<u>\$ 1,546</u>	2012

OPTC

Regulatory Basis of Tax Credits	Investment Tax Credit Item	Deductible Amount	Remaining Deductible Amount	Expiry Year
Statute for Upgrading Industries	Machinery and equipment	<u>\$ 800</u>	<u>\$ 800</u>	2013

Far Eastern Electronic Toll Collection Co. (FEETC)

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Act for Promotion of Private Participation in Infrastructure Projects	Operating equipment or technique	\$ 4,992	\$ 4,992	2012
	Operating equipment or technique	99	99	2013
		<u>\$ 5,091</u>	<u>\$ 5,091</u>	

Loss carryforwards of subsidiaries - KGEx.com Co., Ltd., Q-Ware Com., O-music Co., Ltd., NCIC, New Diligent Co., Ltd., Simple Infocomm Co., Ltd., Information Security Service Digital United Co., Ltd. (ISSDU), Homet Master Technology Co., Ltd., Jing Yuan Technology Co., Ltd., FEEC, DDIMS, DDH, YDT Technology International Co., Ltd., Oriental Resources Development, FEETC, OPTC - as of June 30, 2012 were as follows:

Expiry Year	Remaining Deductible Amount
2013	\$ 249,524
2014	484,217
2015	316,497
2016	462,013
2017	372,897
2018	763,412
2019	431,111
2020	163,652
2021	74,911
2022	<u>25,023</u>
	<u>\$ 3,343,257</u>

d. 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, 2012	<u>\$ 281,513</u>	<u>\$ 22,807</u>	<u>\$ 1,149</u>	<u>\$ 48,807</u>
June 30, 2011	<u>\$ 397,245</u>	<u>\$ 22,925</u>	<u>\$ 1,126</u>	<u>\$ 101,434</u>
Creditable tax ratios of imputation tax credits to undistributed earnings				
2011 (estimated)	2.10%	45.15%	20.48%	1.22%
2010 (actual)	10.00%	44.61%	33.33%	15.64%
Unappropriated earnings (generated before January 1, 1998)				
June 30, 2012	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,981</u>
June 30, 2011	<u>\$ 236,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,889</u>
Latest year of income tax return that tax authorities had examined and cleared	2007	2009	2010	2010

	Far EasTone	Yuan Faun Ltd.	Far Eastern Apparel Co., Ltd.	ARCOA	Yuan Cheng Human Resources Consultant Corp.
Year-end balances of imputation credit account (ICA)					
June 30, 2012	<u>\$ 1,737,288</u>	<u>\$ 18,612</u>	<u>\$ 22,186</u>	<u>\$ 30,210</u>	<u>\$ 1,096</u>
June 30, 2011	<u>\$ 1,793,245</u>	<u>\$ 17,617</u>	<u>\$ 18,662</u>	<u>\$ 16,394</u>	<u>\$ 444</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2011 (estimated)	19.44%	47.98%	21.42%	9.89%	20.48%
2010 (actual)	19.78%	47.99%	22.28%	4.16%	32.99%
Unappropriated earnings (generated before January 1, 1998)					
June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2006	2010	2010	2008	2010
	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, 2012	<u>\$ 6,723</u>	<u>\$ 80,627</u>	<u>\$ 277,642</u>	<u>\$ 10,092</u>	<u>\$ -</u>
June 30, 2011	<u>\$ 7,934</u>	<u>\$ 88,513</u>	<u>\$ 213,440</u>	<u>\$ 14,830</u>	<u>\$ -</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2011 (estimated)	1.40%	20.48%	-	3.43%	-
2010 (actual)	13.44%	20.85%	-	19.40%	-
Unappropriated earnings (generated before January 1, 1998)					
June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2010	2010	2009	2009	2007
	FEETC	FECC	FEGC	OPTC	FEFC
Year-end balances of imputation credit account (ICA)					
June 30, 2012	<u>\$ 1,823</u>	<u>\$ 10,058</u>	<u>\$ 134,459</u>	<u>\$ 11</u>	<u>\$ 30,059</u>
June 30, 2011	<u>\$ 1,823</u>	<u>\$ 4,780</u>	<u>\$ 78,825</u>	<u>\$ 11</u>	<u>\$ 43,468</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2011 (estimated)	-	7.16%	20.50%	-	20.48%
2010 (actual)	-	2.4%	20.58%	-	20.48%
Unappropriated earnings (generated before January 1, 1998)					
June 30, 2012	<u>\$ -</u>	<u>\$ 64,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011	<u>\$ -</u>	<u>\$ 64,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2010	2010	2010	2010	2010
	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, 2012	<u>\$ 9,568</u>	<u>\$ 3</u>	<u>\$ 235,005</u>	<u>\$ 5,391</u>	<u>\$ 177</u>
June 30, 2011	<u>\$ 7,928</u>	<u>\$ 3</u>	<u>\$ 233,310</u>	<u>\$ 5,391</u>	<u>\$ 177</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2011 (estimated)	-	-	-	-	-
2010 (actual)	-	-	-	-	-
Unappropriated earnings (generated before January 1, 1998)					
June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2010	2010	2008	2010	2010

	Data Express Info tech Co., Ltd.	Linkwell
Year-end balances of imputation credit account (ICA)		
June 30, 2012	<u>\$ 15,657</u>	<u>\$ 4,124</u>
June 30, 2011	<u>\$ 4,946</u>	<u>\$ 138</u>
Creditable tax ratios of imputation tax credits to undistributed earnings		
2011 (estimated)	-	-
2010 (actual)	20.48%	20.48%
Unappropriated earnings (generated before January 1, 1998)		
June 30, 2012	<u>\$ -</u>	<u>\$ -</u>
June 30, 2011	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2010	2010

	Yuan Ding Co., Ltd.	FET Consulting Engineer Co., Ltd.	Ding Ding Hotel Co., Ltd.	Far Eastern Reality Management Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.
Year-end balances of imputation credit account (ICA)					
June 30, 2012	<u>\$ 96,752</u>	<u>\$ 2,575</u>	<u>\$ 2</u>	<u>\$ 9,527</u>	<u>\$ -</u>
Creditable tax ratios of imputation tax credits to undistributed earnings					
2011 (estimated)	20.68%	-	-	20.48%	-
Unappropriated earnings (generated before January 1, 1998)					
June 30, 2012	<u>\$ 1,504,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Latest year of the returns examined and cleared by the tax authorities	2009	2008	2008	2010	-

	DDIMS	YDT Technology International Co., Ltd.
Year-end balances of imputation credit account (ICA)		
June 30, 2012	<u>\$ -</u>	<u>\$ 3,358</u>
Creditable tax ratios of imputation tax credits to undistributed earnings		
2011 (estimated)	-	10.40%
Unappropriated earnings (generated before January 1, 1998)		
June 30, 2012	<u>\$ -</u>	<u>\$ 31,652</u>
Latest year of the returns examined and cleared by the tax authorities	2010	2010

As of June 30, 2012, the companies listed below had no appropriated earnings OPTC, Oriental Resources Development Ltd., Far Eastern Textile Ltd., Yuan Tong, FEETC, Yuan-Cing Co., KGEx.com, NCIC, New Diligent, Simple InfoComm, DDIMS, FEETC, FET Consulting Engineers Co., Ltd., and DDH; and as of June 30, 2011 -Yuan-Cing Co., Oriental Resources Development Ltd., KGEx.com, New Diligent, Simple InfoComm, NCIC, Data Express Infotech, Linkwell Tech, Yuan Tong and FEETC. The imputed 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.

Under ROC Income Tax Law, when the Company distributes unappropriated earnings generated since 1998, the imputation tax credit allocable to each stockholder are based on creditable tax ratios of imputation tax credits to undistributed earnings on the date of dividend distribution. The Group allocates the imputation tax credits to each stockholder based on the ICA balance as of the date of dividend distribution. Thus, the estimated creditable ratio for the 2011 earnings appropriation may be adjusted when the imputation credits are distributed.

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

Far EasTone

Income tax returns through 2006 have been assessed and cleared by the tax authorities. Far EasTone disagreed with the tax authorities' assessment of its 2005 and 2006 return. Thus, Far EasTone filed appeals for the reexamination of its 2005 and 2006 return. Nevertheless, Far EasTone accrued the related tax expense.

KG Telecom (dissolved due to the merge with Far EasTone on January 1, 2010)

The tax returns through 2006 of KG Telecom and the former KG Telecom had been assessed and cleared by the tax authorities. However, KG Telecom disagreed with the tax authorities' assessment of its 2001 to 2006 returns and thus filed appeals for the reexamination of these returns. Nevertheless, KG Telecom accrued the related tax expense.

ARCOA

ARCOA disagreed with the tax authorities' assessment of its 2002 return, thus ARCOA filed an appeal for reexamination. Nevertheless, ARCOA accrued the related income tax expense.

Digital United Inc. (dissolved due to the merger with NCIC on March 16, 2009)

Income tax returns through 2008 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 2008 returns. Thus, Digital United Inc. filed an appeal for the reexamination of these 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 of the 2002 tax return showed that OPTC should pay extra NT\$6,556 thousand. 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 lawsuit with the Taiwan High Administrative Court but lost the lawsuit on December 24, 2009. On February 22, 2010, OPTC filed a lawsuit with the Supreme Administrative Court (SAC). On December 29, 2011, the Supreme Administrative Court abandoned the judgment of Taipei High Administrative Court and returned the case to Taipei High Administrative Court for reexamination. On April 10, 2012, the Taipei High Administrative Court ruled in favor of OPTC. However, tax authorities filed a lawsuit with the Supreme Administrative Court. As of August 21, 2012, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in 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 other tax liabilities but the tax authorities rejected it on October 27, 2009. On December 25, 2009, OPTC filed an administrative lawsuit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court ruled in favor of OPTC. However, tax authorities filed a lawsuit with the SAC. On October 13, 2011, the SAC abandoned the judgment of Taipei High Administrative Court and returned the case to Taipei High Administrative Court for reexamination. As of August 21, 2012, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in 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 lawsuit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court ruled in favor of OPTC. However, tax authorities filed a lawsuit with the SAC. On October 13, 2011, the SAC abandoned the judgment of Taipei High Administrative Court and returned the case to Taipei High Administrative Court for reexamination. As of August 21, 2012, 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 lawsuit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court ruled in favor of OPTC. However, tax authorities filed a lawsuit with the SAC. On October 13, 2012, the SAC abandoned the judgment of Taipei High Administrative Court and returned the case to Taipei High Administrative Court for reexamination. As of August 21, 2012, 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 lawsuit with the Taipei High Administrative Court. On April 14, 2011, the Taipei High Administrative Court ruled in favor of OPTC. However, tax authorities filed a lawsuit with the Supreme Administrative Court. Tax authorities loss the lawsuit on November 30, 2011. OPTC made adjustment the amount of deferred income tax asset in compliance with the result of the lawsuit.

Income tax returns through 2010 of KGEx.com, Yuan Cing, O-music, Q-ware Com., ISSDU, New Diligent, Simple Infocomm, Data Express Info Co. and Linkwell have been examined and cleared by tax authorities. In addition, income tax returns through 2011 of YCIC (consolidated dissolve with Far EasTone on March 1, 2011) has been examined and cleared by tax authorities. Income tax returns through 2010 of ADCast (dissolved due to the merger with NCIC on March 31, 2012) has been examined and cleared by tax authorities. Income tax returns through 2008 of NCIC has been examined and cleared by tax authorities. Income tax returns through 2011 of Homet Master Technology Co., Ltd. and Jing Yuan Technology Co., Ltd. have not been examined and cleared by tax authorities.

29. EMPLOYEE, DEPRECIATION AND AMORTIZATION EXPENSES

	Six Months Ended June 30, 2012		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 3,400,872	\$ 3,446,977	\$ 6,847,849
Insurance	281,928	277,358	559,286
Pension	77,227	159,193	236,420
Miscellaneous	<u>225,392</u>	<u>354,338</u>	<u>579,730</u>
	<u>\$ 3,985,419</u>	<u>\$ 4,237,866</u>	<u>\$ 8,223,285</u>
Depreciation	<u>\$ 6,772,239</u>	<u>\$ 897,722</u>	<u>\$ 7,669,961</u>
Amortization	<u>\$ 195,824</u>	<u>\$ 123,490</u>	<u>\$ 319,314</u>
	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>297,730</u>	<u>551,035</u>
	<u>\$ 3,635,939</u>	<u>\$ 3,364,768</u>	<u>\$ 7,000,707</u>
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>

30. CONSOLIDATED EARNINGS PER SHARE

	Amounts (Numerator)			Earnings Per Share (N.T. Dollars)	
	Consolidated Income Before Income Tax	Consolidated Net Income	Shares in Thousands (Denominator)	Consolidated Income Before Income Tax	Consolidated Net Income
<u>Six months ended June 30, 2012</u>					
Consolidated basic EPS					
Consolidated net income attributable to the parent company's shareholders	\$ 6,341,752	\$ 6,335,373	4,897,217		
The effect of FENC's treasury stock hold by subsidiaries	-	-	(713)		
			4,896,504	\$ 1.30	\$ 1.29
Add: Effect of potential dilutive common stock - bonus to employees	-	-	20,510		
Consolidated diluted EPS					
Consolidated net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	\$ 6,341,752	\$ 6,335,373	4,917,014	\$ 1.29	\$ 1.29
<u>Six months ended June 30, 2011</u>					
Consolidated basic EPS					
Consolidated net income attributable to the parent company's shareholders	\$ 8,716,372	\$ 8,114,545	4,897,217	\$ 1.78	\$ 1.66
Add: Effect of potential dilutive common stock - bonus to employees	-	-	18,125		
Consolidated diluted EPS					
Consolidated net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	\$ 8,716,372	\$ 8,114,545	4,915,342	\$ 1.77	\$ 1.65

The pro forma consolidated EPS information after making adjustments for 146,917 thousand shares of stock dividends, which are scheduled for distribution on August 28, 2012, is as follows.

	Amounts (Numerator)			Earnings Per Share (N.T. Dollars)	
	Consolidated Income Before Income Tax	Consolidated Net Income	Shares in Thousands (Denominator)	Consolidated Income Before Income Tax	Consolidated Net Income
<u>Six months ended June 30, 2012</u>					
Consolidated basic EPS					
Consolidated net income attributable to the parent company's shareholders	\$ 6,341,752	\$ 6,335,373	5,044,134		
Add: Effect of dilutive potential common stock - bonus to employees	-	-	(734)		
			5,043,400	\$ 1.26	\$ 1.26
The effect of FENC's treasury stock hold by subsidiaries	-	-	21,125		
Consolidated diluted EPS					
Consolidated net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	\$ 6,341,752	\$ 6,335,373	5,064,525	\$ 1.25	\$ 1.25

(Continued)

	Amounts (Numerator)			Earnings Per Share (N.T. Dollars)	
	Consolidated Income Before Income Tax	Consolidated Net Income	Shares in Thousands (Denominator)	Consolidated Income Before Income Tax	Consolidated Net Income
	<u>Six months ended June 30, 2011</u>				
Consolidated basic EPS					
Consolidated net income attributable to the parent company's shareholders	\$ 8,716,372	\$ 8,114,545	5,044,134	<u>\$ 1.73</u>	<u>\$ 1.61</u>
Add: Effect of dilutive potential common stock - bonus to employees	-	-	<u>18,668</u>		
Consolidated diluted EPS					
Consolidated 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>5,062,802</u>	<u>\$ 1.72</u>	<u>\$ 1.60</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 consolidated 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 consolidated 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 consolidated EPS calculation has been retroactively adjusted for stock dividends. This adjustment caused the basic and diluted after income tax consolidated EPS for the six months ended June 30, 2011 to decrease from NT\$1.71 to NT\$1.66 and from NT\$1.70 to NT\$1.65, respectively.

The pro forma consolidated EPS information under the assumption that the Company's shares held by Yuan Ding Co., Ltd. were not recognized as treasury stocks is as follow:

	Amounts (Numerator)			Earnings Per Share (N.T. Dollars)	
	Consolidated Income Before Income Tax	Consolidated Net Income	Shares in Thousands (Denominator)	Consolidated Income Before Income Tax	Consolidated Net Income
	<u>Six months ended June 30, 2012</u>				
Consolidated basic EPS					
Consolidated net income attributable to the parent company's shareholders	\$ 6,341,752	\$ 6,335,373	4,897,217	<u>\$ 1.29</u>	<u>\$ 1.29</u>
Add: Effect of dilutive potential common stock - bonus to employees	-	-	<u>20,510</u>		
Consolidated diluted EPS					
Consolidated net income attributable to the parent company's shareholders plus effect of potential dilutive common stock	<u>\$ 6,341,752</u>	<u>\$6,335,373</u>	<u>4,917,727</u>	<u>\$ 1.29</u>	<u>\$ 1.29</u>

31. 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\$209,588 thousand and NT\$162,982 thousand for the six months ended June 30, 2012 and 2011, respectively.
- b. The Company, Far EasTone, ARCOA, NCIC, ISSDU, Oriental Resources Development Ltd., Far Eastern Apparel Co., Ltd., FERD, Yuan Faun Ltd., Yuan Cheng Human Resources Consultant Corp., Fu Kwok Garment Manufacturing Co., Ltd., FECC, FEGC, FEETC, OPTC, FEFC, Yuan Ding Co., Ltd., DDIMS, Far Eastern Realty Management Co, Ltd. and DDH 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\$21,737 thousand and NT\$70,169 thousand for the six months ended June 30, 2012 and 2011, respectively, were recognized by the Group.

32. RELATED-PARTY TRANSACTIONS

The Group had significant transactions with related parties. Beside the transactions had been mentioned in the other notes, these transactions in 2012 and 2011 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules C, D, and E.

33. 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:

	<u>June 30</u>	
	<u>2012</u>	<u>2011</u>
Available-for-sale financial assets - current	\$ -	\$ 70,848
Available-for-sale financial assets - noncurrent	21,565	27,170
Notes receivable	245,085	652,769
Construction-in-progress, net	208,240	2,174,786
Available for construction - land	612,451	612,557
Restricted assets - current		
Pledged time deposits	1,589,592	1,514,023
Others	7,723,006	24,580
Equity-method investments	1,643,605	2,756,264
Properties, net	27,841,479	19,278,690
Land leasehold rights	10,271	480,502
Nonoperating properties, net	2,889,296	1,968,213
Restricted assets - noncurrent		
Pledged time of deposits	<u>87,920</u>	<u>421,624</u>
	<u>\$ 42,872,510</u>	<u>\$ 29,982,026</u>

As of June 30, 2012 and 2011, FENC and some of its subsidiaries had used 148,673 thousand common shares and 221,802 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.

34. SIGNIFICANT COMMITMENTS AND CONTINGENCIES AS OF JUNE 30, 2012

Until June 30, 2012, significant commitments are as follows:

- a. Unused letters of credit aggregated about NT\$2,145,221 thousand.
- b. Unpaid construction and fix asset contracts aggregated NT\$11,177,395 thousand. Far EastOne was under contracts to acquire properties and cellular phone equipment for NT\$3,278,268 thousand and NT\$3,654,695 thousand, respectively, of which NT\$467,295 thousand and NT\$1,567,539 thousand, respectively, had been received.
- c. The Company was under unsettled contracts for cotton purchase amounting to NT\$441,781 thousand and recognized purchase contract loss NT\$2,003 thousand according to market value for the six months ended June 30, 2012.
- d. Project contracts already signed by FEGC amounting to NT\$40,904,251 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, 2012 to December 31, 2012	\$ 1,947,663
2013	3,808,670
2014	3,854,323
2015	3,904,619
2016	3,939,083
January 1, 2017 to June 30, 2017	2,059,858

- 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 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. Until the date of financial 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-zhung 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 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. On March 25, 2010, the Supreme Court made no ruling on this case and returned the case to the Taiwan High Court for reexamination.
- j. The registered capital of PLT, an investee of the Company, was 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 9, 2007 and July 16, 2008. As a result, the capital amount of PLT was treated by MOEA as being 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) and pleaded 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 the letter as no subject to 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. Later, however, the former PLT chairman, Heng-lung Lee withdrew this lawsuit.

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. 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. Later, however, the former PLT chairman, Heng-lung Lee withdrew this lawsuit.

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 not to entertain this case as 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. This suit is still in the trial of 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 lawsuit 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 thus did not conform to 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 one of PLT stockholders. However, FEDS notified the Taipei District Court on June 25, 2010 that FEDS and PLT had agreed by consent to have a stay of the proceeding for a certain period. During this period, FEDS applied for a resumption of the proceeding. Thus, the Taipei District Court continued to try this case.

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. On July 4, 2011, the Taipei City Government issued a letter requiring Pacific Liu Tung Investment Corporation (PLT), an investee of the Company, to elect a new board of directors before September 30, 2011. As a result, the Company held an a special stockholders' on August 1, 2011 and appointed Shu-ton Hsu, Mao-te Huang (representative of Far Eastern Department Store Asia Pacific Development Co., Ltd.) and Shih-ching Lo (representative of Far Eastern Department Store New Century Development Co., Ltd.) as members of the Board of Directors and Sze-ching Du (representative of Da Ju Fiber Co., Ltd.) as a supervisor. However, when the Company registered the change of representatives of Board of Directors and Supervisors, both the Taipei City Government and Ministry of Economic Affairs (MOEA) did not claimed that neither of them should approve the PLT's registration change. After negotiations, the Executive Yuan instructed the MOEA to handle this registration change.

The former chairman of PLT, Heng-lung Lee, claimed that he changed the appointed representatives to the Board of Directors and Supervisors of Pacific Sogo Department Store (PSDS) from Ching-wen Huang, Tetsu Inoue, Shu-ton Hsu, Shaw Y. Wang, and Mao-te Huang, to Chung-Ze Wong, Jaw-Chyuan Chu, Shen-Yi Lee, Rui-Cun Liu and Yu-ying Jin. Then, the foregoing five representatives of the Board of Directors of PSDS appointed the new representatives of the Board of PLT. Heng-lung Lee filed a changed registration of representatives of the Board of Directors and Supervisors with the Taipei City Government and the MOEA's Department of Commerce (DOC) on August 8, 2011.

During the processing of the registration of PLT's change, the Taipei City Government stated that based on the other claim PLT's capital was NT\$4,010,000 thousand, therefore the approval of PLT's registration change and the judgment of whether Heng-lung Lee is the chairman of PLT was the MOEA's responsibility.

On August 1, 2011, PLT held a special stockholders' meeting and reelected the board members and the chairman of the board. However, after this election, PLT did not recognize Heng-lung Lee as PLT's chairman and disagreed with Lee's decision to replace the representatives to the board of directors and supervisors. This dispute was awaiting resolution under civil litigation process.

The former chairman of PLT, Heng-lung Lee claimed that PLT had not conformed to Taipei City Government's No. 10085214000 to reelect the representatives of board of directors and supervisors and completed the registration. All the representatives of board of directors and supervisors according to Lee's claim, did not have legitimacy to carry out their board functions; and Lee claimed this situation may cause damage to PLT. Heng-lung Lee claimed with Taipei District Court (TDC) to appointed interim administrators. Thus, referencing No. 333, the TDC appointed Rong-Chuan Chen, Kung Wang, Min-Qiu Jian as the interim administrators of PLT on February 13, 2012. However, Far Eastern Department Co., Ltd. (FEDS, an equity-method investee of the Company) and other interested parties of PLT, did not agree with the TDC's action and filed a suit against TDC during the statutory period.

On May 11, 2012, referencing No. 92, Taipei District Court revoked the previous decision on interim administrators and reappointed Min-Qiu Jian, Kung Wang, Chen-Chuan Chiu, Chin-Yu Wu and Cheng-Xiong Chen as the interim administrators of PLT. Based on this new decision, Taipei District Court in the meantime rejected the withdrawal appeal of Far Eastern Department Co., Ltd. (FEDS, an equity-method investee of the Company) and other interested parties of PLT. Department of Commerce accepted the newly-appointed PLT's interim administrators on May 18, 2012. However, FEDS and other interested parties of PLT, did not agree with the Taipei District Court's decision and filed an appeal suit against the aforesaid decision at the Taiwan High Court on May 24, 2012. This dispute was awaiting resolution under Taiwan High Court. In addition, based on aforesaid decision on interim administrators of PLT, FEDS disagreed the decision of Taiwan High Court on interim administration, Min-Qiu Jian and Kung Wang, as incompetent interim administrators; therefore, FEDS filed an appeal of dismissal with TDC on May 25, 2012.

1. 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 materials. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss in 2008 and got no indemnification. Thus, FEGC filed for conciliation with the Public Construction Commission (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 filed a lawsuit for indemnification to the Tainan District Court and appealed to decrease the indemnification to NT\$95,400 thousand after receiving the certification of conciliation failure. On September 21, 2011, the Tainan District Court sentenced that STSP should paid FEGC NT\$35,546 thousand plus 5% interests arising from sentencing date to the date of payment. 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 filed a suit for indemnification with the Tainan District Court on December 18, 2009 after receiving the certification of conciliation failure. However, Tainan District Court adjudicated this case and FEGC lost the lawsuit on December 20, 2011. FEGC did not agree with the result then appealed to a higher court on January 12, 2012.

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 FEGC's stopping the construction. Thus, FEGC applied for conciliation with the PCC, but the conciliation failed because FEGC and STSP failed to reach a compromise. FEGC filed with the Tainan District Court a lawsuit for indemnification after receiving the certification of conciliation failure and also asked STSP pay all of the extra costs and the fine for FEGC's stopping the construction; the extra costs and fine were totaled 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 lawsuit 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 more operating expenses of NT\$37,510 thousand, but STSP was not willing to pay these added expenses; thus, FEGC filed a suit with the Tainan District Court.

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

- m. 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, 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 that delayed 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. During the mediation process, both parties mutually agreed to suspend temporarily the mediation proceedings. They also agreed to determine the next course of action only after the completion of the arbitration between KRT and the Kaohsiung City Government
- n. An FENC subsidiary, FEGC, entered into a contract to undertake “Area CR3 of KRT”. Under this constructing contract, TECO Electric & Machinery Co., Ltd. (TECO) undertook the utilities construction and the environmental control construction including its detail design of CR3. However, FEGC and TECO had huge discrepancy between the final payment of construction, the deductible amount of construction cost, escalating construction costs due to inflation and the extra costs due to construction modification. Thus, TECO applied for dispute resolutions service for arbitral proceedings in the Chinese Arbitration Association, Taipei (CAA), and TECO claimed FEGC needs to pay NT\$246,096 thousand. The arbitration opened its first hearing by both parties on August 9, 2012. Nevertheless, the outcome of arbitration between FEGC and TECO and the final claim amount made by TECO needs to further arbitration by CAA.
- o. For a construction Taiwan Power Company (TPC) subcontracted to FEGC, FEGC had to pay a certain fine of NT\$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC’s construction contract. FEGC has applied for mediation to the Complaint Review Board for Government Procurement, PCC but, on October 24, 2008, PCC made a decision not to hear the 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 on July 12, 2011, and this amount was included in restricted assets. FEGC had filed a suit with SAC.
- p. FENC’s subsidiaries, FEGC entered into a contract with the Taiwan Area National Expressway Engineering Bureau (TANEEB) to be part of the construction of the “Taichung Living Circle Route 4 North Section and Dali Access Road.” Based on the original design, the P43 and P44 abutments need to be constructed in the Tsau Hu River; this the construction project plan was passed by Taiwan Water Resources Agency (TWRA). Nevertheless, during the construction period, TWRA asked TANEEB to redesign the location of the P44 abutment which was located at the convergence of Tsau Hu River and Gan River. FENC discussed TWRA’s concern with TANEEB and redesigned the plan by integrating the two abutments into one (P41), enlarging the anchor arm and removing the projecting abutment away from the convergence. Moreover, in considering the structural construction and the principle underlying the arrangement of the abutments, FENC redesigned the two river-crossing anchor arms (145 meters), securing them with small arches (93 mters). Therefore, the distance between bridge arches was extended and the coordinates of the bridge were changed from 2K+665 from 2k+763. In order to finish the construction in time, TANEEB required FENC to increase the number of construction vehicles from two to six and have them work simultaneously. During the construction, the contracts with additional items that entailed extra costs were renegotiated six times. The contract amount which TANEEB agreed with was NT\$126,524 thousand lower than what FENC suggested. Thus, FEGC applied for conciliation with the TANEEB, but the conciliation failed because FEGC and

TANEEB could not reach a compromise. FEGC filed a lawsuit for indemnification with the Tainan District Court after receiving the certification of conciliation failure.

- q. FEETC was entrusted by the TANFB to collect electronic tolls on freeways and has signed a third-party benefit trust contract with Far Eastern International Bank Co., Ltd. (FEIB) to manage the tolls collected. The trust property for this agreement amounted to NT\$1,317,156 thousand as of June 30, 2012.

35. SUBSEQUENT EVENT

On August 6, 2012, an FENC subsidiary, YDI, issued three-year and five-year unsecured/nonconvertible bonds. The total amount are NT\$3,000,000 thousand, with a par value of NT\$1,000 thousand. The three-year bonds have an aggregate amount of NT\$1,900,000 thousand and will be repaid the total issuance amounts at the due date, with 1.25% annual interest rate. The five-year bonds have an aggregate amount of NT\$1,100,000 thousand and will be repaid at 50% of the total amount at the end of the 4th year and at another 50% of the total amount at the end of the 5th year, with a 1.45% annual interest rate.

36. FINANCIAL INSTRUMENTS

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

	June 30			
	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative financial instruments</u>				
Financial assets				
Cash and cash equivalents	\$ 35,717,680	\$ 35,717,680	\$ 27,170,715	\$ 27,170,715
Financial assets at fair value through profit or loss - current	765,050	765,050	1,412,567	1,412,567
Available-for-sale financial assets - current	2,848,982	2,848,982	3,290,588	3,290,588
Notes and accounts receivable, net	30,447,629	30,447,629	32,935,011	32,935,011
Dividends receivable	3,363,216	3,363,216	2,958,962	2,958,962
Receivable from related parties	1,585,470	1,585,470	972,362	972,362
Other receivables	750,562	750,562	658,294	658,294
Available-for-sale financial assets - noncurrent	4,065,722	4,065,722	4,211,301	4,211,301
Financial assets carried at cost - noncurrent	1,140,699	-	1,543,454	-
Bond investments with no active market - noncurrent	248,391	-	258,903	-
Held-to-maturity financial assets - noncurrent	199,819	199,819	199,717	203,337
Restricted assets (including current portion)	11,603,713	11,603,713	3,478,855	3,478,855
Refundable deposits (including current portion)	613,215	613,215	551,720	551,720
Financial liabilities				
Short-term bank loans	27,306,144	27,306,144	36,275,539	36,275,539
Commercial paper payable	7,937,974	7,937,974	3,235,738	3,235,738
Financial liabilities at fair value through profit or loss - current	30,608	30,608	76,806	76,806
Notes and accounts payable	19,964,158	19,964,158	18,934,534	18,934,534
Payable to related parties	1,104,999	1,104,999	1,091,810	1,091,810
Accrued expense	8,934,907	8,934,907	10,019,541	10,019,541
Dividends payable	14,976,601	14,976,601	14,931,429	14,931,429
Payable to supplies of machinery and equipment	1,926,699	1,926,699	2,342,186	2,342,186
Bonds payable (including current portion)	39,104,302	38,368,229	24,364,653	24,638,181
Long-term debt (including current portion)	36,340,452	36,340,452	32,576,203	32,576,203
Guarantee deposits received (including current portion)	1,180,457	1,180,457	1,009,192	1,009,192

(Continued)

	June 30			
	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Derivative financial instruments asset/(liability)</u>				
Financial assets at fair value through profit or loss - current	\$ 26,142	\$ 26,142	\$ 44,185	\$ 44,185
Hedging derivative financial assets - current	3,300	3,300	23,445	23,445
Financial liabilities at fair value through profit or loss - current	(30,608)	(30,608)	(76,806)	(76,806)
Hedging derivative financial liabilities - current	(19,980)	(19,980)	-	-
Hedging derivative financial liabilities - noncurrent	(143,678)	(143,678)	-	-
				(Concluded)

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

- 1) The carrying values of short-term instruments reported in the balance sheet approximate the fair values of these financial instruments 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 instruments with no active market - noncurrent, 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 debts (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 received (including the current portion) are recorded at their carrying values because the fair value approximates the carrying value.

c. The fair values of financial assets and financial liabilities, which were determined at their quoted prices in an active market or at estimated prices, were as follows:

	<u>Quoted Price</u>		<u>Estimated Price</u>	
	<u>June 30</u>		<u>June 30</u>	
	2012	2011	2012	2011
<u>Financial assets (liabilities)</u>				
Financial assets at fair value through profit or loss - current	\$ 765,050	\$ 1,412,567	\$ 26,142	\$ 44,185
Hedging derivative liabilities - current	-	-	3,300	23,445
				(Continued)

	Quoted Price		Estimated Price	
	June 30		June 30	
	2012	2011	2012	2011
Available-for-sale financial assets - current	\$ 2,848,982	\$ 3,290,588	\$ -	\$ -
Available-for-sale financial assets - noncurrent	2,874,442	3,231,508	1,191,280	979,793
Financial liabilities at fair value through profit or loss - current	-	-	(30,608)	(76,806)
Hedging derivative financial liabilities - current	-	-	(19,980)	-
Hedging derivative financial liabilities - noncurrent	-	-	(143,678)	-
				(Concluded)

d. As of June 30, 2012 and 2011, the financial assets with fair value risk resulted from interest rate fluctuations amounting to NT\$28,686,947 thousand and NT\$10,440,668 thousand, respectively and the financial liabilities with fair value risk resulted from interest rate fluctuations amounting to NT\$91,574,045 thousand and NT\$79,585,844 thousand, respectively. As of June 30, 2012 and 2011, the financial assets with cash flow risk resulted from interest rate fluctuations amounting to NT\$17,753,033 thousand and NT\$19,802,741 thousand, respectively and the financial liabilities with cash flow risk resulted from interest rate fluctuations amounting to NT\$20,110,195 thousand and NT\$17,875,481 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).

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 and some equity-method investments have no active market; thus, material liquidity risk on these assets is anticipated.

On February 26, 2009, an FENC subsidiary, Yuan Tong bought convertible bonds issued by Bockhold N.V. The purchase amount was recognized as bond investment with no active market - noncurrent; 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, 2012 and 2011, 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, 2012 and 2011, which resulted in simultaneous cash inflows and outflows upon maturity; thus, the cash demand is not expected to be significant.

An FENC subsidiary, FEETC, used interest rate swap for the six months ended June 30, 2012, 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.

An FENC subsidiary, FEETC, had long-term debts 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, 2012 and 2011.

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, 2012 and 2011.

A subsidiary, FEETC, used interest rate swap to hedge against adverse cash flow fluctuations on its long-term debts with floating rates for the six months ended June 30, 2012.

Hedged Items	Designated Financial Instruments	Designated Hedging Instruments		Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
		Fair Value			
		2012	2011		
Foreign-currency denominated assets	Cross currency swap - Far EasTone	\$ (2,150)	\$ 325	2012	2012
Foreign-currency denominated assets	Forward exchange contract - NCIC	3,300	23,550	2012	2012
	- NCIC	(17,830)	(430)	2012	2012
Long-term debt with floating rates	Interest rate swap contract - FEETC	(143,678)	-	2025	2025

37. 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: Schedule J (attached).

6) Disposal of individual real state at prices of at least NT\$100 million or 20% of the capital stock: Schedule K (attached).

7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule L (attached).

8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule M (attached).

9) Names, locations, and related information of investees on which the Company exercises significant influence: Schedule N (attached).

10) Derivative financial transactions of investees: Notes 6 and 36.

c. Investments in Mainland China

1) Investee company name, the description of the primary business activity and products, issued capital, nature of the relationship, capital inflow or outflow, ownership interest, gain or loss on investment, amounts received on investment, and the limitation on investment: Schedule O and O-1 (attached).

2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 32 and Schedules L, M and P (attached).

d. Additional disclosure for consolidated financial statements:

- 1) Significant transactions between the Group and among subsidiaries: Schedule P (attached).
- 2) Reasons, amounts, number of shares held and subsidiaries' name, which owns FENC's shares: Note 27.

38. 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 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.

Additionally, the information of segment assets didn't provide for the chief operating decision maker, therefore information of segment assets doesn't need to be disclosed.

	Segments Revenue		Segments Profit	
	Six Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Petrochemical business			\$ (1,566,471)	\$ 3,313,123
Revenues generated from non-affiliates	\$ 14,312,712	\$ 17,984,072		
Revenues generated by the Group	12,570,741	14,345,322		
Polyester business			590,236	1,276,934
Revenues generated from non-affiliates	41,172,440	42,831,115		
Revenues generated by the Group	6,907,556	5,844,365		
Textile business			(86,271)	759,792
Revenues generated from non-affiliates	11,530,876	12,362,062		
Revenues generated by the Group	6,547,639	6,499,485		
Telecommunication business			6,858,476	5,172,754
Revenues generated from non-affiliates	42,675,583	36,072,366		
Revenues generated from the Group	21,691	36,211		
Real estate development business			1,686,583	868,934
Revenues generated from non-affiliates	6,910,596	4,876,273		
Revenues generated by the Group	523,780	736,704		
Investment and other business			3,033,240	(140,852)
Revenues generated from non-affiliates	7,443,244	3,781,867		
Revenues generated by the Group	1,426,825	257,602		
Adjustment and elimination	(27,998,232)	(27,719,689)		
	<u>\$ 124,045,451</u>	<u>\$ 117,907,755</u>	<u>10,515,793</u>	<u>11,250,685</u>
Interest income			208,133	140,376
Investment income recognized under the equity method			1,756,753	2,243,290
Exchange gain (losses)			(245,988)	359,640
Interest expense			(722,363)	(618,951)
Other revenue and income (expenses and losses)			<u>(304,406)</u>	<u>241,973</u>
Profit before tax (continuing operations)			<u>\$ 11,207,922</u>	<u>\$ 13,617,013</u>

39. PLAN FOR THE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Under Rule No. 0990004943 issued by the Financial Supervisory Commission (FSC) on February 2, 2010, the Group pre-discloses the following information on the adoption of International Financial Reporting Standards (IFRSs) as follows and the pre-disclosure amount of some subsidiaries and equity-method investments, were based on the unreviewed financial statements.

- a. On May 14, 2009, the FSC announced the “Framework for the Adoption of International Financial Reporting Standards by Companies in the ROC.” In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange (TSE) or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and the Interpretations as well as related guidance translated by the Accounting Research and Development Foundation (ARDF) and issued by the FSC. To comply with this framework, the Group has set up a project team and made a plan to adopt the IFRSs. The main contents of the plan, anticipated schedule and status of execution as of June 30, 2012 were as follows:

Contents of Plan	Responsible Department	Status of Execution
1) Build a project team	IFRS project team	Completed
2) Establish a training plan	IFRS project team	Completed
3) Establish an IFRSs implementation plan	IFRS project team	Completed
4) Identify the consolidated entities under IFRSs	IFRS project team	Completed
5) Identify the differences between ROC GAAP and IFRSs	IFRS project team	Completed
6) Evaluate optional exemptions under IFRS based on IFRS 1	IFRS project team	Completed
7) Evaluate the possible impact on information systems	IFRS project team	Completed
8) Evaluate the possible modification of internal control systems	IFRS project team	Completed
9) Select accounting policy under IFRS	IFRS project team	Completed
10) Select optional exemptions under IFRS 1 - “First-time Adoption of International Financial Reporting Standards”	IFRS project team	Completed
11) Prepare the opening balance sheet in conformity with the IFRSs	IFRS project team	Completed
12) Prepare the 2012 IFRS comparative financial statements	IFRS project team	In progress
13) Modify related internal control systems (including financial reporting process and information systems)	IFRS project team	Completed

- b. The Company and its subsidiaries assessed the material differences, shown below, between the existing accounting policies and the accounting policies to be adopted under IFRSs:

1) Reconciliation of the consolidated balance sheet on January 1, 2012 was as follows:

	ROC GAAP	Amount	IFRSs	Note
<u>Assets</u>				
Cash and cash equivalent	\$ 28,330,882	\$ (9,025,221)	\$ 19,305,661	a)
Other financial assets - time deposits	-	9,025,221	9,025,221	a)
Prepaid rent - current	-	124,181	124,181	c)
Deferred income tax assets - current	316,339	(316,339)	-	h)
Construction-in-progress net of billings on construction-in-progress	1,964,181	(1,572,245)	391,936	q)
Construction contract receivables	-	1,572,245	1,572,245	q)
Land leasehold rights	1,862,024	(1,862,024)	-	c)
Equity-method investments	44,142,690	27,659	44,170,349	p), d.
Investment properties	-	37,408,872	37,408,872	d), e), f)
Property, plant and equipments, net	151,446,354	(36,080,710)	115,365,644	d), e), f), k), o)
Nonoperating properties, net	4,330,871	(4,330,871)	-	d)
Intangible assets - service concession arrangements	-	493,991	493,991	k)
Deferred pension costs	44,968	(44,968)	-	i)
Deferred charges, net	726,234	(726,234)	-	e)
Deferred income tax assets - noncurrent	381,707	1,020,766	1,402,473	h), i)
Long-term prepayments	-	1,262,481	1,262,481	e), o)
Farmland	276,661	(276,661)	-	f)
Prepaid rents - noncurrent	-	1,737,843	1,737,843	c)
<u>Liabilities</u>				
Deferred income tax liabilities - current	2,041	(2,041)	-	h)
Accrued expenses	9,573,072	142,069	9,715,141	j), l)
Provision - current	-	73,833	73,833	l)
Billings on construction-in-progress net of construction-in-progress	504,941	(504,941)	-	q)
Construction contracts payable	-	504,941	504,941	q)
Provision - noncurrent	-	509,799	509,799	l)
Reserve for land value increment tax	8,660,653	(8,660,653)	-	g)
Deferred income tax liabilities - noncurrent	1,106,225	9,199,096	10,305,321	g), h), i)
Accrued pension cost	2,124,155	876,618	3,000,773	i)
<u>Stockholders' equity</u>				
Capital surplus from long-term investments	9,421,242	(9,421,242)	-	p)
Special reserve	3,152,529	22,319,896	25,472,425	p), c.
Unappropriated earnings	13,709,450	7,579,357	21,288,807	b), i), j), m), n), p), c.
Cumulative translation adjustments	2,915,415	(2,915,415)	-	n)
Net loss not recognized as pension cost	(130,034)	130,034	-	i)
Unrealized gain on financial instruments	2,716,548	778,898	3,495,446	m), p)
Unrealized revaluation increment on properties	19,167,218	(19,167,218)	-	b)
Treasury stocks	(25,063)	-	(25,063)	d.

a) Cash and cash equivalent

Under ROC GAAP, certificates of deposits that are cancellable without any loss of principal are recognized as cash and cash equivalents. Transition to IFRSs, cash equivalents are investments that can be transferred to cash at any time with immaterial risk on value. Thus, certificates of deposits with maturity over three months from the date of acquisition will be separately disclosed from cash and cash equivalents and reclassified as other financial assets - time deposits in the balance sheet. As of January 1, 2012, the Group reclassified NT\$9,025,221 thousand cash and cash equivalent to other financial assets - time deposits.

b) Deemed cost

Under ROC GAAP, all property, plant, and equipment may be revaluated after its initial acquisition based on the regulation they are subjected. Land revaluation increments are adjusted by current listed price and the recognition of revaluation increments is net of land revaluation increments and reserve for land value increment tax. Transition to IFRSs, property, plant and equipment cannot recognize the change of aforesaid land revaluation increments. As of January 1, 2012, the Group recognized the balance of land which accounted as property, plant and equipment and investment properties by using the deemed cost on revaluating day. Thus, the adjustment of unrealized revaluation increments on properties decreased NT\$19,167,218 thousand and unappropriated earnings increased NT\$19,167,218 thousand.

c) Land leasehold right reclassification

Under ROC GAAP, the land leasehold right was classified as intangible assets. Transition to IFRSs, the land leasehold right is applied to IAS 17 Leases and separately disclosed as prepaid rent. Thus, the Group reclassified NT\$1,862,024 thousand from the land leasehold right to prepaid rent - current and prepaid rent - noncurrent, NT\$124,181 thousand and NT\$1,737,843 thousand, respectively.

d) Classification of idle and leased properties

Under ROC GAAP, the Group's properties and buildings held to earn rentals are applied to the definition of long-term usages for operating purposes, therefore, classified under property, plant and equipment. In addition, the Group recognized idle properties and part of rental properties as non-operating assets. Under IFRSs, the aforementioned items are classified as property, plant and equipment or investment properties according to their nature. Therefore, the Group decreased NT\$33,186,434 thousand from property, plant and equipment and NT\$4,154,776 thousand from non-operating properties and increased NT\$37,341,210 thousand in investment properties.

e) Reclassification of deferred charges

Under ROC GAAP, deferred charges are classified under other assets. Transition to IFRSs, deferred charges are classified under investment properties, property, plant and equipment and long-term prepayments according to the nature. Thus, the Group decreased NT\$726,234 thousand from deferred charges and increased NT\$29,431 thousand, NT\$594,857 thousand, NT\$31,689 thousand and NT\$70,257 thousand in investment properties, properties, plant and equipment, intangible assets and long-term prepayment, respectively.

f) Reclassification of farmland

Under ROC GAAP, farmland accounted under other assets - farmland. Transition to IFRSs, the farmland are reclassified under investment properties or property, plant and equipment according to their nature. Thus, the Group reclassified farmland and increased NT\$38,231 thousand and NT\$238,430 thousand in investment properties and property, plant and equipment, respectively.

g) Reclassification of reserve for the land value increment tax

Under Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the reserve for the land value increment tax liability resulting from land revaluation were classified as reserve for land value increment tax. Transition to IFRS, the Group chose to adopt the book value after land revaluation as deemed cost and reclassified the related items of reserve for land value increment tax as deferred income tax liabilities - noncurrent. As of January 1, 2012, the Group reclassified NT\$8,660,653 thousand reserve for land value increment tax to deferred income tax liabilities - noncurrent.

h) Classification of deferred income tax assets or liabilities and valuation allowance

Under ROC GAAP, valuation allowances are provided to the extent, if any, that it is more likely that deferred income tax assets will not be realized. Transition to IFRSs, a deferred income tax assets is recognized only if realization of tax benefit is probable. Thus, valuation allowance is no longer used.

In addition, a deferred income tax asset and liability are classified as current or noncurrent on the basis of the classifications of the related assets and liabilities for financial reporting under ROC GAAP. A deferred asset or liability that cannot be related to an asset or a liability in the financial statements is classified as current or noncurrent according to the expected realization date of the temporary difference. Transition to IFRSs, a deferred income tax asset and liability is always classified as noncurrent.

Under ROC GAAP, deferred current income tax liabilities and assets belong to the same taxable entity should be offset and settle on net basis and so was applied to deferred non-current income tax liabilities and assets. Transition to IFRS, deferred tax assets and deferred tax liabilities should be offset only if the entity has a legally enforceable right to settle on a net basis and they are levied by the same taxing authority on the same taxable entity (or different taxable entities which intend either to settle material current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period).

Thus, the Group decreased NT\$316,339 thousand in deferred income tax assets - current and NT\$2,041 thousand in deferred income tax liabilities - current, and increased NT\$850,223 thousand in deferred income tax assets - noncurrent and NT\$535,925 thousand in deferred income tax liabilities - noncurrent.

i) Employee benefits

Under ROC GAAP, unrecognized net transition obligation from first-adoption of SFAS No. 18, "Accounting for Pensions", should be amortized by expected average remaining service lives of the employees who are still in service and expected to receive pension benefits using the straight-line method and recorded in net pension cost. Transition to IFRSs, the Group is not subject to the transition requirements of IAS 19. Thus, unrecognized net transition obligation should be recognized immediately to unappropriated earnings.

Under ROC GAAP, actuarial gains and losses are recognized under corridor approach. The portion of those actuarial gains and losses to be recognized is calculated as the excess divided by the expected average remaining service lives of the employees who are still in service and expected to receive pension benefits. Transition to IFRSs, actuarial gains and losses should be recognized immediately in other comprehensive income and unappropriated earnings in statement of changes in equity and should not be recycled to profit or loss in a subsequent period.

In addition, under ROC GAAP, minimum pension liabilities is an excess portion of accumulated benefit obligation over fair value of the plan assets. The entity should make up the deficit portion when the pension liabilities are less than the minimum pension liabilities. In transition to IFRS, there is no limit on minimum pension liabilities.

As of January 1, 2012, the Group reperformed the actuarial valuation under IAS No. 19, "Employee Benefits," and recognized the valuation difference directly to unappropriated earnings under the requirement of IFRS 1, "First-time Adoption of International Financial Reporting Standards"; prepaid pension cost, deferred pension cost, unrecognized net loss on pension cost, unappropriated earning and non-controlling interest were adjusted for a decrease of NT\$3,944 thousand, NT\$44,968 thousand, NT\$43,744 thousand, NT\$653,802 thousand and NT\$143,292 thousand, respectively. Other assets - other, accrued pension liabilities, deferred income tax assets - noncurrent and deferred income tax liabilities - noncurrent were adjusted for an increase of NT\$4,154 thousand, NT\$876,618 thousand, NT\$170,543 thousand and NT\$2,517 thousand, respectively.

j) Short-term accumulating compensated absences

Short-term accumulating compensated absences are not specifically addressed under ROC GAAP and usually recognized as salary expense while distributed. Transition to IFRSs, accumulating compensated absences are recognized as salary expense when the employees render services that increase their entitlements to future compensated absences. As of January 1, 2012, the Group accrued NT\$184,262 thousand of short-term accumulating compensated absences, and decreased NT\$128,419 thousand and NT\$55,843 thousand of unappropriated earnings and non-controlling interest, respectively.

k) Service concession arrangements

In practice, the Group has difficulties in retrospective application of IFRIC 12, "Service Concession Arrangements", as of January 1, 2012. Therefore, the Group reclassified the amount of the specific service concession arrangements of NT\$493,991 thousand from property, plant and equipment to the intangible assets - service concession arrangements under IFRSs.

l) Product warranty and dismantling obligation

As of January 1, 2012, the Group reclassified product warranty and dismantling obligation (were accounted NT\$10,986 thousand as accrued expenses, NT\$59,206 thousand as other current liabilities and NT\$505,330 thousand as other liabilities - other) to provisions - current and provisions - noncurrent, amounting to NT\$70,192 thousand and NT\$505,330 thousand, respectively.

m) Loss of significant influence

Under ROC GAAP, if the Group loses the significant influence over an investee because of a decrease in ownership or any other reasons, the Group should stop using the equity method and, at the same time, recognize the carrying value as the investment cost. If there is additional capital surplus or other equity items arising from the equity-method investment, the Group should consider the related items in calculating the gain or loss when disposal of the investments.

Under IFRS, the Group needs to compare the fair value of the remaining investments plus proceeds from disposal of equity-method investments with the book value of the investment before disposal and recognize the gain or loss on the disposal. The Group shall account for all amounts recognized in other comprehensive income in relation to that associate on the same accounting treatment as it would be required if the associate had directly disposed of the related assets or liabilities

The Group accounted equity-method investment which had lost significant influence as available-for-sale financial assets - noncurrent. Thus, the Group increased unrealized gain on financial instrument and decreased unappropriated earnings by NT\$785,102 thousand, respectively.

n) Cumulative translation adjustments

On January 1, 2012, the Group has elected to recognize all cumulative translation adjustments arising from foreign operations as unappropriated earnings. Thus, the Group deducted the cumulative translation adjustment from other adjustments included in stockholders' equity on transition date while calculating the gain or loss of any foreign operations after the transition date. As of January 1, 2012, the Group had decreased cumulative translation adjustments by NT\$2,915,415 thousand and increased unappropriated earnings by NT\$2,915,415 thousand.

o) Prepayment for equipment disclosure

The prepayment of purchasing equipment is classified as prepayment for equipment under property, plant and equipment. Transition to IFRS, the prepayment of purchasing equipment is classified as long-term prepayments. As of January 1, 2012, the Group reclassified NT\$1,192,224 thousand from prepayment for equipment to long-term prepayments.

p) Adjustment in long-term equity investments

The evaluation of significant differences between current accounting policies and future IFRS adoption used in the Group are also adopted in the associates of equity method.

According to ROC GAAP, the changes of investment percentage arise from the investment company not subscribing for new shares issued by the investee in accordance with its percentage of ownership before the new subscription; the resulting increase or decrease in the investment company's equity in investee is adjusted in the "capital surplus - from long-term investments" and "equity-method investment."

Under IFRSs, changes in equity in associates in which significant influence over the associates is retained are regarded as acquisition or disposal of shares in associates; however, changes in equity in subsidiaries in which control over the subsidiaries is retained are regarded as equity transactions. In addition, according to IFRS 1, “First-time Adoption of International Financial Reporting Standards” and “Q&A for adopting IFRSs” issued by the TSE, the Group does not need to retroactively adjust the accounts as it is not feasible in reality, but should reclassify capital surplus - from long-term investment to unappropriated earnings. As of January 1, 2012, the capital surplus - from long-term investments decreased by NT\$9,421,242 thousand and unappropriated earnings increased by NT\$9,421,242 thousand.

As of January 1, 2012, the equity-method investment of the Group was increased NT\$27,659 thousand by the effect of changes in IFRSs from investees, unrealized gain or loss on financial instrument, unrecognized net loss of pension cost, and unappropriated earnings were decreased NT\$6,204 thousand, NT\$86,290 thousand and NT\$84,951 thousand, respectively. The special reserve, and non-controlling interest were adjusted in an increase of NT\$31,967 thousand, and NT\$557 thousand, respectively.

q) Reclassification of construction contract

Under ROC GAAP, when the construction-in-progress exceeds the billings on construction-in-progress, the billings on construction-in-progress will be the credit balance of construction-in-progress, and an excess portion of construction-in-progress over billings on construction-in-progress was classified under current assets; in the other way, when the billings on construction-in-progress exceeds the construction-in-progress, the construction-in-progress will be the credit balance of billings on construction-in-progress and an excess portion of billings on construction-in-progress over construction-in-progress was classified under current liabilities. Transition to IFRS, construction contracts is classified as construction contract receivables if the contract cost performed plus recognized profit of the construction contract is over the billings of contract; otherwise, the construction contracts is classified as construction contract payable when billings of contract is over the contract cost performed plus recognized profit of the construction contract.

As of January 1, 2012, the Group reclassified NT\$1,572,245 thousand from the construction-in-progress net of billings on construction-in-progress to construction contract receivables, and reclassified NT\$504,941 thousand from billings on construction-in-progress net of construction-in-progress to construction contract payable.

2) Reconciliation of the consolidated balance sheet on June 30, 2012 was as follows:

	ROC GAAP	Amount	IFRSs	Note
<u>Asset</u>				
Cash and cash equivalent	\$ 35,717,680	\$ (8,821,454)	\$ 26,896,226	a)
Other financial assets - time deposits	-	8,821,454	8,821,454	a)
Prepaid rent - current	-	82,335	82,335	c)
Deferred income tax assets - current	413,923	(413,923)	-	h)
Construction-in-progress net of billings on construction-in-progress	2,452,397	(2,009,165)	443,232	r)
Construction contract receivables	-	2,009,165	2,009,165	r)
Land leasehold rights	1,832,427	(1,832,427)	-	c)
Equity-method investments	43,369,800	46,958	43,416,758	p)
Investment properties	-	38,896,886	38,896,886	d), e), f)
Property, plant and equipments, net	151,031,426	(36,697,065)	114,334,361	d), e), f), k), o)
Nonoperating properties, net	5,190,531	(5,190,531)	-	d)
Intangible assets - service concession arrangements	-	468,346	468,346	k)

(Continued)

	ROC GAAP	Amount	IFRSs	Note
Deferred pension costs	\$ 44,968	\$ (44,968)	\$ -	i)
Deferred charges, net	809,297	(809,297)	-	e)
Deferred income tax assets - noncurrent	393,055	1,138,376	1,531,431	h), i)
Long-term prepayments	-	1,834,691	1,834,691	e), o)
Farmland	276,661	(276,661)	-	f)
Prepaid rents - noncurrent	-	1,750,092	1,750,092	c)
<u>Liabilities</u>				
Deferred income tax liabilities - current	7,716	(7,716)	-	h)
Accrued expenses	8,934,907	171,399	9,106,306	j), l)
Provision - current	-	79,436	79,436	l)
Billings on construction-in-progress net of construction-in-progress	315,013	(315,013)	-	r)
Construction contracts payable	-	315,013	315,013	r)
Provision - noncurrent	-	514,051	514,051	l)
Reserve for the land value increment tax	8,660,653	(8,660,653)	-	g)
Deferred income tax liabilities - noncurrent	1,079,822	9,226,820	10,306,642	g), h), i)
Accrued pension cost	213,044	(62,026)	151,018	q)
Deferred income tax liabilities - current	1,986,475	862,550	2,849,025	i)
<u>Stockholders' equity</u>				
Capital surplus from long-term investments	9,154,024	(9,154,024)	-	p), q)
Special reserve	-	3,138,668	3,138,668	q)
Unappropriated earnings	3,152,367	22,313,349	25,465,716	p), c.
Cumulative translation adjustments	9,110,436	4,259,953	13,370,389	b), i), j), m), n), p), q), c.
Net loss not recognized as pension cost	1,549,178	(2,880,467)	(1,331,289)	n), p), q)
Unrealized gain on financial instruments	(129,921)	129,921	-	i), p), q)
Unrealized revaluation increment on properties	2,374,029	771,401	3,145,430	m), p)
Treasury stocks	19,165,621	(19,165,621)	-	b), p), q)

3) The reconciliation of consolidated income statement for the six months ended June 30, 2012

	ROC GAAP	Amount	IFRSs	Note
Gain on disposal of investments, net	\$ 3,726,173	\$ (3,711,619)	\$ 14,554	q)
Income tax expense	1,656,305	(360,524)	1,295,781	i), q)

a) Cash and cash equivalent

Under ROC GAAP, certificates of deposits that are cancellable without any loss of principal are recognized as cash and cash equivalents. Transition to IFRSs, cash equivalents are investments that can transfer to cash at any time with immaterial risk on value. Thus, certificates of deposits with maturity over three months from the date of acquisition will be separately disclosed from cash and cash equivalents and reclassified as other financial assets - time deposit in the balance sheet. As of June 30, 2012, the Group reclassified NT\$8,821,454 thousand cash and cash equivalent to other financial assets - time deposit.

b) Deemed cost

Under ROC GAAP, all property, plant, and equipment could be revalued after its initial acquisition based on the regulation they are subjected. Land revaluation increments are adjusted by current listed price and the recognition of revaluation increments is net of land revaluation increments and land reserve for land value increment tax. Transition to IFRSs, property, plant and equipment cannot recognized the change of aforesaid land revaluation increments. As of January 1, 2012, the Group recognized the balance of land which accounted as property, plant and equipment and investment properties by using the deemed cost on revaluating day. Thus, the adjustment of unrealized revaluation increments on properties decreased NT\$19,167,218 thousand and unappropriated earnings increased NT\$19,167,218 thousand. For the six months ended June 30, 2012, the Group has already decreased \$417 thousand in depreciation expense, based on reversal of remaining service years of part of depreciating properties; therefore, the Group decreased \$417 thousand in special reserve and increased \$417 thousand in unrealized revaluation increments.

c) Land leasehold right reclassification

Under ROC GAAP, the land leasehold right was classified as intangible assets. Transition to IFRSs, the land leasehold right is applied to IAS 17 Leases and be separately disclosed as prepaid rent. Thus, the Group reclassified NT\$1,832,427 thousand from the land leasehold right to prepaid rent - current and prepaid rent - noncurrent, NT\$82,335 thousand and NT\$1,750,092 thousand, respectively.

d) Classification of leased and idle properties

Under ROC GAAP, the Group's properties and buildings held to earn rentals are applied to the definition of long-term usages for operating purposes, therefore, classified under property, plant and equipment. In addition, the Group recognized idle properties and part of rental properties as non-operating assets. Under IFRSs, the aforementioned items are classified as property, plant and equipment or investment properties according to their nature. Therefore, the Group decreased NT\$33,806,925 thousand from property, plant and equipment and NT\$5,025,625 thousand from non-operating properties and increased NT\$38,832,550 thousand in investment properties. Additionally, the Group reclassified NT\$35,391 thousand from idle and rental properties which are not real estates to property, plant and equipment.

e) Reclassification of deferred charges

Under ROC GAAP, deferred charges are classified under other assets. Transition to IFRSs, deferred charges are classified under investment properties, property, plant and equipment and long-term prepayments according to the nature. Thus, the Group decreased NT\$809,297 thousand from deferred charges and increased NT\$26,105 thousand, NT\$394,138 thousand, NT\$280,154 thousand and NT\$108,900 thousand in investment properties, properties, plant and equipment, intangible assets and long-term prepayment, respectively.

f) Reclassification of farmland

Under ROC GAAP, farmland accounted under other assets - farmland. Transition to IFRSs, the agricultural land are classified as investment properties or property, plant and equipment according to their nature. Thus, the Group reclassified farmland and increased NT\$38,231 thousand and NT\$238,430 thousand in investment properties and property, plant and equipment, respectively.

g) Reclassification of reserve for the land value increment tax

Under Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the reserve for the land value incremental tax liability resulting from land revaluation were classified as reserve for land value increment tax. Transition to IFRS, the Group chose to adopt the book value after land revaluation as deemed cost and reclassified the related items of reserve for land value increment tax as deferred income tax liabilities - noncurrent. As of June 30, 2012, the Group reclassified NT\$8,660,653 thousand reserve for land value increment tax to deferred income tax liabilities - noncurrent.

h) Classification of deferred income tax assets or liabilities and valuation allowance

Under ROC GAAP, valuation allowances are provided to the extent, if any, that it is more likely that deferred income tax assets will not be realized. Transition to IFRSs, a deferred income tax asset is recognized only if realization of tax benefit is probable. Thus, valuation allowance is no longer used.

In addition, a deferred income tax asset and liability is classified as current or noncurrent on the basis of the classifications of the related assets and liabilities for financial reporting under ROC GAAP. A deferred asset or liability that cannot be related to an asset or a liability in the financial statements is classified as current or noncurrent according to the expected realization date of the temporary difference. Transition to IFRSs, a deferred income tax asset and liability is always classified as noncurrent.

Under ROC GAAP, deferred current income tax liabilities and assets belong to the same taxable entity should be offset and settle on net basis and so was applied to deferred non-current income tax liabilities and assets. Transition to IFRS, deferred tax assets and deferred tax liabilities should be offset only if the entity has a legally enforceable right to settle on a net basis and they are levied by the same taxing authority on the same taxable entity (or different taxable entities which intend either to settle material current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period).

Thus, the Group decreased NT\$413,923 thousand in deferred income tax assets - current and NT\$7,716 thousand in deferred income tax liabilities - current, and increased NT\$969,851 thousand in deferred income tax assets - noncurrent and NT\$563,644 thousand in deferred income tax liabilities - noncurrent.

i) Employee benefits

Under ROC GAAP, unrecognized net transition obligation from first-adoption of SFAS No. 18, "Accounting for Pensions", should be amortized by expected average remaining service lives of the employees who are still in service and expected to receive pension benefits using the straight-line method and recorded in net pension cost. Transition to IFRSs, the Group is not subject to the transition requirements of IAS 19. Thus, unrecognized net transition obligation should be recognized immediately to unappropriated earnings.

Under ROC GAAP, actuarial gains and losses are recognized under corridor approach. The portion of those actuarial gains and losses to be recognized is calculated as the excess divided by the expected average remaining service lives of the employees who are still in service and expected to receive pension benefits. Transition to IFRSs, actuarial gains and losses should be recognized immediately in other comprehensive income and unappropriated earnings in statement of changes in equity and should not be recycled to profit or loss at a subsequent period.

In addition, under ROC GAAP, minimum pension liabilities is an excess of the present value of the defined benefit obligation over fair value of the plan assets. The entity should make up the deficit portion when the pension liabilities are less than the minimum pension liabilities. In transition to IFRS, there is no limit on minimum pension liabilities.

As of June 30, 2012, the Company performed the actuarial valuation under IAS No. 19, "Employee Benefits," and recognized the valuation difference directly to unappropriated earnings under the requirement of IFRS 1, "First-time Adoption of International Financial Reporting Standards"; deferred pension cost, unrecognized net loss on pension cost, unappropriated earning and non-controlling interest were adjusted for a decrease of NT\$44,968 thousand, NT\$43,744 thousand, NT\$640,940 thousand and NT\$141,796 thousand, respectively. Other assets - other, accrued pension cost, deferred income tax assets - noncurrent and deferred income tax liabilities - noncurrent were adjusted for an increase of NT\$2,524 thousand, NT\$862,550 thousand, NT\$168,525 thousand and NT\$2,523 thousand, respectively.

Additionally, for the six months ended June 30, 2012, the Group decreased pension cost amounting to NT\$12,832 thousand, and increase consolidated net income belongs to non-controlling interest and income tax expense amounting to NT\$1,497 thousand and NT\$2,022 thousand, respectively.

j) Short-term accumulating compensated absences

Short-term accumulating compensated absences are not specifically addressed under ROC GAAP and usually recognized as salary expense while distributed. Transition to IFRSs, accumulating compensated absences are recognized as salary expense when the employees render services that increase their entitlements to future compensated absences. As of January 1, 2012, the Group accrued NT\$184,262 thousand of short-term accumulating compensated absences, and decreased NT\$128,419 thousand and NT\$55,843 thousand of unappropriated earnings and non-controlling interest, respectively.

k) Service concession arrangements

In practice, the Group has difficulties in retrospective application of IFRIC 12, "Service Concession Arrangements", as of June 30, 2012. Therefore, the Group reclassified the amount of the specific service concession arrangements of NT\$468,346 thousand from property, plant and equipment to the intangible assets - service concession arrangements under IFRSs.

l) Product warranty and dismantling obligation

As of June 30, 2012, the Group reclassified product warranty and dismantling obligation (were accounted NT\$12,863 thousand as accrued expenses, NT\$66,573 thousand as other current liabilities and NT\$514,051 thousand as other liabilities - other) to provisions - current and provisions - noncurrent, amounting to NT\$79,436 thousand and NT\$514,051 thousand, respectively.

m) Loss of significant influence

Under ROC GAAP, if the Group loses the significant influence over an investee because of a decrease in ownership or any other reasons, the Group should stop using the equity method and, at the same time, recognize the carrying value as the investment cost. If there is additional capital surplus or other equity items arising from the equity-method investment, the Group should consider the related items in calculating the gain or loss when disposal of the investments.

Under IFRS, the Group needs to compare the fair value of the remaining investments plus proceeds from disposal of equity-method investments with the book value of the investment before disposal and recognize the gain or loss on the disposal. The Group shall account for all amounts recognized in other comprehensive income in relation to that associate on the same accounting treatment as it would be required if the associate had directly disposed of the related assets or liabilities

The Group accounted equity-method investment which had lost significant influence under available-for-sale financial assets - noncurrent. Thus, the Group increased unrealized gain on financial instrument and decreased unappropriated earnings by NT\$785,102 thousand, respectively on January 1, 2012.

n) Cumulative translation adjustments

On January 1, 2012, the Group has elected to recognize all cumulative translation adjustments arising from foreign operations as unappropriated earnings. Thus, the Group deducted the cumulative translation adjustment from other adjustments included in stockholders' equity on transition date while calculating the gain or loss of any foreign operations after the transition date. As of January 1, 2012, the Group had decreased cumulative translation adjustments by NT\$2,915,415 thousand and increased unappropriated earnings by NT\$2,915,415 thousand.

o) Prepayment for equipment disclosure

The prepayment of purchasing equipment is classified as prepayment for equipment under property, plant and equipment. In transition to IFRS, the prepayment of purchasing equipment is classified as long-term prepayments. As of June 30, 2012, the Group reclassified NT\$1,725,791 thousand from prepayment for equipment to long-term prepayments.

p) Adjustment in long-term equity investments

The evaluation of significant differences between current accounting policies and future IFRS adoption used in the Group are also adopted in the associates of equity method.

According to ROC GAAP, the changes of investment percentage arise from the investment company not subscribing for new shares issued by the investee in accordance with its percentage of ownership before the new subscription; the resulting increase or decrease investment company's equity in investee is adjusted in the "capital surplus - from long-term investments" and "equity-method investment."

Under IFRSs, changes in equity in associates in which significant influence over the associates is retained are regarded as acquisition or disposal of shares in associates; however, changes in equity in subsidiaries in which control over the subsidiaries is retained are regarded as equity transactions. In addition, according to IFRS 1, "First-time Adoption of International Financial Reporting Standards" and "Q&A for adopting IFRSs" issued by the TSE, the Group does not need to retroactively adjust the accounts as it is not feasible in reality, but should reclassify capital surplus - from long-term investment to unappropriated earnings. As of January 1, 2012, the capital surplus - from long-term investments decreased by NT\$9,421,242 thousand and unappropriated earnings increased by NT\$9,421,242 thousand.

As of June 30, 2012, the equity-method investment of the Group was increased NT\$46,958 thousand by the effect of changes in IFRSs from investees, capital surplus - from long-term investment, unrealized gain or loss on financial instruments, unappropriated earnings, unrecognized net loss of pension cost, unrealized revaluation increments on properties, and investment income from equity-method investees, net were decreased NT\$172 thousand, NT\$13,701 thousand, NT\$86,480 thousand, NT\$86,270 thousand, NT\$5 thousand, and NT\$853 thousand, respectively. The special reserve, non-controlling interest, cumulative translation adjustments, unrealized loss on defined benefit plans, and consolidated net income belongs to non-controlling interest were adjusted in an increase of NT\$31,961 thousand, NT\$1,100 thousand, NT\$27,997 thousand, NT\$12 thousand, and NT\$15 thousand, respectively.

q) Changes in parent's ownership interest in a subsidiary

Under ROC GAAP, the parent company do not need to identify whether the controls over subsidiaries is retained or not when recognize any difference arising between the fair value of disposing of the interest in the subsidiaries and the carrying amount of the investment as disposing gain and loss. Under IFRSs, changes in equity in subsidiaries in which control over the subsidiaries is retained are regarded as equity transactions. Thus, on June 30, 2012, the Group increased NT\$3,138,668 thousand in capital surplus - the difference between fair value of disposing ownership interest and carrying amount of the subsidiary, NT\$267,390 thousand in capital surplus - from long-term investments and NT\$4,939 thousand in cumulative translation adjustments, NT\$93 thousand in unrecognized net loss of pension cost and NT\$1,185 thousand in unrealized revaluation increments on properties. The unappropriated earnings and deferred income were adjusted decreases of NT\$3,350,063 thousand and NT\$62,026 thousand, respectively. In addition, for the six months ended June 30, 2012, gain on disposal of investments, net and income tax expense were adjusted a decrease of NT\$3,711,619 thousand and NT\$362,546 thousand, respectively.

r) Reclassification of construction contract

Under ROC GAAP, when the construction-in-progress exceeds the billings on construction-in-progress, the billings on construction-in-progress will be the credit balance of construction-in-progress, and an excess portion of construction-in-progress over billings on construction-in-progress was classified under current assets; in the other way, when the billings on construction-in-progress exceeds the construction-in-progress, the construction-in-progress will be the credit balance of billings on construction-in-progress and an excess portion of billings on construction-in-progress over construction-in-progress was classified under current liabilities. Transition to IFRS, construction contracts is classified as construction contract receivables if the contract cost performed plus recognized profit of the construction contract is over the billings of contract; otherwise, the construction contracts is classified as construction contract payable when billings of contract is over the contract cost performed plus recognized profit of the construction contract.

As of June 30, 2012, the Group reclassified NT\$2,009,165 thousand from the construction-in-progress net of billings on construction-in-progress to construction contract receivables, and reclassified NT\$315,013 thousand from billings on construction-in-progress net of construction-in-progress to construction contract payable.

4) Optional exemptions

IFRS 1, “First-time Adoption of International Financial Reporting Standards” sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies on January 1, 2012 and, in general, apply these retrospectively to determine the IFRS opening balance sheet on transition date. This standard provides a number of optional exceptions to this general principle. The description in each case of the exception to be adopted by the Group are set out below:

a) Business combinations

The Group has elected not to apply IFRS 3, “Business Combinations”, which took place before transition date of IFRSs. As a result, in the consolidated balance sheet as of January 1, 2012, goodwill arising from past business combinations and the related assets, liabilities and non-controlling interest of the Group remains the same as stated under ROC GAAP as of December 31, 2011. The exemption is also used for the associates of the Group acquired before the transition date.

b) Employee benefits

The Group has elected to recognize all cumulative unrecognized actuarial gains and losses in relation to employee benefit schemes into unappropriated earnings at the date of transition.

c) Cumulative translation adjustments

The Group has elected to recognize all cumulative translation adjustments arising from foreign operations into unappropriated earnings at the date of transition.

d) Deemed cost

On transition date, the Group elected to recognize deemed cost of some lands and building based on revaluated value under ROC GAAP on revaluating day.

e) Compound financial instruments

The liability components of the compound financial instruments issued before is no longer outstanding at the date of transition to IFRSs, thus the Group has elected not to separate these two portions.

f) Service concession arrangements

In practice, the Group has difficulties in retrospective application of IFRIC 12, “Service Concession Arrangements”, as of January 1, 2012. The Group has elected the recorded amount of specific service concession agreement under ROC GAAP as the recorded amounts of intangible assets under IFRSs and tests for any impairment of the intangible assets at the date of transition.

c. Special reserve recognized at the date of transition

According to Rule No. 1010012865 issued by the Financial Supervisory Commission (FSC) on April 6, 2012, in the first-time adoption of IFRSs, the Company is required to record special reserve equal to the amount of unrealized revaluation increments and cumulative translation adjustments (gain) under stockholders' equity reclassified to unappropriated earnings in accordance with IFRS 1; however, if the total amount of the credit adjustments to unappropriated earnings at the date of transition under the first adoption of IFRSs is smaller than the amount of unrealized revaluation increments and cumulative translation adjustments (gain), only the amount of the credit adjustments to unappropriated earnings is reclassified to special reserve. The special reserve is reversed proportionately when using, disposing and reclassifying the related assets. On January 1, 2012, the amount of unrealized revaluation increments, cumulative translation adjustments and unappropriated earning rising from the investment properties of equity-method investees which used revalued fair value as deemed cost were NT\$19,167,218 thousand, NT\$2,915,415 thousand and NT\$205,296 thousand, respectively; and, the Group recorded the aforesaid same amount to special reserve. For the six months ended June 30, 2012, the Group decreased unrealized revaluation increments amounting to NT\$417 thousand based on reversal of remaining service years of part of depreciating properties. Additionally, for the six months ended June 30, 2012, special reserve reversed to unappropriated earnings amounting to NT\$6,124 thousand resulting from the changes in equity in subsidiaries in which control over the subsidiaries is retained.

- d. The Company's aforementioned assessment is based on the 2010 version of IFRSs translated by the ARDF and issued by FSC and on the Guidelines Governing the Preparation of Financial Reports by Securities Issuers issued by the FSC on December 22, 2011. However, the assessment result may be impacted as the FSC may issue new rules governing the adoption of IFRSs, and as other laws and regulations may be amended to comply with IFRSs. Actual results may differ from these assessments.

The Group adjusted consolidated balance sheet on January 1, 2012 according to "Q&A for adopting IFRSs" issued by TSE on August 20, 2012: It were forbidden to disclose the equity-method investment which there are reciprocal holdings between investors and investees and accounted for by treasury stock method as treasury stock.

40. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

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

(In Thousands)

	June 30					
	2012			2011		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 454,044	29.915	\$ 13,582,726	\$ 534,216	28.79	\$ 15,380,083
EUR	41,817	37.24	1,557,265	35,464	41.713	1,479,321
JPY	4,548,108	0.3775	1,716,911	1,658,916	0.3574	592,897
RMB	4,987,159	4.6705	23,292,526	3,711,979	4.4765	16,616,673
MYR	68,362	9.015	616,283	47,434	9.1325	433,188
Equity-method investments						
HKD	2,196,200	3.856	8,468,547	94,560	3.699	349,779
Nonmonetary items						
USD	75,518	29.915	2,259,121	51,945	28.7288	1,492,322
EUR	6,670	37.24	248,391	5,175	44.723	231,429

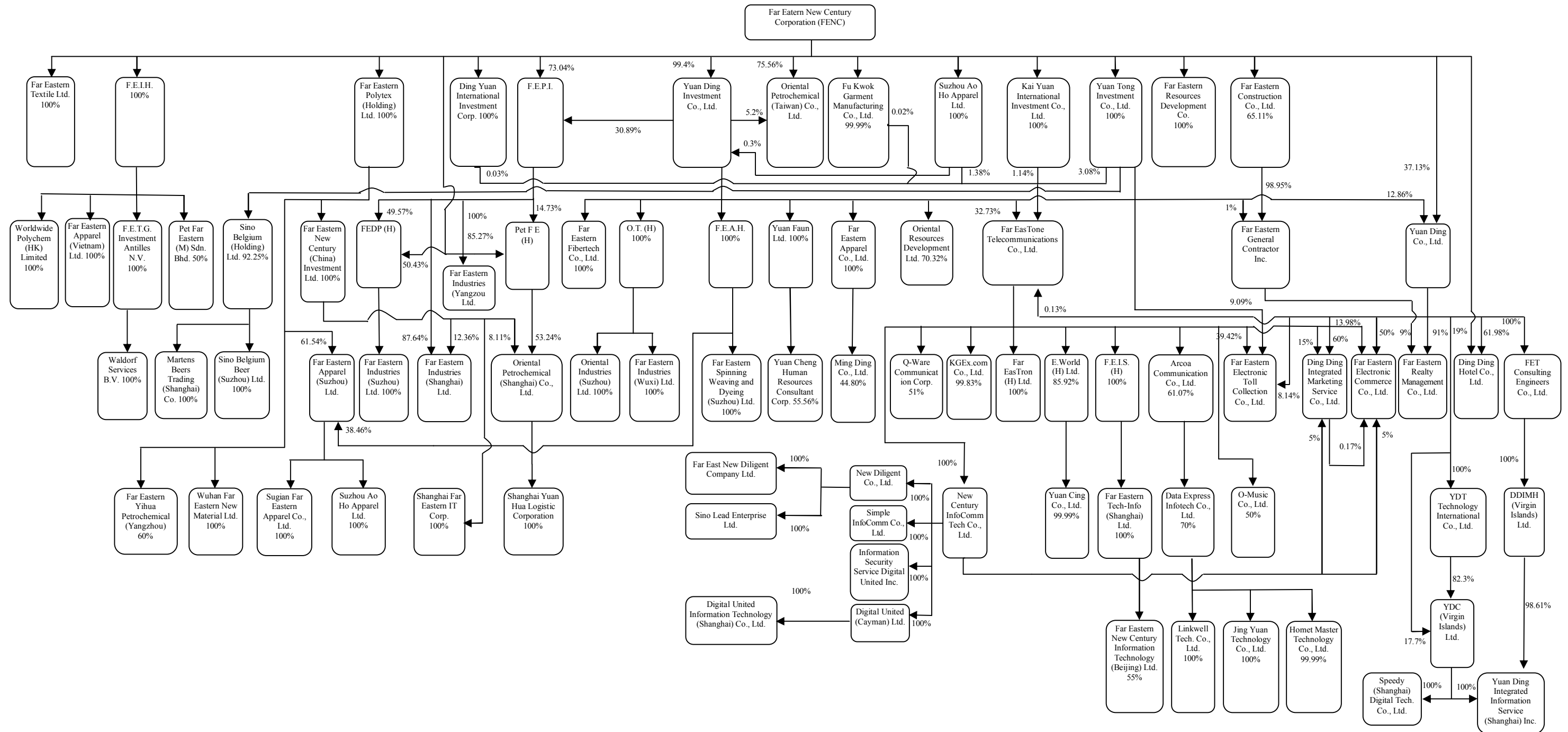
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	June 30					
	2012			2011		
	Foreign Currency	Exchange Rate	New Taiwan Dollars	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial liabilities</u>						
Monetary items						
USD	\$ 863,568	29.915	\$ 25,833,637	\$ 1,050,474	28.79	\$ 30,243,158
RMB	1,204,349	4.6705	5,624,912	1,780,438	4.4765	7,970,131
MYR	55,822	9.015	503,235	20,324	9.1325	185,605
						(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP

JUNE 30, 2012



FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**OPERATIONS****JUNE 30, 2012**

Consolidated Entity	Setup Date	Location	Operations
Far Eastern New Century Corporation (formerly Far Eastern Textile Ltd.)	1954/01/13	36F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, 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, R.O.C.	Investment
Kai Yuan International Investment Co., Ltd.	1998/10/06	34F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, R.O.C.	Investment
Ding Yuan International Investment Co., Ltd.	1998/10/02	34F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, R.O.C.	Investment
Yuan Tong Investment Co., Ltd.	1999/12/03	34F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, R.O.C.	Investment
An Ho Garment Co., Ltd.	1977/01/24	34F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, R.O.C.	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, R.O.C.	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, R.O.C.	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, R.O.C.	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, R.O.C.	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, R.O.C.	Selling of underwear, sportswear, shirts, towels, fabrics, suits, beddings and casual wear

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Ming Ding Co., Ltd.	1990/08/07	1F, No. 389, Sihchuan Rd., Sec. 1, Banciao City, Taipei County 220, Taiwan, R.O.C.	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, R.O.C.	Waste recycling and processing
Yuan Faun Ltd.	1980/12/13	33F, No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, R.O.C.	International trading, business consulting, machinery design and installation and computer software
Yuan Cheng Human Resources Consultant Corp.	1999/06/08	7F, No. 665, Bannan Rd., Zhonghe Dist., New Taipei County, Taiwan, R.O.C.	Providing manpower services
Oriental Textile (Holding) Ltd. (OT(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. (FEIH)	1989/08/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment
PET Far Eastern (Holding) Ltd. (Pet F E (H))	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment
FEDP (Holding) Ltd.	2002/03/20	Clarendon House 2 Church street Hamilton HM 11, Bermuda	Investment
F.E.T.G. Investment Antilles N.V. (FETG)	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 (PFEM)	1995/07/22	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, 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. (FEAH)	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment
Far Eastern Polychem Industries Ltd. (FEPI)	1995/04/13	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment
Far Eastern Industries (Shanghai) Ltd. (FEIS)	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 Duong Province, Vietnam	Manufacture and distribution of various knitted and woven garments, beddings garments and accessories

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Wu Han Far Eastern New Material Ltd.	2003/07/09	Mainland China	Retail and wholesale of PET staple, PET filament, polyester top, PET performs, raw textured yarns, spinning yarns, and knitted and woven fabrics and garments.
Shanghai Far Eastern IT Corp.	2003/04/15	Mainland China	Computer software programming and MIS maintenance and consultancy.
Far Eastern Apparel (Suzhou) Ltd. (FEAZ)	1996/10/21	Mainland China	Manufacture and distribution of various knitted and woven garments, beddings, garments and accessories
Sugian Far Eastern Apparel Co., Ltd.	2011/07/05	Mainland China	Manufacture and distribution various garment, bedding and clothes accessories
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd. (FEDZ)	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. (SBBZ)	2007/09/04	Mainland China	Brewer
Far Eastern New Century (China) Investment Corp.	2007/06/18	Mainland China	Investment
Far Eastern Industries (Wuxi) Ltd. (FEIW)	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. (OTIZ)	2005/06/24	Mainland China	Manufacturing and distribution of PET performs, industrial fabrics and related products
Oriental Petrochemical (Shanghai) Corporation (OPSC)	2003/01/21	Mainland China	Manufacture and distribution of PTA and its by-products
Far Eastern Industries (Suzhou) Ltd. (FEIZ)	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.

(Continued)

Consolidated Entity	Setup Date	Location	Operations
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
Far Eastern Electronic Toll Collection Co., Ltd.	2004/04/07	28F., Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Information software, electronic information, telecommunications and automated control systems
Worldwide Polychem (HK) Ltd.	2011/08/30	11F, Lippo Leighton Tower, 103-109 Leighton Road, Causeway Bay, Hong Kong	Export nylon-fiber materials
Far Eastern Textile Co., Ltd.	2011/12/28	34F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Manufacture and distribution of various garments
Far Eastern Yihua Petrochemical (Yangzou) Co.	2011/12/09	Mainland China	Manufacture and distribution of xylene and PTA
Far Eastern Industries (Yangzou) Ltd.	2012/05/10	Mainland China	Manufacture and distribution of PTA
Yuan Ding Co., Ltd.	1984/09/18	23F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Real Estate sales
Ding Ding Hotel Co., Ltd.	1983/03/22	1-5F, Ln. 201 and 203, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Hotel
Ding Ding Integrated Marketing Service Co., Ltd.	2004/10/22	23F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Market research and advertisement
Far Eastern Electronic Commerce Co., Ltd.	2010/12/10	12F, Ln. 268, Sec. 2, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Retailing
YDT Technology International Co., Ltd.	1989/08/04	23F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Electronics, telecommunications, electronic material wholesale
Far Eastern Realty Management Co., Ltd.	1996/01/17	23F., Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Constructing management consulting
FET Consulting Engineers Co., Ltd.	1999/12/13	23F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Enterprise management consulting firm
DDIM (Virgin Islands) Ltd.	2011/08/31	P.O. Box. 957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands	Investments

(Continued)

Consolidated Entity	Setup Date	Location	Operations
YDC (Virgin Islands) Ltd.	1998/02/11	Columbus Centre Building, Wickhams Cay, Road Town Tortola, British Virgin Islands	Investments
Yuan Ding Integrated Information Service (Shanghai) Inc.	2011/08/10	Mainland China	Computing software and Internet technical skill design and development
Speedy (Shanghai) Digital Tech. Co., Ltd.	2004/04/27	Mainland China	Intelligence control and securing technology products
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.	Telecommunication
Far Eastern Info Service Holding Ltd.	2002/07/17	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	International investment holding
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	Investment holding business.
Yuan Cing Co., Ltd.	2000/08/05	28F, Ln. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan R.O.C.	Electronic information providing services and information processing services
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 services
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
Far EasTron Holding Ltd.	2005/08/30	Marguee Place, Suite 300,430 West Bay Road, P.O, Box 30691 SMB, Grand Cayman, Cayman Islands, British West Indies.	Investment holding
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, R.O.C.	Providing Type II communications services, 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, R.O.C.	Business consulting and souvenir selling
Simple InfoComm Co., Ltd.	2001/10/23	12F, No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, R.O.C.	Providing Type II communications service

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Information Security Service Digital United Co., Ltd.	2004/12/22	6F, No. 71, Zhouzi St., Neihu Dist., Taipei City 114, Taiwan, R.O.C.	Providing Internet information security and monitoring
Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyt House, Mary Street, George Town, Grand Cayman, British West Indies	Investment
Sino Lead Enterprise Ltd.	2006/4/11	Hong Kong Trade Centre, 7/F 161-167 Des Voeux Road Central, Hong Kong	Providing Internet, information software and electronic information providing services
Digital United Information Technology (Shanghai) Co., Ltd.	2005/8/23	Mainland China	Design and research of computer systems
O-music Co., Ltd.	2010/10/5	12F, No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, R.O.C.	Providing electronic information services
Data Express Infotech Co., Ltd.	2004/7/22	6F-1, No. 778, Sec. 4, Bade Rd., Nangang Dist., Taipei City 115, Taiwan, R.O.C.	Communications products wholesale
Linkwell Tech. Co., Ltd.	2005/4/8	2F, No. 2, Guanqian Rd., Zhongzheng Dist., Taipei City 100, Taiwan, R.O.C.	Communication products wholesale.
Far East New Diligent Company Ltd.	2010/07/27	British Virgin Islands	Electronic information providing services.
Far Eastern New Century Information Technology (Beijing) Limited	2010/07/23	Mainland China	Electronic information providing services.
Homet Master Technology Co., Ltd.	2011/08/11	1F, No. 24, Ln. 241, Jingping Rd., Zhonghe Dist., New Taipei City 235, Taiwan R.O.C.	Telecommunication devices wholesale
Jing Yuan Technology Co., Ltd.	2011/09/05	4F, No. 18, Aly. 1, Ln. 768, Bade Rd., Sec. 4, Nangang Dist., Taipei City 115, Taiwan R.O.C.	Data processing services

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

RELATED PARTIES

JUNE 30, 2012

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
1	Oriental Securities Co., Ltd.	a
2	Frendenberg Far Eastern Spunweb Co., Ltd.	a
3	Everest Textile Co., Ltd.	a
4	Pacific Liu Tung Investment Corporation	a
5	Air Liquide Far Eastern Ltd.	a
6	Yue Ding Industry Co., Ltd.	a
7	Far Eastern International Leasing Corp. (FEILC)	a
8	Da Ju Fiber Co., Ltd.	a
9	Yue Ming Co., Ltd.	a
10	Malaysia Garment Manufactures Pte. Ltd.	a
11	Far Eastern. Y. Z. Hsu Science and Technology Memorial Foundation	b
12	U-Ming Marine Transport Corp.	b
13	Tranquil Enterprise Ltd.	b
14	Yuan-Ze University	b
15	Oriental Institute of Technology	b
16	Far Eastern Memorial Hospital	b
17	Far Eastern Department Stores Co., Ltd.	a and b
18	Oriental Union Chemical Corporation	a and b
19	Asia Cement Corporation	b and c
20	Yu Chang Technical & Commercial Vocational Senior High School	c
21	Pacific SOGO Department Stores	d
22	Far Eastern Recreation Center Employee's Welfare Committee	e
23	Far Eastern Recreation Center Employee's Welfare Committee of FENC-Golf Club	e
24	Pacific Petrochemical (Holding) Ltd.	f
25	Oriental Petrochemical (Yangzhou) Corporation	f
26	F.E. Memorial Foundation	g
27	Far Eastern Medical Foundation	g
28	TECO Electronic & Machinery Co., Ltd.	h
29	System Corporation	h
30	MITAC Inc.	h
31	Telecommunication & Transportation Foundation	i
32	Ding Ding Management Consultants Co.	k
33	Oriental Securities Investment Consultant Co., Ltd.	k
34	Everest Textile (Shanghai) Ltd.	j
35	Far Eastern Asset Management Co., Ltd.	l
36	Far Eastern Property Insurance Agency Co., Ltd.	l
37	Far Eastern International Bank	m

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
38	Yuan Ding Co., Ltd.	n
39	Ding Ding Hotel Co., Ltd.	n
40	Ding Ding Integrated Marketing Service Co., Ltd.	n
41	Far Eastern Electronic Commerce Co., Ltd.	n
42	Far Eastern Technical Consultants Co., Ltd.	n
43	YDT Technology International Co., Ltd.	n
44	Ya Tung Ready-mixed Concrete Corp.	o
45	Ya-Li Precast Prestressed Concrete Industries Corp.	o
46	Chiahui Power Corporation	o
47	Fu Ming Transport Corp.	o
48	Fu Dar Transportation Corporation	o
49	Far Eastern Citysuper Ltd.	p
50	Ya Tung Department Store Ltd.	p
51	Far Eastern Ai Mai Co., Ltd.	p

Note:

- a. Investee accounted for by the equity method.
- b. Same chairman or general manager.
- c. The Chairman is consanguinity within second degree to the chairman of the Company.
- d. Subsidiary of Pacific Liu Tung Investment Co., Ltd.
- e. The chairman of the organization is FENC's assistant manager.
- f. Subsidiary of Oriental Union Chemical Corporation.
- g. The member of the board is the Chairman of FENC.
- h. The member of the board of Far Eastern Electronic Toll Collection Co., Ltd.
- i. Far EasTone's donation is over one third of the foundation's fund.
- j. The chairman is the general manager or vice general manager of FENC.
- k. Subsidiary of Everest Textile Co., Ltd.
- l. Subsidiary of Far Eastern International Bank
- m. The vice chairman is the chairman of FENC.
- n. Subsidiaries were included in consolidation financial statement on December 28, 2011.
- o. Subsidiary of Asia Cement Corporation.
- p. Subsidiary of Far Eastern Department Stores Ltd.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF JUNE 30, 2012 AND 2011****(In Thousands of New Taiwan Dollars)**

	Notes	As of June 30, 2012		As of June 30, 2011	
		Amount	% to Total	Amount	% to Total
Sales					
Far Eastern Medical Foundation	e.	\$ 1,782,128	2	\$ 82	-
Far Eastern Department Stores Ltd.		504,113	-	544,274	-
Others	b.	<u>1,331,297</u>	<u>1</u>	<u>1,194,663</u>	<u>1</u>
		<u>\$ 3,617,538</u>	<u>3</u>	<u>\$ 1,739,019</u>	<u>1</u>
Operating cost					
Oriental Union Chemical Corp.		\$ 637,709	1	\$ 944,181	1
Others	b.	<u>433,912</u>	<u>-</u>	<u>646,776</u>	<u>1</u>
		<u>\$ 1,071,621</u>	<u>1</u>	<u>\$ 1,590,957</u>	<u>2</u>
Operating expense					
Ding Ding Integrated Marketing Service Co., Ltd.		\$ 78,264	1	\$ 73,081	-
Yuan Ding Co., Ltd.	d.	-	-	78,980	1
Ding Ding Management Consultants Co.	d.	-	-	75,593	1
Others	b.	<u>222,902</u>	<u>1</u>	<u>137,094</u>	<u>1</u>
		<u>\$ 301,166</u>	<u>2</u>	<u>\$ 364,748</u>	<u>3</u>

Note:

- For the relationships between FENC and subsidiaries, please refer to Schedule C.
- The transaction amount between related parties was not over 5% of the total amount of the account.
- The terms of sales to and purchases from the related parties were based on agreements.
- The Companies were acquired in the consolidation financial statement on December 28, 2011.
- An FENC's subsidiary, Far Eastern Construction Co., Ltd., sold some units of building of Yuan Yang California (accounted under available-for-sale building and land) to Far Eastern Medical Foundation.
- The Group donated NT\$1,773 thousand and NT\$80,000 thousand to Yuan Ze University as of June 30, 2012 and 2011, respectively. In addition, Far EastOne donated NT\$3,502 thousand to the Telecommunication and Transportation Foundation (TTF) for telecommunications technology study in as of June 30, 2012 and 2011.

SCHEDULE E**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES****CONSOLIDATED RELATED-PARTY TRANSACTIONS****AS OF JUNE 30, 2012 AND 2011****(In Thousands of New Taiwan Dollars)**

	Notes	June 30			
		2012		2011	
		Amount	%	Amount	%
Accounts/notes receivable from affiliates					
Frendenberg Far Eastern Spunweb Co., Ltd.		\$ 91,221	6	\$ 92,836	10
Pacific SOGO Department Stores Co., Ltd.		88,536	6	81,148	8
Far Eastern Department Stores Co., Ltd.		161,168	10	53,600	6
Others	e.	<u>225,157</u>	<u>14</u>	<u>151,138</u>	<u>15</u>
		<u>\$ 566,082</u>	<u>36</u>	<u>\$ 378,722</u>	<u>39</u>
Refundable deposits					
Da Ju Fiber Co., Ltd.		\$ 8,000	2	\$ 8,000	1
Yuan Ding Co.	h.	-	-	33,301	6
Ding Ding Integrated Marketing Services Co., Ltd.	h.	-	-	27,446	5
Others	e.	<u>2,790</u>	<u>-</u>	<u>3,116</u>	<u>-</u>
		<u>\$ 10,790</u>	<u>2</u>	<u>\$ 71,863</u>	<u>12</u>
Accounts and notes payable to affiliates					
Ya Tung Ready Mixed Concrete Co., Ltd.		\$ 198,116	18	\$ 185,400	17
Oriental Union Chemical Corp.		158,609	14	105,981	10
Ding Ding Integrated Marketing Services Co., Ltd.	h.	-	-	89,431	8
Others	e.	<u>136,929</u>	<u>13</u>	<u>114,214</u>	<u>10</u>
		<u>\$ 493,654</u>	<u>45</u>	<u>\$ 495,026</u>	<u>45</u>
Advance on real estate receipts					
Far Eastern Department Stores, Ltd.		\$ 1,726,919	7	\$ 1,281,952	5
Others	e.	<u>596,478</u>	<u>2</u>	<u>393,056</u>	<u>2</u>
		<u>\$ 2,323,397</u>	<u>9</u>	<u>\$ 1,675,008</u>	<u>7</u>

(Continued)

	Notes	June 30			
		2012		2011	
		Amount	%	Amount	%
Deferred income					
Rental revenue					
Yuan Ding Co., Ltd.	b.	\$ -	-	\$ 586,971	79
Sale of land and building					
Oriental Securities Investment Consultant Co., Ltd.	d.	114,760	54	115,314	16
Sale of stocks					
Da Ju Fiber Co., Ltd.	g.	62,026	29	-	-
Far Eastern International Leasing Co.		24,326	11	24,326	3
Others	e.	<u>11,932</u>	<u>6</u>	<u>11,932</u>	<u>2</u>
		<u>\$ 213,044</u>	<u>100</u>	<u>\$ 738,543</u>	<u>100</u>

Financing to affiliates:

As of June 30, 2012				
	Highest Outstanding Balance	Balance on December 31, 2011	Interest Rate (%)	Interest Revenue
Malaysia Garment Manufactures Pte Ltd.	\$ 448,725	\$ 229,388	0-1.805	\$ 801
Yue Ding Industry Co., Ltd.	350,000	150,000	1.19-1.43	727
Da Ju Fiber Co., Ltd.	1,120,000	<u>640,000</u>	1.18-1.44	<u>3,472</u>
		<u>\$ 1,019,388</u>		<u>\$ 5,000</u>

As of June 30, 2011				
	Highest Outstanding Balance	Balance on December 31, 2010	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>

Financing from affiliates:

As of June 30, 2012				
	Highest Outstanding Balance	Balance on December 31, 2011	Interest Rate (%)	Interest Expense
Pacific Petrochemical (Holding) Ltd.	\$ 611,345	<u>\$ 611,345</u>	-	<u>\$ -</u>

(Continued)

As of June 30, 2011

	Highest Outstanding Balance	Balance on December 31, 2010	Interest Rate (%)	Interest Expense
Pacific Petrochemical (Holding) Ltd.	\$ 612,644	\$ 596,784	-	\$ -
Oriental Petrochemical (Yangzhou) Corporation	181,620	-	3	<u>1,220</u>
		<u>\$ 596,784</u>		<u>\$ 1,220</u>

Notes:

- a. For the relationships between FENC and subsidiaries, please refer to Schedule C.
- b. FENC, Asia Cement Corporation and Yuan Ding Co., Ltd. co-owned the Metro Tower Building located on Dunhwa South Road in Taipei City. Under the agreement, Yuan Ding needs to distribute the property rent of Metro Tower Building to FENC based on percentages ownership. In exchange, Yuan Ding Co., Ltd. has the land usage right to construct Metro Tower Building without paying the land rent. FENC deferred the income acquiring from 12% of the usable area of Metro Tower building and reclassified as rental revenue in every year. The ownership of land was transferred to Yuan Ding Co., Ltd. on September 2, 2003. However, Yuan Ding Co., Ltd. was merged and acquired in consolidation financial statement, the transactions between Yuan Ding Co., Ltd. and FENC were dissolved, please refer to Note 16.
- c. The unrealized gain from superficies right was that Far Eastern Resources Development Co., Ltd. sales land to Far Eastern Y.Z. Science and Technology Memorial Foundation in a total amount of NT\$330,473 (including the residual value of superficies right on the date of disposal), and the disposing gain was NT\$273,065 thousand, please refer to Note 16.
- d. The unrealized gain was Far Eastern Construction Co., Ltd. sales lands and buildings to Oriental Securities Co., Ltd.
- e. The transaction amounts among related parties were not over 5% of the total amount of the account.
- f. On March 28, 2010, the subsidiary, Far Eastern Resources Development Co., Ltd. sold the land in Ya-Tung Section of Banciao to Far Eastern Memorial Foundation for NT\$432,907 thousand to construct a new medical building; the disposing gain was NT\$327,480 thousand.
- g. As of March 31, 2012, FENC sold the share of Yuan Ding Investment Co., Ltd. to Da Ju Fiber Co., Ltd. and recognized \$62,026 thousand deferred gain on disposing shares based on percentage of ownership.
- h. Have been consolidated in the consolidation financial statement on December 28, 2011.
- i. FENC bought \$2,214 thousand of machinery and equipment from Oriental Union Chemical Corp. and the payable amount has been fully paid by cash on September 31, 2011.
- j. The terms of sales to and purchases from the related parties were based on the agreement.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED

SIX MONTHS ENDED JUNE 30, 2012

(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.	Ding Yuan International Investment Co., Ltd.	Receivables from related parties	\$ 300,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,766,748 (Note N)	\$ 17,667,478 (Note O)
Far Eastern Investment (Holding) Ltd.	FEDP (Holding) Ltd.	Receivables from affiliates	US\$ 20,000	US\$ 20,000	US\$ -	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Oriental Petrochemical (Shanghai) Corp.	"	US\$ 30,000	US\$ 30,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Waldorf Services B.V.	"	US\$ 5,000	US\$ -	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	FETG Investment Antilles N.V.	"	US\$ 1,000	US\$ -	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 68,672	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	PET Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 7,590	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,068	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 10,000	US\$ 10,000	MYR 30,924	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Far Eastern Polytext (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 9,000	US\$ 9,000	US\$ 4,500	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 29,179	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Sino Belgium (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
	Far Eastern Apparel (Holding) Ltd.	"	US\$ 50,000	US\$ 50,000	US\$ 6,014	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	26,888,607 (Note I)
Ding Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	100,000	100,000	100,000	1.19%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (Note E)
	Yuan Tong Investment Co., Ltd.	"	100,000	100,000	100,000	1.19%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (Note E)
	Yue Ding Industry Co., Ltd.	"	50,000	50,000	50,000	1.19%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	130,000	-	-	1.17-1.18%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (Note E)
	Yuan Ding Investment Co., Ltd.	"	100,000	100,000	100,000	1.17-1.19%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (Note E)
	An Ho Garment Co., Ltd.	"	130,000	-	-	1.18%	2	-	For revolving fund	-	Promissory note	-	125,807 (Note B)	1,258,070 (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	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Industries (Shanghai) Ltd.	"	US\$ 66,000	US\$ 66,000	US\$ 7,000	-	1	HK\$ 1,269,924	For business sale	-	Promissory note	-	4,896,827 (Note J)	4,896,827 (Note J)

(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.	"	US\$ 10,000	US\$ 10,000	US\$ 8,000	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 5,377,721 (Note G)	\$ 16,133,164 (Note H)
	Oriental Petrochemical (Shanghai) Corp.	"	US\$ 4,000	US\$ 4,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Receivables from affiliates	US\$ 100,000	US\$ 100,000	US\$ 2,800	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Apparel (Suzhou) Ltd.	"	US\$ 30,000	US\$ 30,000	US\$ 18,000	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Investment (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
FETG Investment Antilles N.V.	Waldorf Services B.V.	Receivables from affiliates	US\$ 1,000	US\$ 1,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	RMB 100,000	RMB 100,000	RMB -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Industries (Suzhou) Ltd.	"	RMB 130,000	RMB 130,000	RMB 10,000	4.59%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Oriental Industries (Suzhou) Ltd.	"	RMB 250,000	RMB 250,000	RMB 190,556	3.73743-4.59%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Sino Belgium (Suzhou) Limited	"	RMB 54,000	RMB 54,000	RMB 17,420	3.73743-4.59%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	"	RMB 80,000	RMB 80,000	RMB 43,219	3.73743-3.92271%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	RMB 80,000	RMB 80,000	RMB -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	US\$ 5,000	US\$ 5,000	US\$ 4,600	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Chuang Yuan Co., Ltd.	Other receivables	US\$ 10,000	US\$ 10,000	US\$ 6,380	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Investment (Holding) Ltd.	Receivables from affiliates	US\$ 5,000	US\$ 5,000	US\$ 1,170	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	Receivables from affiliates	US\$ 64,900	US\$ 64,900	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Oriental Industries (Suzhou) Ltd.	"	US\$ 138,000	US\$ 138,000	US\$ 85,800	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Polychem Industries Ltd.	"	US\$ 25,000	US\$ 25,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Far Eastern Apparel (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Receivables from affiliates	US\$ 42,000	US\$ 42,000	US\$ 32,480	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	Receivables from affiliates	US\$ 42,800	US\$ 42,800	US\$ 24,600	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Far Eastern Resources Development Co.	An Ho Garment Co., Ltd.	Receivables from related parties	870,000	-	-	1.17-1.44%	2	-	For revolving fund	-	Promissory note	-	1,302,810 (Note B)	13,028,099 (Note E)
	Da Ju Fiber Co., Ltd.	"	380,000	380,000	260,000	1.18-1.19%	2	-	For revolving fund	-	Promissory note	-	1,302,810 (Note B)	13,028,099 (Note E)
	Yue Ding Industry Co., Ltd.	"	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,302,810 (Note B)	13,028,099 (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		
	Kai Yuan International Investment Co., Ltd.	"	\$ 500,000	\$ -	\$ -	1.18-1.44%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,302,810 (Note B)	\$ 13,028,099 (Note E)
	Ding Yuan International Investment Co., Ltd.	"	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,302,810 (Note B)	13,028,099 (Note E)
Far Eastern Industries (WuXi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	RMB 100,000	RMB 100,000	RMB 61,336	2.52744-3.67899%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	RMB 100,000	RMB 100,000	RMB 57,985	2.52744-3.67899%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	RMB 200,000	RMB 200,000	RMB -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Sino Belgium (Suzhou) Limited	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	RMB 50,000	RMB 50,000	RMB -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	Receivables from affiliates	US\$ 29,600	US\$ 29,600	US\$ 15,600	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,200	1.805%	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
	Martens Beers Trading (Shanghai) Ltd.	"	US\$ 3,600	US\$ 3,600	US\$ -	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	Receivables from affiliates	US\$ 12,000	US\$ 12,000	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	5,377,721 (Note G)	16,133,164 (Note H)
Yuan Tong Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	360,000	-	-	1.38-1.44%	2	-	For revolving fund	-	Promissory note	-	365,752 (Note B)	3,657,519 (Note E)
	Far Eastern Resources Development Co.	"	360,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	365,752 (Note B)	3,657,519 (Note E)
	Far Eastern New Century Corporation	"	360,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	365,752 (Note B)	3,657,519 (Note E)
Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	200,000	200,000	200,000	1.4-1.43%	2	-	For revolving fund	-	Promissory note	-	225,046 (Note B)	2,250,457 (Note E)
	Yue Ding Industry Co., Ltd.	"	100,000	100,000	100,000	1.4-1.43%	2	-	For revolving fund	-	Promissory note	-	225,046 (Note B)	2,250,457 (Note E)
	Yuan Tong Investment Co., Ltd.	"	200,000	200,000	200,000	1.43%	2	-	For revolving fund	-	Promissory note	-	225,046 (Note B)	2,250,457 (Note E)
	Yuan Ding Investment Co., Ltd.	"	150,000	150,000	150,000	1.43%	2	-	For revolving fund	-	Promissory note	-	225,046 (Note B)	2,250,457 (Note E)
An Ho Garment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from related parties	80,000	80,000	80,000	1.44%	2	-	For revolving fund	-	Promissory note	-	81,653 (Note B)	816,535 (Note E)
	Yuan Ding Investment Co., Ltd.	"	80,000	80,000	80,000	1.44%	2	-	For revolving fund	-	Promissory note	-	81,653 (Note B)	816,535 (Note E)
	Yuan Tong Investment Co., Ltd.	"	50,000	50,000	50,000	1.44%	2	-	For revolving fund	-	Promissory note	-	81,653 (Note B)	816,535 (Note E)
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Receivables from related parties	10,000	10,000	5,000	1.50%	2	-	For revolving fund	-	Promissory note	-	15,831 (Note D)	52,772 (Note F)
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	Other receivables - related parties	59,525	59,525	29,762	6.56-7%	2	-	For revolving fund	-	-	-	66,121 (Note L)	82,651 (Note M)

(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		
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Receivables from related parties	\$ 50,000	\$ 50,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,756,373 (Note C)	\$ 4,390,932 (Note K)
	Far Eastern Realty Management Co., Ltd.	"	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,756,373 (Note C)	4,390,932 (Note K)
	FET Consulting Engineers Co., Ltd.	"	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,756,373 (Note C)	4,390,932 (Note K)
	Far Eastern Electronic Commerce Co., Ltd.	"	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,756,373 (Note C)	4,390,932 (Note K)
YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Receivables from related parties	45,000	45,000	25,000	1.19%-1.21%	2	-	For revolving fund	-	Promissory note	-	50,222 (Note C)	125,556 (Note K)
Far Eastern Realty Management Co., Ltd.	Yuan Ding Company Ltd.	Receivables from related parties	12,000	12,000	-	-	2	-	For revolving fund	-	Promissory note	-	13,517 (Note C)	33,792 (Note K)

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.

B. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2011.

C. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2011.

D. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2011.

E. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2011. For short-term financing, the upper limit may be raised to 15%, if needed.

F. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2011. For short-term financing, the upper limit may be raised to 30%, if needed.

G. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of June 30, 2012.

H. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of June 30, 2012.

I. The limit is equal to 25% of the net value of FENC (based on audited financial statements) as of June 30, 2012.

J. The 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, 2012.

K. The limit is equal to 50% of the net value of financier (based on audited financial statements) as of December 31, 2011. For short-term financing, the upper limit may be raised to 40%, if needed.

L. The limit is equal to 40% of the net value of financier (based on audited financial statements) as of December 31, 2011.

M. The limit is equal to 50% of the net value of financier (based on audited financial statements) as of December 31, 2011.

N. The limit is equal to 5% of the net value of financier (based on audited financial statements) as of June 30, 2012.

O. The limit is equal to 50% of the net value of financier (based on audited financial statements) as of June 30, 2012. For short-term financing, the upper limit may be raised to 15%, if needed.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
SIX MONTHS ENDED JUNE 30, 2012
(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)	\$ 53,777,214 (Note G)	\$ 10,721,125	\$ 10,597,725	\$ 440,000	\$ -	9.85	\$ 107,554,427 (Note H)
Yuan Ding Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	(Note B)	17,667,478 (Note G)	334,000	334,000	242,000	-	0.95	35,334,956 (Note H)
	Oriental Resources Development Ltd.	(Note A)	17,667,478 (Note G)	119,000	119,000	-	-	0.34	35,334,956 (Note H)
	Far Eastern Apparel Co., Ltd.	(Note A)	17,667,478 (Note G)	135,000	135,000	10,000	-	0.38	35,334,956 (Note H)
	Oriental Textile (Holding) Ltd.	(Note A)	17,667,478 (Note G)	3,881,600	3,835,520	1,176,127	-	10.85	35,334,956 (Note H)
	Far Eastern Apparel (Holding) Ltd.	(Note A)	17,667,478 (Note G)	2,037,620	2,037,620	299,650	-	5.77	35,334,956 (Note H)
	FEDP (Holding) Ltd.	(Note C)	17,667,478 (Note G)	303,250	299,650	230,731	-	0.85	35,334,956 (Note H)
	Far Eastern Polychem Industries Ltd.	(Note B)	17,667,478 (Note G)	3,206,255	3,206,255	1,995,070	-	9.07	35,334,956 (Note H)
	Oriental Industries (Suzhou) Ltd.	(Note A)	17,667,478 (Note G)	639,443	630,677	181,202	-	1.78	35,334,956 (Note H)
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	17,667,478 (Note G)	303,250	299,650	299,650	-	0.85	35,334,956 (Note H)
	Far Eastern Industries (WuXi) Ltd.	(Note A)	17,667,478 (Note G)	303,250	299,650	299,650	-	0.85	35,334,956 (Note H)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	15,384,441 (Note L)	1,063,150	475,150	79,000	-	9.27	15,384,441 (Note L)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	53,777,214 (Note O)	US\$ 10,000	-	-	-	-	107,554,427 (Note M)
	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	53,777,214 (Note O)	US\$ 10,000	-	-	-	-	107,554,427 (Note M)
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	(Note A)	53,777,214 (Note K)	1,010,732	998,733	998,733	-	0.93	107,554,427 (Note I)
Far EastTone Telecommunications Co., Ltd.	Q-Ware Communication Corp.	(Note A)	33,696,441 (Note G)	199,287	199,287	199,287	-	0.30	67,392,882 (Note H)
	KGEx.com Co., Ltd.	(Note A)	33,696,441 (Note G)	45,000	45,000	8,578	-	0.07	67,392,882 (Note H)
Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note C)	RMB 1,707,181 (Note P)	RMB 80,000	RMB 80,000	RMB 4,894	-	0.35	RMB 3,414,361 (Note F)
	Everest Textile (Shanghai) Ltd.	(Note E)	RMB 1,707,181 (Note P)	RMB 45,000	RMB 45,000	-	-	0.20	RMB 3,414,361 (Note F)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	53,777,214 (Note O)	US\$ 5,000	US\$ 5,000	-	-	0.42	107,554,427 (Note M)
	Oriental Industries (Suzhou) Ltd.	(Note A)	53,777,214 (Note O)	US\$ 20,000	US\$ 10,000	US\$ 4,997	-	1.51	107,554,427 (Note M)
				RMB 50,000	RMB 50,000	-	-		
Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	53,777,214 (Note K)	9,421,448	9,421,448	3,454,888	9,421,448	8.76	107,554,427 (Note I)
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	53,777,214 (Note O)	RMB 50,000	RMB 50,000	RMB 21,325	-	0.22	107,554,427 (Note M)
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	(Note A)	53,777,214 (Note O)	US\$ 3,000	-	-	-	-	107,554,427 (Note M)
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	US\$ 45,140 (Note J)	RMB 100,000	RMB 100,000	RMB 35,132	-	0.43	US\$ 45,140 (Note J)
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	53,777,214 (Note O)	RMB 180,000	RMB 180,000	RMB 47,908	-	2.38	107,554,427 (Note M)
Yuan Ding Co., Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,390,932 (Note Q)	453,000	453,000	70,000	-	5.16	8,781,864 (Note P)
	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	4,390,932 (Note Q)	49,442	49,442	670	-	0.56	8,781,864 (Note P)

(Continued)

- Notes:
- A. Parent company's direct or indirect subsidiary.
 - B. Equity-method investee.
 - C. The guarantee provider and counter-party 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, 2011.
 - 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, 2012.
 - H. Limit is calculated using the net value of the guarantor (based on audited financial statements) as of June 30, 2012.
 - I. Limit is computed using the net value of parent company (based on audited financial statements) as of June 30, 2012.
 - 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, 2011.
 - 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, 2012.
 - 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, 2012.
 - M. The amount of the collateral/guarantee is equal to the net value of FENC (based on audited financial statements) as of June 30, 2012.
 - 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, 2012.
 - P. The amount of the collateral/guarantee is equal to the net value of guarantee (based on audited financial statements) as of December 31, 2011.
 - Q. The amount of the collateral/guarantee is equal to the 50% net value of guarantee (based on audited financial statements) as of December 31, 2011.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

JUNE 30, 2012

(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, 2012				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	700,357	\$ 11,888,827	22.33	\$ 26,228,382	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	221,275	4,242,066	16.80	6,173,555	
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	73,833	1,281,382	9.17	2,650,592	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	129	1,356	0.03	1,083	
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity-method investments	1,822,821	34,772,347	99.40	35,122,946	
	Far Eastern Resources Development Co.	(Note A)	Equity-method investments	498,974	25,702,190	100.00	25,981,754	
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity-method investments	705,147	7,131,515	100.00	7,494,051	
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity-method investments	898,743	8,468,549	73.04	8,470,745	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity-method investments	509,860	5,178,667	75.56	5,149,497	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity-method investments	1,700	6,019,355	100.00	6,019,355	
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity-method investments	202	4,740,559	85.27	4,845,326	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity-method investments	302,844	5,997,473	100.00	5,997,614	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity-method investments	113	8,133,486	100.00	8,136,708	
	Yuan Ding Co., Ltd.	(Note A)	Equity-method investments	186,926	3,108,494	37.13	3,206,089	
	Far Eastern Construction Co., Ltd.	(Note A)	Equity-method investments	154,372	3,282,985	65.11	3,338,936	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity-method investments	205,000	2,401,899	100.00	2,401,947	
	Oriental Securities Corp.	(Note A)	Equity-method investments	140,278	1,975,476	19.65	1,969,020	
	An Ho Garment Co., Ltd.	(Note A)	Equity-method investments	66,346	2,585,864	100.00	2,655,480	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	67,500	1,616,514	16.83	1,524,424	
	FEDP (Holding) Ltd.	(Note A)	Equity-method investments	244	636,015	50.43	636,015	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity-method investments	3,999	137,559	99.99	140,719	
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity-method investments	5,386	11,809	19.00	11,809	
	Far Eastern Textile Ltd.	(Note A)	Equity-method investments	100	954	100.00	954	
Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,939	53,667	3.73	55,517		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	65,554	744,037	3.09	744,037		
Yuan Ding Investment Co., Ltd.	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	1,066,658	22,012,280	32.73	69,012,748	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	74,454	1,398,029	9.25	2,672,908	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	118,869	1,001,734	25.23	996,124	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	5,221	141,290	0.40	145,676	
	Asia Cement Corporation	(Note A)	Equity-method investments	14,591	383,648	0.46	546,436	
	Oriental Textile (Holding) Ltd.	(Note A)	Equity-method investments	86	5,647,219	100.00	5,647,219	
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity-method investments	331,717	3,126,660	26.96	3,126,660	
	Oriental Securities Corp.	(Note A)	Equity-method investments	185,247	2,714,695	25.96	2,601,310	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity-method investments	111	2,382,989	100.00	2,382,989	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	59,827	1,346,369	14.92	1,351,421	
	Yuan Ding Co., Ltd.	(Note A)	Equity-method investments	64,759	1,083,721	12.86	1,110,431	
	Air Liquide Far Eastern Ltd.	(Note A)	Equity-method investments	69,115	1,149,266	35.00	1,381,627	
	Far Eastern International Leasing Corp.	(Note A)	Equity-method investments	75,269	1,131,177	16.87	1,142,529	
Far Eastern Fibertech Co., Ltd.	(Note A)	Equity-method investments	76,095	817,468	100.00	807,504		

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Da Ju Fiber Co., Ltd.	(Note A)	Equity-method investments	17,182	\$ 530,831	41.86	\$ 540,469	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity-method investments	35,062	346,770	5.20	354,386	
	Yuan Ding Leasing Corp.	(Note A)	Equity-method investments	36,706	411,260	46.20	412,880	
	Far Eastern Apparel Co., Ltd.	(Note A)	Equity-method investments	22,905	372,711	100.00	372,609	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity-method investments	13,053	323,286	29.80	425,850	
	Oriental Resources Development Ltd.	(Note A)	Equity-method investments	21,322	129,394	70.32	133,317	
	Yuan Faun Co., Ltd.	(Note A)	Equity-method investments	5,000	111,823	100.00	109,800	
	Yue Ming Co., Ltd.	(Note A)	Equity-method investments	1,280	64,104	45.50	66,133	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Equity-method investments	1,270	19,411	1.00	18,083	
	Yue Yuan Investment Co., Ltd.	(Note A)	Equity-method investments	95,338	658,906	18.96	1,721,224	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost	2,985	81,405	5.27	116,446	
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,688	56,019	3.54	52,702	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost	932	22,493	0.16	52,529	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost	1,400	14,000	1.16	12,903	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,000	10,000	1.11	8,681	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80	12,591	
	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	2,803	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost	2,165	30,669	0.50	31,453	
	DFE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - current	5,000	54,050	0.83	54,050	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	5,281	250,848	0.62	250,848	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	16,583	188,222	0.78	188,222	
	Far Eastern International Bank (private)	(Note C)	Available-for-sale financial assets - noncurrent	72,600	754,112	3.43	754,112	
	Financial assets under asset management contracts (Note E)							
	MEGA FHC	-	Financial assets at fair value through profit or loss - current	1,262	27,575	-	27,575	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Equity-method investments	6	US\$ 17,111	100.00	US\$ 17,111	
	Filsyn Corporation	(Note A)	Equity-method investments	45,066	US\$ -	21.85	PESO (252,970)	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Equity-method investments	5,000	US\$ 4,457	50.00	US\$ 4,457	
	Com2B	(Note A)	Equity-method investments	9,000	US\$ 788	20.00	US\$ 906	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 8,690	100.00	US\$ 8,690	
	Worldwide Polychem (HK) Ltd.	(Note A)	Equity-method investments	2,700	US\$ 3,745	100.00	US\$ 3,745	
	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	12,338	367,342	0.39	462,064	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	2,134	55,100	0.16	59,533	
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments	8,882	65,932	1.89	74,432	
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	14,712	407,713	1.83	528,170	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	920	39,608	0.03	59,502	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	197,543	2.24	202,894	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	7,992	204,704	13.20	122,340	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	66,270	752,164	3.13	752,164	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	44,428	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity-method investments	17,347	382,294	0.55	649,640	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	37,130	935,208	1.14	2,402,313	33,268 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	25,433	511,770	3.16	913,041	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	\$ 17,797	\$ 496,623	1.35	\$ 496,528	
	Kowloon Cement Co., Ltd.	(Note A)	Equity-method investments	1,127	358,923	49.00	303,911	
	Far Eastern International Leasing Corp.	(Note A)	Equity-method investments	74,970	1,094,167	16.80	1,138,009	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	197,543	2.24	202,894	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	38,368	435,475	1.81	435,475	
	Far Eastern International Bank (private)	(Note D)	Available-for-sale financial assets - noncurrent	42,087	437,168	1.99	437,168	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity-method investments	(Note H)	HK\$ 1,832,535	87.64	RMB 1,501,542	
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity-method investments	35	HK\$ 218,241	14.73	US\$ 27,980	
	FEDP (Holding) Ltd.	(Note A)	Equity-method investments	240	HK\$ 162,159	49.57	US\$ 20,898	
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	HK\$ 267,540	100.00	RMB 217,057	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	HK\$ 16,941	10.00	-	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Equity-method investments	125,639	1,738,710	98.95	1,808,349	
	Asia Cement Corporation	(Note A)	Equity-method investments	16,542	428,817	0.53	619,481	
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	1,590	75,515	0.19	75,515	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 19,115	38.46	RMB 122,436	
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 66,171	100.00	RMB 423,830	
Far Eastern Apparel Co., Ltd.	Ming Ding Co	(Note A)	Equity-method investments	448	6,628	44.80	6,674	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	5	79	0.01	77	
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	35,459	0.09	35,459	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost	20,000	-	2.00	44,214	
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost	3,106	25,142	16.03	13,610	
	Far Eastern Realty Management Co., Ltd.	(Note A)	Equity-method investments	450	4,010	9.00	5,999	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	15,725	190,455	-	190,455	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	958	15,123	-	15,123	
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	3,983	45,060	-	45,060	
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	6,728	105,000	-	105,000	
FETG Investment Antilles N.V.	Waldorf Services B. V.	(Note A)	Equity-method investments	2	US\$ 17,111	100.00	US\$ 17,111	
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	US\$ (319)	50.00	PESO (13,110)	
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity-method investments	30	US\$ 1,950	37.92	SGD 2,494	
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	US\$ (403)	41.00	PESO (16,596)	
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	-	US\$ 2,152	25.00	CAD 22,782	
	Filsyn Corporation	-	Financial assets carried at cost	20,513	-	9.95	PESO (115,196)	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	45,022	1,042,045	1.38	2,912,897	29,460 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity-method investments	2,900	103,397	0.09	108,607	
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	140	4,510	0.02	5,026	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments	9,487	144,743	15.66	145,139	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	4,841	111,894	1.21	109,599	
	Oriental Securities Corp.	(Note A)	Equity-method investments	5,000	76,895	0.70	70,143	
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity-method investments	5,502	148,675	0.30	106,005	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	16,502	187,301	0.78	187,301	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	(Note A)	Equity-method investments	\$ 750	\$ 11,247	55.56	\$ 11,565	42,800 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	3,497	39,690	0.17	39,690	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	8,992	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	520	19,691	0.02	33,644	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity-method investments	9,000	197,543	2.24	202,894	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments	100,237	2,647,531	3.08	6,485,336	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity-method investments	56,498	253,910	8.76	246,291	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments	31,931	1,030,782	2.42	890,882	
	Oriental Union Chemical Corporation	(Note A)	Equity-method investments	28,880	1,206,424	3.59	1,036,805	
	Asia Cement Corporation	(Note A)	Equity-method investments	21,254	680,929	0.68	795,963	
	Sino Belgium (Holding) Ltd.	(Note A)	Equity-method investments	26	100,862	91.39	87,941	
	DWS Taiwan Bmonry Market Fund	-	Available-for-sale financial assets - current	25,021	283,073	-	283,073	
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	9,862	95,759	-	95,759	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent	15,947	181,000	0.75	181,000	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost	39,600	396,000	18.00	387,753	
	Bockhold N.V-stock	-	Financial assets carried at cost	-	7,895	-	-	
	Bockhold N.V. - conversion option embedded into convertible bonds	-	Financial assets carried at cost	1	223,533	12.51	51,194	
	Bockhold N.V. - convertible bonds	-	Bond investments with no active market	-	248,391	-	-	
<u>Under asset management contracts (Note E)</u>								
Merry Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	277	10,748	-	10,748		
Springsoft Inc.	-	Financial assets at fair value through profit or loss - current	480	18,888	-	18,888		
Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	294	8,761	-	8,761		
Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,191	34,835	-	34,835		
Shin Kong Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	3,946	33,857	-	33,857		
Arima Communications Corp.	-	Financial assets at fair value through profit or loss - current	336	5,578	-	5,578		
Far Eastern Apparel (Suzhou) Ltd.	Suzhou An Ho Apparel Ltd.	(Note A)	Equity-method investments	(Note H)	RMB 5,967	100.00	RMB 5,967	
	Suqian Far Eastern Apparel Co., Ltd.	(Note A)	Equity-method investments	(Note H)	RMB 24,170	100.00	RMB 24,170	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Equity-method investments	(Note H)	US\$ 177,483	53.24	RMB 1,137,345	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 103,443	100.00	RMB 662,563	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 97,116	100.00	RMB 622,037	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 34,097	100.00	RMB 218,395	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 29,579	100.00	RMB 189,459	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 30,587	61.54	RMB 195,910	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Equity-method investments	(Note H)	US\$ 97,662	60.00	RMB 626,887	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 74,612	100.00	RMB 377,165	
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 211,765	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Equity-method investments	(Note H)	RMB 2,520	100.00	RMB 2,909	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Equity-method investments	(Note H)	RMB 115,232	8.11	RMB 173,167	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited	(Note A)	Equity-method investments	(Note H)	US\$ 10,566	100.00	RMB 67,678	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 1,819	100.00	RMB 4,137	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Yuan Hua Logistic Ltd.	(Note A)	Equity-method investments	(Note H)	RMB 20,907	100.00	RMB 20,907	
Yuan Ding Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Equity-method investments		4,164	105,621	0.13	269,378
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity-method investments		75,552	363,937	11.71	329,231
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity-method investments		17,572	38,338	61.98	38,525
	YDT Technology International Co., Ltd.	(Note A)	Equity-method investments		13,992	283,230	100.00	287,175
	Far Eastern Realty Management Co., Ltd.	(Note A)	Equity-method investments		4,550	59,508	91.00	60,661
	FET Consulting Engineers Co., Ltd.	(Note A)	Equity-method investments		39,000	333,146	100.00	329,342
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity-method investments		6,900	76,047	60.00	76,092
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments		15,025	52,265	50.00	53,847
	Yue Yuan Investment Co., Ltd.	(Note A)	Equity-method investments		125,861	2,400,415	25.02	2,271,917
	FEDS Asia Pacific Development Ltd.	(Note A)	Equity-method investments		10,125	118,336	5.00	118,336
	YDC (Virgin Islands) Ltd.	(Note A)	Equity-method investments		200	7,395	17.70	US\$ 235
	Yue Ming Co., Ltd.	(Note A)	Equity-method investments		28	839	1.00	1,453
	Yue Ding Industry Co., Ltd.	(Note A)	Equity-method investments		1,570	22,953	2.59	24,004
	Far Eastern New Century Corporation	-	Financial assets at fair value through profit or loss - current		713	22,460	0.01	22,460
	Asia Cement Corporation	(Note A)	Equity-method investments		4,973	161,850	0.16	186,222
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent		6,238	70,806	0.29	70,806
Ding Ding Integrated Marketing Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments		500	177	0.17	183
	Deutsche Far Eastern DWS Equity Fund	-	Financial assets at fair value through profit or loss - current		1,769	20,023	-	20,023
Far Eastern Electronic Commerce Co., Ltd.	Deutsche Far Eastern DWS Equity Fund	-	Financial assets at fair value through profit or loss - current		3,990	45,148	-	45,148
Far Eastern Realty Management Co., Ltd.	Yuantai Foreign Trade	-	Financial assets carried at cost		480	4,800	4.00	4,800
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Equity-method investments	(Note H)		168,624	100.00	US\$ 5,540
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Equity-method investments	(Note H)	US\$ 78		1.39	RMB 489
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 1,193		100.00	RMB 7,521
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Equity-method investments	(Note H)	US\$ 5,517		98.61	RMB 34,682
YDT Technology International Co., Ltd.	YDC (Virgin Islands) Ltd.	(Note A)	Equity-method investments		930	33,104	82.30	US\$ 1,094
	Asia Cement Corporation	(Note A)	Equity-method investments		56	1,838	-	2,115
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity-method investments		2,530	88,861	0.19	70,575
	Everest Textile Co., Ltd.	(Note A)	Equity-method investments		793	6,146	0.17	6,649
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - noncurrent		2,194	24,899	0.13	24,899
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost		1	10	-	10
Far EasTone Telecommunications Co., Ltd.	<u>Stock</u>							
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity-method investments		2,599,449	28,312,253	100.00	28,312,253
	ARCOA Communication Co., Ltd.	(Note A)	Equity-method investments		82,009	1,196,930	61.07	1,196,930
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity-method investments		254,240	1,078,224	39.42	1,078,224
	KGEx.com Co., Ltd.	(Note A)	Equity-method investments		112,375	871,993	99.97	871,993
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity-method investments		1	138,228	100.00	138,228
	E. World (Holdings) Ltd.	(Note A)	Equity-method investments		6,015	88,746	85.92	88,746
	Far EasTron Holding Ltd.	(Note A)	Equity-method investments		4,487	25,970	100.00	25,970

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
ARCOA Communication Co., Ltd.	iScreen Corporation	(Note A)	Equity-method investments	\$ 4,000	\$ 20,093	40.00	\$ 20,093	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity-method investments	1,725	18,514	15.00	18,514	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Equity-method investments	4,202	15,225	13.98	15,225	
	O-music Co., Ltd.	(Note A)	Equity-method investments	2,500	10,445	50.00	10,445	
	Q-Ware Communication Corp.	(Note A)	Other liabilities - other	36,460	(381,923)	51.00	(381,923)	
	Asia Cement	-	Available-for-sale financial assets - current	2,133	79,870	-	79,870	
	<u>Open-end mutual funds</u>							
	Eastspring Inv. Global Green Solutions	-	Available-for-sale financial assets - current	4,978	46,146	-	46,146	
	<u>Private funds</u>							
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	151,428	-	151,428	
	<u>Bonds</u>							
	98 Asia Cement 1 Corporate Bond	-	Held-to-maturity financial assets - noncurrent	-	199,819	-	202,848	
	<u>Stock</u>							
	DataExpress Infotech Co., Ltd.	(Note A)	Equity-method investments	6,143	181,448	70.00	181,448	
	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	289	2,627	0.04	2,627	
	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	
	<u>Bonds</u>							
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - current	-	10,000	-	10,000	
	New Century InfoComm Tech Co., Ltd.	<u>Stock</u>						
New Diligent Co., Ltd.		(Note A)	Equity-method investments	80,000	729,314	100.00	729,314	
Information Security Service Digital United Co., Ltd.		(Note A)	Equity-method investments	14,878	97,762	100.00	97,762	
Simple InfoComm Co., Ltd.		(Note A)	Equity-method investments	3,400	20,342	100.00	20,342	
Far Eastern Electronic Commerce Co., Ltd.		(Note A)	Equity-method investments	1,503	5,446	5.00	5,446	
Ding Ding Integrated Marketing Services Co., Ltd.		(Note A)	Equity-method investments	575	6,172	5.00	6,172	
BankPro E-service Technology Co., Ltd.		-	Financial assets carried at cost - noncurrent	450	4,500	3.33	4,500	
Kaohsiung Rapid Transit Co., Ltd.		-	Financial assets carried at cost - noncurrent	30,000	-	3.00	-	
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	-	
<u>Share certificates</u>								
Digital United (Cayman) Ltd.		(Note A)	Equity-method investments	3,320	26,127	100.00	26,127	
<u>Open-end mutual funds</u>								
DFE DWS Global Multi-asset Income Plus FOF-A		-	Financial assets at fair value through profit or loss - current	9,571	103,465	-	103,465	
Deutsche Far Eastern DWS Global Agribusiness Fund		-	Financial assets at fair value through profit or loss - current	5,000	48,550	-	48,550	
Allianz Global Investors All Seasons Return Fund of Bond Funds		-	Financial assets at fair value through profit or loss - current	3,989	51,986	-	51,986	
<u>Beneficiary certificate - private funds</u>								
Opas Fund Segregated Portfolio Tranche C		-	Available-for-sale financial assets - current	30	968,245	-	968,245	
Opas Fund Segregated Portfolio Tranche D		-	Available-for-sale financial assets - current	10	302,857	-	302,857	
Opas Fund Segregated Portfolio Tranche E	-	Available-for-sale financial assets - current	25	756,580	-	756,580		

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2012				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	<u>Bonds</u> The First Private Placement of Unsecured Corporation Bond 98-1 Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - current	\$ -	\$ 990,000	-	\$ 990,000	
Digital United (Cayman) Ltd.	<u>Stock</u> Digital United Information Technologies Co., Ltd.	(Note A)	Equity-method investments	(Note H)	US\$ 290	100.00	US\$ 290	
New Diligent Co., Ltd.	<u>Share certificates</u> Far Eastern New Diligent Company Ltd.	(Note A)	Equity-method investments	-	-	100.00	-	
	Sino Lead Enterprise Limited	(Note A)	Equity-method investments	-	461	100.00	461	
DataExpress Infotech Co., Ltd.	<u>Share certificates</u> Linkwell Tech. Co., Ltd.	(Note A)	Equity-method investments	-	31,494	100.00	31,494	
	Homet Master Technology Co., Ltd.	(Note A)	Equity-method investments	-	4,150	99.99	4,150	
	Jin Yuan Technology Co., Ltd.	(Note A)	Equity-method investments	-	9,984	100.00	9,984	
Far Eastern Info Service (Holding) Ltd.	<u>Share certificates</u> Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity-method investments	(Note H)	US\$ 5,181	100.00	US\$ 5,181	
E. World (Holdings) Ltd.	<u>Stock</u> Yuan Cing Co., Ltd.	(Note A)	Equity-method investments		19,350	100.00	US\$ 3,216	
Far Eastern Tech-info Ltd. (Shanghai)	<u>Share certificates</u> Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Equity-method investments	(Note H)	RMB 42,472	55.00	RMB 42,472	

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. Financial assets under asset management contracts and the financial assets can be sold in the open market by the investee, Oriental Securities Corp.

F. The chairman of the investee is a director of FENC's board.

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

H. A private company.

I. Except for Asia Cement Co., Ltd., 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 Corp., Pacific Liu Tung Investment Co., Ltd., New Century InfoComm Tech Co., Ltd., ARCOA Communication Co., Ltd., KGEx.com Co., Ltd., Q-Ware Com., DataExpress Infotech Co., Ltd. and Linkwell Tech. Co., Ltd., the other companies were based on unaudited financial statements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
SIX MONTHS ENDED JUNE 30, 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	Equity-method investments	Da Ju Fiber Co., Ltd.	(Note A)	1,828,323	\$ 37,010,889	-	\$ -	5,502	\$ 235,491	\$ 113,908	\$ 148,175 (Note B)	\$ (2,124,634)	1,822,821	\$ 34,772,347
	Far Eastern Polychem Industries Ltd.	Equity-method investments	Cash capital increase	-	742,155	7,152,582	156,588	1,473,309	-	-	-	-	(157,342)	898,743	8,468,549
	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Cash capital increase	-	90	6,828,759	23	1,332,900	-	-	-	-	(28,173)	113	8,133,486
Yuan Tong Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	20,300	711,837	11,631	336,645	-	-	-	-	(17,700)	31,931	1,030,782
	Oriental Union Chemical Corporation	Equity-method investments	Open market	-	21,802	973,095	7,078	278,454	-	-	-	-	(45,125)	28,880	1,206,424
	Far Eastern Electronic Toll Collection Co., Ltd.	Equity-method investments	Cash capital increase	-	37,271	55,084	19,227	192,265	-	-	-	-	6,561	56,498	253,910
	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	105,221	2,916,774	322	20,332	5,306	291,004	148,250	160,326	(141,325)	100,237	2,647,531
	Ding Shen Investment Co., Ltd.	Financial assets carried at cost	Cash capital increase	-	27,000	270,000	12,600	126,000	-	-	-	-	-	39,600	396,000
Ding Yuan International Investment Co., Ltd.	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	19,659	221,604	-	-	19,659	222,324	220,000	2,324	-	-	-
Kai Yuan International Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	92,462	2,426,992	-	-	55,332	3,455,378	1,517,965	2,070,898	26,181	37,130	935,208
	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	8,679	229,592	9,118	276,370	-	-	-	-	(9,339)	17,797	496,623
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Equity-method investments	Open market	-	80,172	1,954,031	-	-	35,150	2,191,359	897,236	1,394,246	(14,750)	45,022	1,042,045
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Yangzou) Ltd.	Equity-method investments	Cash capital increase	-	-	-	(Note C)	US\$ 34,300	-	-	-	-	-	(Note C)	US\$ 34,300
Yuan Ding Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	Equity-method investments	Cash capital increase	-	33,372	70,999	42,180	421,802	-	-	-	-	(128,864)	75,552	363,937
Far Eastern Electronic Commerce Co., Ltd.	Deutsche Far Eastern DWS Equity Fund	Financial assets at fair value through profit or loss - current	Open market	-	13,177	148,532	44,456	502,000	53,643	605,772	605,399	373	-	3,990	45,148
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Equity-method investments	Cash capital increase	-	-	-	(Note C)	US\$ 7,830	-	-	-	-	US\$ (2,313)	(Note C)	US\$ 5,517
Far Eastern General Contractor Co., Ltd.	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	Open market	-	-	-	15,725	190,000	-	-	-	-	-	15,725	190,000 (Note D)
	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	7,934	125,000	6,976	110,000	109,895	105	-	958	15,105 (Note D)
	Deutsche Far Eastern DWS Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	15,040	170,000	11,057	125,000	124,980	20	-	3,983	45,020 (Note D)
	Capital Income Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	6,728	105,000	-	-	-	-	-	6,728	105,000 (Note D)

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
Far Eastone Telecommunications Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	Equity-method investments	Issuance of stock by cash	-	167,720	\$ 269,609	86,520	\$ 865,192	-	\$ -	\$ -	\$ -	\$ (56,577)	\$ 254,240	\$ 1,078,224
ARCOA Communication Co., Ltd.	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	4,606	60,000	4,596	60,000	9,202	120,055	120,000	55	-	-	-

- Notes:
- A. Equity-method investee.
 - B. The \$62,026 thousand of investment income were from down-stream transaction and were recognized based on percentage of ownership.
 - C. The private company.
 - D. The ending balances were shown as their investment cost without the adjustment of fair value.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

SIX MONTHS ENDED JUNE 30, 2012

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

Company Name	Real Estate	Trading Date	Trading Amount	Payment	Counter-party	Nature of Relationship	Information of Previous Transfer Between Related Parties				Price Basis of the Transfer	Purpose or Existing Condition	Other Contract Items
							Owner	Nature of Relationship	Date of Previous Estate Transfer	Trading Amount			
Far Eastern Resources Development Co.	Taoyuan, Taiwan	2012.3.21	\$ 278,131	\$ 278,131	Far Eastern Asset Management Co., Ltd.	The Company's Chairman is the vice-chairman of FENC	Far Eastern International Bank	Far Eastern Resources Development Co.'s chairman is the vice chairman of Far Eastern International Bank	2007.2.16	\$ 300,000	DTZ Real Estate Appraisers Firm	For FENC future operation	-
Far Eastern Resources Development Co.	Taipei, Taiwan	2012.5.8	391,216	391,216	National Property Administration, Ministry of Finance	-	-	-	-	-	-	For future operation	-

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

**REAL ESTATE SOLD AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
SIX MONTHS ENDED JUNE 30, 2012
(In Thousands of New Taiwan Dollars)**

Company Name	Real Estate	Trading Date	Acquisition Date	Trading Amount	Payment Amount	Payment	Gain (Loss)	Related Party	Nature of Relationship	Purpose	Price Basis of the Transfer	Other Contract Items
Far Eastern Construction Co., Ltd.	Taipei, Taiwan	2011.8.31 (On the day of board of directors meeting)	2008.08.29 (On the day of board of directors meeting)	\$ 927,899	\$ 1,807,956 (Including tax)	The full amount was paid off	\$ 847,781 (Note)	F. E Memorial Foundation	The same chairman	Fulfilling the operational needs and interests of trading parties	Average appraisal price of \$1,807,956 thousand based on the appraisal report of Great Eastern Real Estate Appraisers Firm and Top Real Estate Appraisers Firm	None

Note: The amount is the transaction price of NT\$1,782,128 thousand less the carrying value of NT\$927,899 thousand, house tax of NT\$594 thousand and the land value increment tax of NT\$5,854 thousand.

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
SIX MONTHS ENDED JUNE 30, 2012
(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	Far Eastern Industries (WuXi) Ltd.	(Note D)	Sale	\$ (106,262)	-	Based on contract	\$ -	-	\$ -	-	\$ 33,515	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note F)	Sale	(222,726)	(1)	Based on contract	-	-	-	-	67,713	1	
	Everest Textile Co., Ltd.	(Note A)	Sale	(249,075)	(1)	Based on contract	-	-	47,428	13	9,990	-	
	Worldwide Polychem (HK) Ltd.	(Note D)	Sale	(817,325)	(3)	Based on contract	-	-	-	-	701,424	6	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note D)	Purchase	4,876,135	21	Based on contract	-	-	-	-	(651,746)	(14)	
	Oriental Resources Development Ltd.	(Note D)	Purchase	183,171	1	Based on contract	-	-	-	-	(25,913)	(1)	
	Oriental Union Chemical Corporation	(Note A)	Purchase	635,840	3	Based on contract	-	-	-	-	(156,326)	(3)	
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note E)	Sale	(488,417)	(14)	Based on contract	-	-	-	-	343,304	32	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sale	(140,121)	(4)	Based on contract	-	-	-	-	80,263	8	
	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Purchase	3,226,772	95	Based on contract	-	-	-	-	(658,294)	(56)	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	169,155	5	Based on contract	-	-	-	-	(71,272)	(6)	
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sale	(1,279,500)	(9)	Based on contract	-	-	-	-	677,168	22	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(423,923)	(3)	Based on contract	-	-	-	-	142,236	5	
	Far Eastern New Century Corporation	(Note C)	Sale	(4,876,135)	(34)	Based on contract	-	-	-	-	651,746	21	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note D)	Purchase	512,698	100	Based on contract	-	-	-	-	(97,635)	(100)	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	Purchase	302,484	23	Based on contract	-	-	-	-	(123,295)	(20)	
	Suzhou An Ho Apparel Ltd.	(Note D)	Purchase	183,722	14	Based on contract	-	-	-	-	(59,546)	(10)	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sale	(512,698)	(40)	Based on contract	-	-	-	-	97,635	24	
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sale	(302,484)	(24)	Based on contract	-	-	-	-	123,295	30	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	128,095	19	Based on contract	-	-	-	-	(60,651)	(32)	
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note E)	Sale	(128,095)	(1)	Based on contract	-	-	-	-	60,651	2	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(292,884)	(2)	Based on contract	-	-	-	-	41,530	1	
	Far Eastern Polychem Industries Ltd.	(Note D)	Sale	(3,226,772)	(22)	Based on contract	-	-	-	-	658,294	19	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sale	(1,178,171)	(8)	Based on contract	-	-	-	-	672,403	19	
	Worldwide Polychem (HK) Ltd.	(Note E)	Sale	(158,131)	(1)	Based on contract	-	-	-	-	157,184	5	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Purchase	748,569	5	Based on contract	-	-	-	-	(319,805)	(7)	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	4,975,367	35	Based on contract	-	-	(1,791,128)	(96)	(805,458)	(18)	
Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	1,279,500	9	Based on contract	-	-	-	-	(677,168)	(15)		
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(302,959)	(16)	Based on contract	-	-	-	-	103,553	28	
	Far Eastern New Century Corporation	(Note C)	Purchase	106,262	6	Based on contract	-	-	-	-	(33,515)	(6)	
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sale	(748,569)	(28)	Based on contract	-	-	-	-	319,805	49	
	Oriental Industries (Suzhou) Ltd.	(Note E)	Sale	(1,463,696)	(55)	Based on contract	-	-	292,885	98	151,355	23	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	292,884	11	Based on contract	-	-	-	-	(41,530)	(7)	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	1,015,491	37	Based on contract	\$ -	-	(373,046)	(78)	(171,008)	(27)	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	423,923	15	Based on contract	-	-	-	-	(142,236)	(23)	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sale	\$ (4,975,367)	(39)	Based on contract	\$ -	-	\$ 1,791,128	36	\$ 805,458	82	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sale	(1,015,491)	(8)	Based on contract	-	-	373,046	8	171,008	18	
	PET Far Eastern (Holding) Ltd.	(Note C)	Purchase	1,144,357	10	Based on contract	-	-	-	-	(1,153,598)	(48)	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note C)	Sale	(183,171)	(57)	Based on contract	-	-	-	-	25,913	47	
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note C)	Sale	(1,101,272)	(43)	Based on contract	-	-	-	-	374,821	42	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Purchase	1,463,696	77	Based on contract	-	-	(292,885)	(60)	(151,355)	(25)	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note D)	Purchase	302,959	22	Based on contract	-	-	-	-	(103,553)	(21)	
	Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	1,101,272	78	Based on contract	-	-	-	-	(374,821)	(77)	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	Sale	(1,144,357)	(100)	Based on contract	-	-	-	-	1,153,598	79	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	488,417	82	Based on contract	-	-	-	-	(343,304)	(100)	
Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note D)	Sale	(183,722)	(100)	Based on contract	-	-	-	-	59,546	100	
Wuhan Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note E)	Sale	(169,155)	(11)	Based on contract	-	-	-	-	71,272	23	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	1,178,171	83	Based on contract	-	-	-	-	(672,403)	(9)	
	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	140,121	10	Based on contract	-	-	-	-	(80,263)	(1)	
Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	(Note C)	Purchase	817,325	84	Based on contract	-	-	-	-	(701,424)	(81)	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	158,131	16	Based on contract	-	-	-	-	(157,184)	(18)	
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note D)	Purchase	184,326	80	Based on contract	-	-	-	-	-	-	
	F. E Memorial Foundation	(Note I)	Sales	(1,782,128)	(85)	Based on contract	-	-	-	-	-	-	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready Mixed Concrete Co., Ltd.	(Note H)	Purchase	275,416	10	Based on contract	-	-	(89,414)	(15)	(108,702)	(11)	
	Far Eastern Construction Co., Ltd.	(Note C)	Sales	(314,247)	(10)	Based on contract	-	-	Advance construction receipts 5,714,865	17	-	-	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Sales	(224,369)	(7)	Based on contract	-	-	Advance construction receipts 1,726,919	5	70,397	15	
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	Telecommunications service revenues	(194,070)	(1)	Based on contract	-	-	-	-	243,744	4	
			Cost of telecommunications services, marketing expenses and cost of sales	5,496,868	20	Based on contract	-	-	-	-	Accounts payable and accrued expenses (1,039,764)	(13)	
	KGEx.com Co., Ltd.	(Note D)	Telecommunications service revenues	(111,290)	-	Based on contract	-	-	-	-	50,010	1	
	New Century InfoComm Tech Co., Ltd.	(Note D)	Telecommunications service revenues	(608,921)	(2)	Based on contract	-	-	-	-	3,786 (Note B)	-	
			Cost of telecommunications services	806,534	4	Based on contract	-	-	-	-	Accounts payable and accrued expenses (478,204) (Note B)	(6)	
	Yuan Cheng Human Resources Consultant Corp.	(Note E)	Professional service fee	101,602	58	Based on contract	-	-	-	-	(15,457)	-	

(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	
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Telecommunications service revenues	\$ (806,534)	(14)	Based on contract	\$ -	-	\$ -	-	\$ 478,204	38
			Cost of telecommunications services	608,921	14	Based on contract	-	-	-	-	(3,786)	(1)
	KGEx.com Co., Ltd.	(Note E)	Cost of telecommunications services	207,809	5	Based on contract	-	-	-	-	(76,596)	(11)
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Commission revenue, sales of cellular phone equipment and accessories and service revenues	(5,496,868)	(74)	Based on contract	-	-	-	-	1,039,764	95
			Cost of telecommunications services and cost of sales	194,070	3	Based on contract	-	-	-	-	(243,744)	(11)
KGEx.com Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Cost of telecommunications services	111,290	22	Based on contract	-	-	-	-	(50,010)	(27)
	New Century InfoComm Tech Co., Ltd.	(Note A)	Telecommunications service revenues	(207,809)	(40)	Based on contract	-	-	-	-	76,596	41
DataExpress Infotech Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note A)	Sales	(200,359)	(17)	Based on contract	-	-	-	-	36,708	19
	Pacific SOGO Department Stores Co., Ltd.	(Note J)	Sales	(191,952)	(16)	Based on contract	-	-	-	-	36,228	19

Notes:

- A. Equity-method investee.
- B. All interconnect revenues, costs and collection of international direct dial revenue between Far EasTone and NCIC were settled at net amounts and were included in accounts payable - related parties.
- C. Parent company.
- D. Subsidiary.
- E. Same ultimate parent company.
- F. Investees of equity-method of FENC's subsidiary.
- G. Including the receivables collected by Far EasTone for NCIC.
- H. The chairman of FENC is the board of member of the company.
- I. The chairman of FENC is the chairman of the company.
- J. Subsidiary of FENC's equity-method investees.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

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

SIX MONTHS ENDED JUNE 30, 2012

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

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note D)	\$ 701,424	3.82	\$ -	-	\$ 246,908	\$ 1,850
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	343,304	0.33	-	-	US\$ 2,550	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	651,746	12.35	-	-	649,993	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	677,168	5.57	-	-	276,405	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	142,236	8.28	-	-	75,749	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	374,821	6.26	-	-	185,832	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	2,596,586	12.00	-	-	2,596,586	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	544,054	9.00	-	-	544,054	-
Far Eastern Industries (Shanghai) Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	157,184	3.63	-	-	RMB 22,618	-
	Wuhan Far Eastern New Material Ltd.	(Note C)	672,403	3.43	-	-	RMB 49,842	-
	Far Eastern Polychem Industries Ltd.	(Note E)	658,294	8.21	-	-	RMB 127,320	-
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	103,553	7.80	-	-	US\$ 3,520	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	444,240	1.51	-	-	152,278	-
	Far Eastern Industries (Shanghai) Ltd.	(Note C)	319,805	2.95	-	-	319,850	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	123,295	4.10	-	-	RMB 8,652	-
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note C)	1,153,598	4.00	-	-	US\$ 16,024	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	413,933	(Note F)	-	-	-	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	245,674	8.86	-	-	178,245	-
	New Century InfoComm Tech Co., Ltd.	(Note D)	298,276	(Note B)	-	-	102,167	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	490,850	(Note G)	-	-	265,894	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	1,039,764	10.08	-	-	964,044	-

Note A: Receivables from the financier in the Group provided, please refer to Schedule D.

Note B: 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.

(Continued)

Note C: Same ultimate parent company.

Note D: Subsidiary.

Note E: Parent company.

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

Note G: The turnover rate was not unavailable because the amount are 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 amounts, which were recognized under accounts payable - related parties.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
SIX MONTHS ENDED JUNE 30, 2012
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2012	June 30, 2011	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	700,357	22.33	\$ 11,888,827	\$ 4,088,766	\$ 589,085	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	221,275	16.80	4,242,066	570,991	95,926	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	9.17	1,281,382	518,404	47,454	Including write off and reversed by upstream transactions \$84
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,356	581,455	174	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,019	100,294	1,822,821	99.40	34,772,347	2,146,773	2,140,441	Including write off and reversed by upstream and side-stream transactions \$3,102
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate leasing and development service	14,931,733	14,931,733	498,974	100.00	25,702,190	(74,028)	307,779	Including write off and reversed by side-stream transactions \$381,807
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	7,934,404	6,461,095	898,743	73.04	8,468,549	(36,185)	(24,929)	Including write off and reversed by side-stream transactions \$574
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	7,131,515	249,172	237,442	Including write off and reversed by side-stream transactions \$(11,730)
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	7,017,166	5,684,266	113	100.00	8,133,486	24,987	25,999	Including write off and reversed by side-stream transactions \$1,012
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	6,019,355	(15,242)	(15,242)	
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	509,860	75.56	5,178,667	(1,215,203)	(901,050)	Including write off and reversed by side-stream and upstream transactions \$17,157
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,827,853	2,827,853	202	85.27	4,740,559	(280,210)	(228,402)	Including write off and reversed by side-stream transactions \$5,670; discount amortization of \$4,863
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	100.00	5,997,473	2,089,405	2,089,405	
	Yuan Ding Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	37.13	3,108,494	282,970	105,476	Gain or loss recognized under the treasury stock method
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	65.11	3,282,985	1,286,413	837,583	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,401,899	63,934	63,934	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	1,975,476	98,012	19,259	
	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,616,514	200,588	33,759	
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Investment	1,023	1,023	66,346	100.00	2,585,864	1,388,995	1,388,995	
	FEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	676,315	244	50.43	636,015	(140,661)	(70,934)	
Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	137,559	3,939	3,939		
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	19.00	11,809	(34,227)	(6,502)		
Far Eastern Textile Ltd.	Taipei, Taiwan	Chemical fiber production	1,000	1,000	100	100.00	954	(22)	(22)		
Yuan Ding Investment Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	22,012,280	5,123,369	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,169,816	1,166,082	74,454	9.25	1,398,029	518,404	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	1,001,734	581,455	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	419,748	345,015	14,591	0.46	383,648	4,088,766	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	5,221	0.40	141,290	570,991	-	
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,606,913	5,606,913	86	100.00	5,647,219	(86,909)	-	
	Far Eastern Polychem Industries Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	1,620,452	1,620,452	331,717	26.96	3,126,660	(36,185)	-	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	255,424	185,247	25.96	2,714,695	98,012	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes	
				June 30, 2012	June 30, 2011	Shares (Thousands)	Percentage of Ownership	Carrying Value				
Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Sale of textile, garments, and clothing	\$ 2,179,442	\$ 2,179,442	111	100.00	\$ 2,382,989	\$ 15,957	\$ -		
	Pacific Liu Tung Investment Co., Ltd. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,346,369	200,588	-		
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,149,266	309,499	-		
	Yuan Ding Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,083,721	282,970	-		
	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	1,131,177	123,481	-		
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	76,095	100.00	817,468	(26,006)	-		
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	530,831	62,426	-		
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	-	-	35,062	5.20	346,770	(1,215,203)	-		
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	411,260	14,817	-		
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,905	100.00	372,711	7,090	-		
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	323,286	170,115	-		
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	129,394	-3,758	-		
	Yuan Faun Co., Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	111,823	3,907	-		
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	97,852	97,852	1,280	45.50	64,104	5,204	-		
	Far Eastern General Contractor Co., Ltd.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	19,411	301,877	-		
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	673,704	673,704	95,338	18.96	658,906	731,361	-		
Far Eastern Investment (Holding) Ltd.	FETG Investment Antilles N.V.	Kaya W.F.G. Mensing 14, Curacao	Investment	US\$ 6	US\$ 6	6	100.00	US\$ 17,111	US\$ (330)	-		
	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 (10,556)	-		
	PET Far Eastern (M) Sdn Bhd.	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note A)	50.00	US\$ 4,457	US\$ (640)	-		
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	US\$ 788	US\$ (297)	-		
	Far Eastern Apparel (Vietnam) Ltd.	11 VSIP Street 4, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	Clothing production	US\$ 9,000	US\$ 6,885	(Note B)	100.00	US\$ 8,690	US\$ (403)	-		
Ding Yuan International Investment Co., Ltd.	Worldwide Polychem (HK) Ltd.	11F, Lippo Leighton Tower, 103-109 Leighton Road, Causeway Bay, Hong Kong	Polyester production	US\$ 3,500	US\$ 3,500	2,700	100.00	US\$ 3,745	US\$ 246	-		
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	45,571	37,100	2,134	0.16	55,100	570,991	-		
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	148,933	147,518	8,882	1.89	65,932	581,455	-		
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	387,687	387,687	14,712	1.83	407,713	518,404	-		
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	39,608	5,123,369	-		
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	198,540	200,588	-		
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	7,992	13.20	204,704	36,131	-		
	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	375,512	12,338	0.39	367,342	4,088,766	-		
	Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	308,875	308,875	17,347	0.55	382,294	4,088,766	-	
		Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	792,268	1,973,606	37,130	1.14	935,208	5,123,369	-	
Oriental Union Chemical Corporation		Taipei, Taiwan	Petrochemical materials production	570,922	566,438	25,433	3.16	511,770	518,404	-		
Far Eastern Department Stores Co., Ltd.		Taipei, Taiwan	Department store operations	490,438	214,068	17,797	1.35	496,623	570,991	-		
Kowloon Cement Co., Ltd.		Hong Kong	Cement production	226,896	226,896	1,127	49.00	358,923	10,667	-		
Far Eastern International Leasing Corp.		Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,094,167	123,481	-		
Pacific Liu Tung Investment Corp. (Note C)		Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	198,741	200,588	-		
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Chemical fiber production	HK\$ 693,257	HK\$ 693,257	(Note B)	87.64	HK\$ 1,832,535	RMB 6,126	-		
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	14.73	HK\$ 218,241	US\$ (9,448)	-		
	FEDP (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 162,159	US\$ (4,743)	-		
	Far Eastern Industries (Yangzhou) Ltd.	China	PTA production and sale	US\$ 34,300	-	(Note B)	100.00	HK\$ 267,540	RMB 449	-		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2012	June 30, 2011	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd. Asia Cement Corporation	Taipei, Taiwan	Construction	\$ 271,587	\$ 271,587	125,639	98.95	\$ 1,738,710	\$ 301,877	\$ -	
		Taipei, Taiwan	Cement production	216,959	216,959	16,542	0.53	428,817	4,088,766	-	
Far Eastern General Contractor Co., Ltd.	Far Eastern Realty Management Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	3,864	3,864	450	9.00	4,010	11,933	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China	Garment production	US\$ 10,000	US\$ 10,000	(Note B)	38.46	US\$ 19,115	RMB 7,355	-	
		China	Dyeing and finishing	US\$ 50,000	US\$ 50,000	(Note B)	100.00	US\$ 66,171	RMB 9,059	-	
Far Eastern Apparel Co., Ltd.	Ming Ding Co Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Underwear selling	2,174	2,174	448	44.80	6,628	101	-	
		Taipei, Taiwan	Department store operations	29	29	5	0.01	79	36,131	-	
FETG Investment Antilles N.V.	Waldorf Services B.V.	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 17,111	US\$ (326)	-	
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\$ (319)	PESO (2,150)	-	
	Malaysia Garment Manufactures Pte. Ltd.	No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.92	US\$ 1,950	SGD 317	-	
	Far Eastern International Garments	Bldg. #5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	US\$ 290	59	41.00	US\$ (403)	PESO (659)	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	825,009	1,469,123	45,022	1.38	1,042,045	5,123,369	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	99,925	99,925	2,900	0.09	103,397	4,088,766	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	4,814	-	140	0.02	4,510	518,404	-	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	86,200	86,200	5,000	0.70	76,895	98,012	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	111,997	111,997	9,487	15.66	144,743	36,131	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	111,894	200,588	-	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	148,675	2,146,773	-	
Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taipei, Taiwan	Personnel recruitment	7,304	7,304	750	55.56	11,247	2,783	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	19,663	520	0.02	19,691	5,123,369	-	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	197,543	200,588	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,246,035	2,344,080	100,237	3.08	2,647,531	5,123,369	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	564,977	372,712	56,498	8.76	253,910	(53,856)	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,026,027	689,382	31,931	2.42	1,030,782	570,991	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,217,558	939,104	28,880	3.59	1,206,424	518,404	-	
Asia Cement Corporation	Sino Belgium (Holding) Ltd.	Taipei, Taiwan	Cement production	684,178	661,627	21,254	0.68	680,929	4,088,766	-	
		Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,615,490	1,615,490	26	91.39	100,862	(129,356)	-	
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd. Suqian Far Eastern Apparel Co., Ltd.	China	Garment production	RMB 1,000	RMB 1,000	(Note B)	100.00	RMB 5,967	RMB 250	-	
		China	Garment production and accessories	RMB 24,000	RMB 24,000	(Note B)	100.00	RMB 24,170	RMB 77	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	China	PTA production and sale	US\$ 105,055	US\$ 105,055	(Note B)	53.24	US\$ 177,483	RMB (99,260)	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China	Fiber and textile production	US\$ 59,960	US\$ 59,960	(Note B)	100.00	US\$ 103,443	RMB (6,218)	-	
		China	Textile production	US\$ 138,000	US\$ 138,000	(Note B)	100.00	US\$ 97,116	RMB 3,434	-	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 34,097	RMB (28,892)	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2012	June 30, 2011	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	China	Garment production and sales	US\$ 23,054	US\$ 23,054	(Note B)	100.00	US\$ 29,579	RMB 1,019	\$ -	
	Far Eastern Apparel (Suzhou) Ltd.	China	Garment production	US\$ 16,000	US\$ 16,000	(Note B)	61.54	US\$ 30,587	RMB 7,355	-	
	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 74,612	RMB 38	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	China	PA and its by-product production and sale	US\$ 98,208	US\$ 71,796	(Note B)	60.00	US\$ 97,662	RMB 8,794	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Fiber and silk production	RMB 219,138	RMB 219,138	(Note B)	12.36	RMB 219,138	RMB 6,126	-	
	Oriental Petrochemical (Shanghai) Corp.	China	PTA production and sale	RMB 115,232	RMB 115,232	(Note B)	8.11	RMB 115,232	RMB (99,260)	-	
	Shanghai Yuan Zi Information Co., Ltd.	China	Software development, equipment maintenance and consulting	RMB 2,520	RMB 2,520	(Note B)	100.00	RMB 2,520	RMB 524	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Limited Martens Beers Trading (Shanghai) Ltd.	China	Brewer Beer sale	US\$ 46,000	US\$ 46,000	(Note B)	100.00	US\$ 10,566	RMB (19,263)	-	
				US\$ 9,885	US\$ 9,885	(Note B)	100.00	US\$ 1,819	RMB (3,335)	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	Shanghai	Transportation	RMB 19,000	RMB 19,000	(Note B)	100.00	RMB 20,907	RMB 132	-	
Yuan Ding Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunication	100,412	100,412	4,164	0.13	105,621	5,123,369	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	136,037	136,037	4,973	0.16	161,850	4,088,766	-	
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	787	787	28	1.00	839	5,204	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	22,676	22,676	1,570	2.59	22,953	36,131	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	755,523	333,721	75,552	11.71	363,937	(53,856)	-	
	Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	175,722	175,722	17,572	61.98	38,338	(34,227)	-	
	YDT Technology International Co., Ltd.	Taipei, Taiwan	Electronic material and relevant by-product sale	100,000	100,000	13,992	100.00	283,230	53,280	-	
	Far Eastern Realty Management Co., Ltd.	Taipei, Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91.00	59,508	11,933	-	
	FET Consulting Engineers Co., Ltd.	Taipei, Taiwan	Business consulting	362,701	362,701	39,000	100.00	333,146	(68,048)	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Market research and general advertisement	240,000	240,000	6,900	60.00	76,047	30,982	-	
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Retailing	150,250	150,250	15,025	50.00	52,265	(69,987)	-	
	Yue Yuan Investment Co., Ltd.	Taipei, Taiwan	Investment	411,187	411,187	125,861	25.02	2,400,415	731,361	-	
	FEDS Asia Pacific Development Ltd.	Taipei, Taiwan	Department store operations	100,000	100,000	10,125	5.00	118,336	75,360	-	
YDC (Virgin Islands) Ltd.	Columbus Centre Building, Wickhams Cay, Road Town Tortola, British Virgin Islands		Investment	US\$ 200	US\$ 200	200	17.70	7,395	US\$ 17	-	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Retailing	289	289	500	0.17	177	(69,987)	-	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	P.O. Box. 957 Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands	Investments	237,000	237,000	(Note B)	100.00	168,624	(2,308)	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Shanghai	Internet software development services	US\$ 110	US\$ 110	(Note B)	1.39	US\$ 78	RMB (14,884)	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	Shanghai	Intelligent control equipment and security monitoring products	US\$ 800	US\$ 800	(Note B)	100.00	US\$ 1,193	RMB 325	-	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	Shanghai	Internet software development services	US\$ 7,830	US\$ -	(Note B)	98.61	US\$ 5,517	RMB (14,884)	-	
YDT Technology International Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	51,673	51,673	2,530	0.19	88,861	570,991	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	16,173	16,173	793	0.17	6,146	581,455	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	862	862	56	-	1,838	4,088,766	-	
	YDC (Virgin Islands) Ltd.	Columbus Centre Building, Wickhams Cay, Road Town Tortola, British Virgin Islands	Investments	US\$ 930	US\$ 930	930	82.30	33,104	US\$ 17	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2012			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				June 30, 2012	June 30, 2011	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd. (Note D)	Taipei, Taiwan	Type I & II telecommunications services	\$ 27,243,773	\$ 27,243,773	2,599,449	100.00	\$ 28,312,253	\$ 693,616	\$ -	
	ARCOA Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,295,035	1,295,035	82,009	61.07	1,196,930	154,556	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	Taipei, Taiwan	Electronic toll collection service	2,542,396	1,677,204	254,240	39.42	1,078,224	(53,856)	-	
	KGEx.com	Taipei, Taiwan	Type II telecommunications services	2,540,315	2,444,789	112,375	99.97	871,993	5,076	-	
	Far Eastern Info Service (Holding) Ltd.	Bermuda Islands	Investment	92,616	92,616	1	100.00	138,228	(20,019)	-	
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	85.92	88,746	4,479	-	
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100.00	25,970	(471)	-	
	iScreen Corporation	Taipei, Taiwan	Information services	100,000	100,000	4,000	40.00	20,093	(2,503)	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	Taipei, Taiwan	Market Sales	60,000	60,000	1,725	15.00	18,514	30,982	-	
	Far Eastern Electronic Commerce Co., Ltd.	Taipei, Taiwan	Electronic information providing services	42,020	42,020	4,202	13.98	15,225	(69,987)	-	
	O-music Co., Ltd.	Taipei, Taiwan	Electronic information providing services	25,000	25,000	2,500	50.00	10,445	(13,541)	-	
	ADCast Interactive Marketing Co., Ltd. (NoteD)	Taipei, Taiwan	Internet advertisements and marketing	-	4,652	-	-	-	(1,953)	-	
	Q-Ware Communication Co., Ltd.	Taipei, Taiwan	Type II telecommunications services	495,855	495,855	36,460	51.00	(381,923)	(86,126)	-	
	ARCOA Communication Co., Ltd.	DataExpress Infotech Co., Ltd.	Taipei, Taiwan	Sale of communications products	141,750	141,750	6,143	70.00	181,448	26,002	-
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taipei, Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	729,314	6,729	-	
	Information Security Service Digital United Co., Ltd.	Taipei, Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	97,762	546	-	
	Digital United (Cayman) Ltd.	Cayman Islands	General investment	102,442	102,442	3,320	100.00	26,127	570	-	
	Simple InfoComm Co., Ltd.	Taipei, Taiwan	Type II telecommunications	34,000	34,000	3,400	100.00	20,342	(257)	-	
	Far Eastern Electronic Commerce Co., Ltd. (Note F)	Taipei, Taiwan	Electronic toll collection service	15,030	15,030	1,503	5.00	5,446	(69,987)	-	
	Ding Ding Integrated Marketing Services Co., Ltd. (Note F)	Taipei, Taiwan	Market Sales	20,000	20,000	575	5.00	6,172	30,982	-	
	ADCast Interactive Marketing Co., Ltd. (NoteD)	Taipei, Taiwan	Internet advertisements and marketing	-	85,433	-	-	-	(1,953)	-	
	Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Shanghai	Design and research of computer system	US\$ 2,100	US\$ 2,100	(Note B)	100.00	US\$ 290	(1,953)	-
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	461	(62)	-	
	Far Eastern New Diligent Co., Ltd.	British Virgin Islands	Electronic toll collection service	-	-	-	100.00	-	-	-	
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	(Note B)	100.00	US\$ 5,181	(10,400)	-	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taipei, Taiwan	Internet advertisements and marketing	193,500	193,500	19,350	100.00	US\$ 3,216	4,690	-	
DataExpress Co., Ltd.	Linkwell Tech. Co., Ltd.	Taipei, Taiwan	Sale of communications products	10,000	10,000	-	100.00	31,494	12,223	-	
	Home Master Technology Co., Ltd.	Taipei, Taiwan	Sale of communications products	9,999	9,999	-	99.99	4,150	(3,381)	-	
	Jing Yuan Technology Co., Ltd.	Taipei, Taiwan	Data Processing service	10,000	10,000	-	100.00	9,984	-	-	
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	Beijing	Electronic toll collection service	RMB 49,874	RMB 49,874	(Note B)	55.00	RMB 42,472	(27,554)	-	

Notes:

- A. 5,000 thousand of the common shares and 3,000 thousand of the preferred shares were included.
- B. Private company.
- C. The investor 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. To integrate the resource and enhance effectiveness, the board of directors of NCIC and ADCast resolved to approve the merger of NCIC and ADCast with NCIC as survivor entity on January 16, 2012. The record of date of this merger was set on March 31, 2012.
- E. Except for Asia Cement Co., Ltd., 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 Corp., Pacific Liu Tung Investment Co., Ltd., New Century InfoComm Tech Co., Ltd., ARCOA Communication Co., Ltd., KGEx.com Co., Ltd., Q-Ware Com., DataExpress Infotech Co., Ltd. and Linkwell Tech. Co., Ltd., the other companies were based on unaudited financial statements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2012

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

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2012	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2012	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of June 30, 2012 (Note B)	Accumulated Inward Remittance of Earnings as of June 30, 2012
				Outflow	Inflow					
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments	\$ 8,782,405 (RMB 1,880,399)	\$ 3,713,780 793,920 (Note D)	\$ 37,119	\$ -	\$ 3,750,899 793,920 (Note D)	99.93	\$ 28,776	\$ 7,996,396	\$ 853,493 (Note C)
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories	955,478 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	99.88	34,539	1,485,053	
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics	2,248,708 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	99.70	(29,175)	3,085,216	
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products	7,014,482 (RMB 1,501,870)	2,976,148	-	-	2,976,148	61.34	(286,150)	6,120,138	597,794 (Note P)
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	1,724,690 (RMB 369,273)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	99.70	42,504	1,973,558	
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,841,904 (RMB 394,370)	1,099,293 666,026 (Note I)	-	-	1,099,293 666,026 (Note I)	99.96	(135,738)	1,019,605	
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products.	798,878 (RMB 171,048)	724,110	-	-	724,110	100.00	4,790	884,870	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	3,676,058 (RMB 787,080)	3,421,559 (Note D)	-	-	3,421,559 (Note D)	99.70	16,112	2,896,509	

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2012	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2012	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of June 30, 2012 (Note B)	Accumulated Inward Remittance of Earnings as of June 30, 2012
				Outflow	Inflow					
Far Eastern New Century (China) Investment Ltd.	Investment	\$ 1,702,585 (RMB 364,540)	\$ 1,577,040	\$ -	\$ -	\$ 1,577,040	100.00	\$ 177	\$ 1,761,551	
Sino Belgium (Suzhou) Limited	Brewery	1,494,341 (RMB 319,953)	1,446,552 (Note H)	-	-	1,446,552 (Note H)	91.39	(82,724)	288,876	
Martens Beers Trading (Shanghai) Ltd.	Brewery	307,319 (RMB 65,800)	168,938 (Note H)	-	-	168,938 (Note H)	91.39	(14,323)	54,400	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	4,838,721 (RMB 1,036,018)	2,699,665	1,332,900	-	4,032,565	60.00	24,910	2,921,564	
Far Eastern Industries (Yangzhou) Ltd.	PTA production and sale	1,011,670 (RMB 216,608)	-	1,436,190	-	1,436,190	99.92	2,107	1,012,953	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	237,525 (US\$ 7,940)	240,330 (Note M)	-	-	240,330 (Note M)	49.95	(34,950)	82,050	
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	30,540 (RMB 6,539)	24,220 (Note O)	-	-	24,220 (Note O)	49.95	763	17,547	
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	74,700 (US\$ 2,500)	92,616 (Note E)	-	-	92,616 (Note E)	38.35	(4,250)	59,369	
Digital United Information Technology (Shanghai) Co., Ltd.	Design and research of computer systems	62,748 (US\$ 2,100)	62,748 (Note K)	-	-	62,748 (Note K)	38.35	(798)	3,323	
New Diligence Tech-info (Shanghai) Ltd. (Note N)	Consulting services, supporting services, and wholesale of machine equipment	35,856 (US\$ 1,200)	35,856 (Note L)	-	2,181	33,675 (Note L)	38.35	-	-	

Accumulated Investment in Mainland China as of June 30, 2012	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$517,289 (Note F)	US\$584,615 RMB6,695 (Note G)	(Note J)

Note A: Recognition of income gains/losses was based on unaudited financial statement as its percentages of ownership in subsidiaries.

Note B: Recognition of the equity-method investments was based on the investee's audited financial statements as its percentage of ownership in the equity method investment.

(Continued)

Note C: The received amount was the cash dividend of FENC and Yuan Ding Investment Co., Ltd. remitted by a Company subsidiary, Far Eastern Polychem Industries Ltd.

Note D: The amount was remitted by FENC's subsidiary, Yuan Ding Investments Co., Ltd.

Note E: The amount was remitted by FENC's subsidiary, Far Eastone Telecommunications Co., Ltd.

Note F: It was the actual amount transferred to the investments in Mainland China by FENC.

Note G: The investment amounts of FENC's subsidiary, Far Eastern Polytex (Holding) Ltd. had been approved by the Investment Commission under the Ministry of Economic Affairs.

Note H: The amount was remitted by FENC's subsidiary, Yuan Tong Investment Corporation.

Note I: The amount was remitted by FENC's subsidiary, Yuan Ding Investment and Yuan Tong Investment.

Note J: Based on MOEA Approval Letter No. 10001153440, there is no cap on the amount of the Company's investment

Note K: The amount was remitted by FENC's subsidiary, New Century InfoComm Tech Co., Ltd.

Note L: The amount was remitted by FENC's subsidiary, New Diligent Co., Ltd.

Note M: The amount was remitted by FENC's subsidiaries, YDT Technology International Co., Ltd. and FET Consulting Engineers Co., Ltd.

Note N: The liquidation of Far Eastern Tech-info (Shanghai) Ltd. was completed on April 13, 2010 and approved by the local government and MOEA. The remaining capital amounting US\$73 thousand had been returned to the stockholders.

Note O: The amount was remitted by the FENC's subsidiary, YDT Technology International Co., Ltd.

Note P: The cash dividend was remitted by the Oriental Petrochemical (Shanghai) Corp's subsidiary, PET Far Eastern (Holding).

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
 SIX MONTHS ENDED JUNE 30, 2012
 (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	2011.09.08	No. 10000380580 (Note K)	Far Eastern Polychem Industries Ltd.	22,700	22,700				
Far Eastern Apparel (Suzhou) Ltd.	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	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) Co., Ltd.	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				\$ 1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd. Far Eastern Polychem Industries Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd. PET Far Eastern (Holding) Ltd.	49,500	49,500			

(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	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	\$ 4,800 2,936 (Note F)	\$ 4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
	Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	9,352			\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	1,569		\$ 1,569		
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
Wuhan Far Eastern New Material Ltd	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium (Suzhou) Limited	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
	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			
	Yuan Tong Investment Co., Ltd.	2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd	16,000	16,000			
				Bockhold N.V Martens HK Ltd	38	38			

(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 Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2008.12.10	No. 09700456110	Sino Belgium (Holding) Ltd	\$ 3,800	\$ 3,800			
	Yuan Tong Investment Co., Ltd.	2010.07.29	No. 09900284200	Bockhold N.V Martens HK Ltd	4,304				\$ 4,304
		2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd Sino Belgium (Holding) Ltd	1,500	1,500			
				Bockhold N.V Martens HK Ltd	282	282			
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 1000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd	300	300			
		2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd	500	500			
Far Eastern Tech-info Ltd. (Shanghai)	Far EastTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
Digital United Information Technology (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	2,100				2,100
New Diligence Tech-info (Shanghai) Ltd.	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note M)	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. Document No. 092035971 has been eliminated and replaced with document No. 09800408170.

C. Document No. 092035970 has been eliminated and replaced with document No. 09800408160.

D. The approved amount of US\$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 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 resulting from anti-diluted effects of Far Eastern Polychem Industries Ltd.'s privatization.

(Continued)

- F. The ownership of Oriental Petrochemical (Shanghai) Ltd. and investment amount were increased resulting from anti-diluted effects of Far Eastern Polychem Industries Ltd.'s privalization.
- G. The ownership of Far Eastern Industries (Suzhou) Ltd. and investment amount were increased, which was resulted from anti-diluted effects of Far Eastern Polychem Industries Ltd.'s privalization.
- H. The original investment scheme was Far Eastern Polytex (Holding) Ltd. made investment on Far Eastern Industry (Suzhou) Ltd. through FEDP (Holding) Ltd.) under the approval stated in the MOEA Letter No. 09600059830 and the orginal scheme was modified that investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though FEDP (Holding) Ltd. made investment on Far Eastern Industry (Suzhou) Ltd. and has been approved according to the MOEA Letter No. 09900403430.
- I. After having the MOEA approval (No. 0990047052), FENC received the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand from FEDP (Holding) Ltd. (MOEA approval No. 096020243260)
- J. After having the MOEA approval (No. 1000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd. to have an indirect investment in Far Eastern Yihua Petrochemical (Yangzhou) Corporation amounting US\$166,000 thousand. As of June 30, 2012, FENC paid US\$134,300 thousand in this indirect investment.
- K. After having the MOEA approval (No. 10000380580), FENC made its subsidiary, Far Eastern Polychem Industries Ltd. to have an indirect investment in Far Eastern Industries (Shanghai) Ltd. amounting US\$22,700 thousand. As of June 30, 2012, FENC paid US\$21,245 thousand in this indirect investment.
- L. After having the MOEA approval (No. 10000446910), FENC made its subsidiary, Sino Belgium (Holding) Ltd. to have an indirect investment in Sino Belgium (Suzhou) Limited amounting US\$17,820 thousand. As of June 30, 2012, FENC paid US\$17,500 thousand in this indirect investment.
- M. New Diligent Co., Ltd. made a direct investment in New Diligence Corporation (Shanghai).

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(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	Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd. Worldwide Polychem (HK) Ltd. An Ho Garment Co., Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Resources Development Ltd. Kai Yuan International Investment Co., Ltd. Ding Yuan International Investment Co., Ltd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern Apparel (Vietnam) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern Industries (WuXi) Ltd. Far Eastern Construction Co., Ltd. Yuan Ding Co., Ltd. Yuan Ding Investment Co., Ltd.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Sales	\$ (817,325)	Based on agreement	1				
				Account receivables	701,424	Based on agreement	-				
				Dividends receivable	265,385	Based on agreement	-				
				Accounts payable	(651,746)	Based on agreement	-				
				Cost of goods sold	4,876,135	Based on agreement	4				
				Cost of goods sold	183,171	Based on agreement	-				
				Dividends receivable	427,009	Based on agreement	-				
				Dividends receivable	173,225	Based on agreement	-				
				Outsourced expense	181,272	Based on agreement	-				
				Accrued expense - outsourced process	(22,316)	Based on agreement	-				
				Sales	(28,607)	Based on agreement	-				
				Outsourced expense	1,370,067	Based on agreement	1				
				Other receivables	172,382	Based on agreement	-				
				Accrued expense - outsourced process	(303,434)	Based on agreement	-				
				Sales	(106,262)	Based on agreement	-				
				Dividends receivable	345,024	Based on agreement	-				
				Dividends receivable	114,498	Based on agreement	-				
				Dividends receivable	3,645,643	Based on agreement	1				
				1	Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd. Pet Far Eastern (M) Sdn. Bhd. Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd. Far Eastern Investment (Holding) Ltd.	3 3 3 3 3 3 1 1 1 3 3	Sales	(488,417)	Based on agreement	-
								Account receivables	343,304	Based on agreement	-
Other payables	(413,933)	Based on agreement	-								
Interest expenses	11,003	Based on agreement	-								
Sales	(140,121)	Based on agreement	-								
Cost of goods sold	169,155	Based on agreement	-								
Accounts payable	(658,294)	Based on agreement	-								
Cost of goods sold	3,226,772	Based on agreement	3								
Other receivables	3,141,075	Based on agreement	1								
Other receivables	239,320	Based on agreement	-								
Other payables	(872,890)	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)
2	Far Eastern Apparel (Suzhou) Ltd.	Sino Belgium (Suzhou) Limited	3	Interest revenue	\$ (1,217)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	3	Interest revenue	(37,836)	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	28,607	Based on agreement	-
		Far Eastern New Century Corporation	2	Sales	(1,370,067)	Based on agreement	1
		Far Eastern New Century Corporation	2	Accounts payable	(172,382)	Based on agreement	-
		Far Eastern New Century Corporation	2	Account receivables	303,434	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	3	Interest expenses	1,866	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest revenue	(179)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Interest expenses	738	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Accounts payable	(123,295)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Interest revenue	(3,148)	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Cost of goods sold	302,484	Based on agreement	-
		Suzhou An Ho Apparel Ltd.	1	Cost of goods sold	183,722	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other payables	(538,470)	Based on agreement	-
3	Far Eastern Industries (Shanghai) Ltd.	Worldwide Polychem (HK) Ltd.	3	Sales	(158,131)	Based on agreement	-
		Worldwide Polychem (HK) Ltd.	3	Account receivables	157,184	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Notes payable	(1,791,128)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	3	Accounts payable	(805,458)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	3	Cost of goods sold	4,975,367	Based on agreement	4
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	(677,168)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	1,279,500	Based on agreement	1
		Wu Han Far Eastern New Material Ltd.	3	Sales	(1,178,171)	Based on agreement	1
		Wu Han Far Eastern New Material Ltd.	3	Account receivables	672,403	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Sales	(3,226,772)	Based on agreement	3
		Far Eastern Polychem Industries Ltd.	2	Account receivables	658,294	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Accounts payable	(319,805)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	(292,884)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Cost of goods sold	748,569	Based on agreement	1
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	3	Sales	(128,095)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	2	Other payables	(3,141,075)	Based on agreement	1
		4	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Investment (Holding) Ltd.	2	Interest expenses	1,394
Far Eastern Polychem Industries Ltd.	3			Accounts payable	(343,304)	Based on agreement	-
Far Eastern Polychem Industries Ltd.	3			Cost of goods sold	488,417	Based on agreement	-
Far Eastern Investment (Holding) Ltd.	2			Other payables	(333,403)	Based on agreement	-
5	Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	3	Sales	(169,155)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Cost of goods sold	140,121	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(672,403)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	1,178,171	Based on agreement	1
		Far Eastern Polytex (Holding) Ltd.	2	Other payables	(299,150)	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Accounts payable	\$ (142,236)	Based on agreement	-
		Oriental Petrochemical (Taiwan) Co., Ltd.	3	Cost of goods sold	423,923	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest revenue	(738)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest expenses	179	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	(748,569)	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	292,884	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Account receivables	319,805	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other payables	(239,320)	Based on agreement	-
		FEDP (Holding) Ltd.	2	Other payables	(735,909)	Based on agreement	-
11	Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Holding) Ltd.	3	Interest revenue	(3,648)	Based on agreement	-
		Far Eastern Apparel (Holding) Ltd.	3	Other receivables	181,704	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Interest revenue	(11,003)	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	413,933	Based on agreement	-
		Far Eastern Polychem Industries Ltd.	3	Other receivables	872,890	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	(178)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Interest revenue	(12,041)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	3	Other receivables	2,052,528	Based on agreement	1
		PET Far Eastern (Holding) Ltd.	3	Interest revenue	(3,203)	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Interest revenue	(1,394)	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	333,403	Based on agreement	-
		Pet Far Eastern (M) Sdn. Bhd.	1	Other receivables	566,590	Based on agreement	-
		Waldorf Services B. V.	1	Interest expenses	326	Based on agreement	-
		Far Eastern Apparel (Vietnam) Ltd.	3	Other receivables	134,618	Based on agreement	-
12	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	12,041	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(2,052,528)	Based on agreement	1
		Oriental Industries (Suzhou) Ltd.	1	Accounts payable	(374,821)	Based on agreement	-
		Oriental Industries (Suzhou) Ltd.	1	Cost of goods sold	1,101,272	Based on agreement	1
		Oriental Industries (Suzhou) Ltd.	1	Other receivables	2,566,707	Based on agreement	1
		Far Eastern Industries (WuXi) Ltd.	1	Accounts payable	(103,553)	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Cost of goods sold	302,959	Based on agreement	-
		Far Eastern Industries (WuXi) Ltd.	1	Other receivables	299,150	Based on agreement	-
13	Far Eastern Resources Development Co.	An Ho Garment Co., Ltd.	3	Interest revenue	(1,351)	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Interest revenue	(1,251)	Based on agreement	-
14	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	2	Sales	(4,876,135)	Based on agreement	4
		Far Eastern New Century Corporation	2	Account receivables	651,746	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Sales	(1,279,500)	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	3	Account receivables	677,168	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Sales	(423,923)	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	3	Account receivables	142,236	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	PET Far Eastern (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	\$ 3,203	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(566,590)	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Sales	(1,144,357)	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	1	Dividends receivable	258,188	Based on agreement	-
		Oriental Petrochemical (Shanghai) Corp.	1	Account receivables	1,153,598	Based on agreement	1
		Oriental Petrochemical (Shanghai) Corp.	1	Other receivables	971,639	Based on agreement	-
16	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	(181,272)	Based on agreement	-
		Far Eastern New Century Corporation	2	Account receivables	22,316	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(134,618)	Based on agreement	-
17	Far Eastern Construction Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(345,024)	Based on agreement	-
		Far Eastern General Contractor Inc.	1	Construction-in-progress	(26,594)	Based on agreement	-
18	An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	2	Dividends payable	(265,385)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	1,351	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	(18)	Based on agreement	-
		Far Eastone Telecommunications Co., Ltd.	3	Dividends receivable	135,065	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	(26)	Based on agreement	-
19	Ding Ding Hotel Co., Ltd.	Yuan Ding Co., Ltd.	2	Renting expense	257,521	Based on agreement	-
20	Ding Yuan International Investment Co., Ltd.	Kai Yuan International Investment Co., Ltd.	3	Interest revenue	(212)	Based on agreement	-
		Far Eastern New Century Corporation	2	Dividends payable	(173,225)	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	(36)	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	(216)	Based on agreement	-
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	3	Interest expenses	3,648	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Other payables	(181,704)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	1	Other receivables	538,470	Based on agreement	-
		Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	1	Cost of goods sold	512,698	Based on agreement	-
22	Far Eastern New Century (China) Investment Ltd.	Oriental Petrochemical (Shanghai) Corp.	3	Dividends receivable	116,896	Based on agreement	-
23	FEDP (Holding) Ltd.	Sino Belgium (Holding) Ltd.	3	Interest expenses	326	Based on agreement	-
		Sino Belgium (Holding) Ltd.	3	Interest expenses	593	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	3	Interest expenses	178	Based on agreement	-
		Far Eastern Industries (Suzhou) Ltd.	2	Other receivables	735,909	Based on agreement	-
24	Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	2	Sales	(302,959)	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Account receivables	103,553	Based on agreement	-
		Oriental Textile (Holding) Ltd.	2	Other payables	(299,150)	Based on agreement	-
		Far Eastern Apparel (Suzhou) Ltd.	3	Interest revenue	(1,866)	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	106,262	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)
25	Far EasTone Telecommunications Co., Ltd.	An Ho Garment Co., Ltd.	3	Dividends payable	\$ (135,065)	Based on agreement	-
		Kai Yuan International Investment Co., Ltd.	3	Dividends payable	(111,390)	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Dividends payable	(300,711)	Based on agreement	-
		Yuan Cheng Human Resources Consultant Corp.	3	Service fee	101,848	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Dividends payable	(3,199,973)	Based on agreement	1
26	Kai Yuan International Investment Co., Ltd.	Ding Yuan International Investment Co., Ltd.	3	Interest expenses	212	Based on agreement	-
		Far Eastern New Century Corporation	2	Dividends payable	(427,009)	Based on agreement	-
		Far Eastern Resources Development Co.	3	Interest expenses	1,251	Based on agreement	-
		Yuan Tong Investment Co., Ltd.	3	Interest revenue	(71)	Based on agreement	-
		Far EasTone Telecommunications Co., Ltd.	3	Dividends receivable	111,390	Based on agreement	-
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	(52)	Based on agreement	-
27	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	(183,171)	Based on agreement	-
28	Suzhou An Ho Apparel Ltd.	Far Eastern Apparel (Suzhou) Ltd.	2	Sales	(183,722)	Based on agreement	-
29	Sino Belgium (Suzhou) Limited	Far Eastern Apparel (Suzhou) Ltd.	3	Interest expenses	1,217	Based on agreement	-
		Sino Belgium (Holding) Ltd.	1	Other payables	(466,674)	Based on agreement	-
30	Sino Belgium (Holding) Ltd.	FEDP (Holding) Ltd.	3	Interest revenue	(593)	Based on agreement	-
		Sino Belgium (Suzhou) Limited	2	Other receivables	466,674	Based on agreement	-
31	Waldorf Services B. V.	Far Eastern Investment (Holding) Ltd.	2	Interest revenue	(326)	Based on agreement	-
		Far Eastern Investment (Holding) Ltd.	2	Interest revenue	(326)	Based on agreement	-
32	Worldwide Polychem (HK) Ltd.	Far Eastern New Century Corporation	2	Accounts payable	(701,424)	Based on agreement	-
		Far Eastern New Century Corporation	2	Cost of goods sold	817,325	Based on agreement	1
		Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(157,184)	Based on agreement	-
		Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	158,131	Based on agreement	-
33	Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	1	Other receivables	299,150	Based on agreement	-
34	Yuan Cheng Human Resources Consultant Corp.	Yuan Faun Co., Ltd.	2	Interest expenses	68	Based on agreement	-
		Far EasTone Telecommunications Co., Ltd.	3	Other operating revenue	(101,848)	Based on agreement	-
35	Yuan Ding Co., Ltd.	YDT Technology International Co., Ltd.	1	Interest expenses	149	Based on agreement	-
		Ding Ding Hotel Co., Ltd.	1	Renting expense	(257,521)	Based on agreement	-
		Far Eastern New Century Corporation	2	Dividends payable	(114,498)	Based on agreement	-
36	YDT Technology International Co., Ltd.	Yuan Ding Co., Ltd.	2	Interest revenue	(149)	Based on agreement	-
37	Yuan Faun Co., Ltd.	Yuan Cheng Human Resources Consultant Corp.	1	Interest revenue	(68)	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)	
38	Yuan Tong Investment Co., Ltd.	An Ho Garment Co., Ltd.	3	Interest expenses	\$ 18	Based on agreement	-	
		Kai Yuan International Investment Co., Ltd.	3	Interest expenses	71	Based on agreement	-	
		Ding Yuan International Investment Co., Ltd.	3	Interest expenses	36	Based on agreement	-	
		Far Eastone Telecommunications Co., Ltd.	3	Dividends receivable	300,711	Based on agreement	-	
39	ARCOA Communication Co., Ltd.	Yuan Ding Investment Co., Ltd.	3	Interest receivables	177	Based on agreement	-	
		Yuan Ding Investment Co., Ltd.	3	Held to maturity financial assets - noncurrent	10,000	Based on agreement	-	
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	(100)	Based on agreement	-	
40	New Century InfoComm Tech Co., Ltd.	Yuan Ding Investment Co., Ltd.	3	Interest receivables	17,494	Based on agreement	-	
		Yuan Ding Investment Co., Ltd.	3	Held to maturity financial assets - noncurrent	990,000	Based on agreement	-	
		Yuan Ding Investment Co., Ltd.	3	Interest revenue	(9,900)	Based on agreement	-	
41	Far Eastern General Contractor Inc.	Far Eastern Construction Co., Ltd.	2	Construction revenue	(314,247)	Based on agreement	-	
		Far Eastern Construction Co., Ltd.	2	Construction costs	340,841	Based on agreement	-	
0	Far Eastern New Century Corporation	<u>Six months ended June 30, 2011</u>						
		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	-	

(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 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
		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	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
6	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	-
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 East Tone 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

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			
				Financial Statement Account	Amount	Term	% to Consolidated Revenue or Assets (Note C)
		Oriental Petrochemical (Taiwan) Co., Ltd.	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	Based on agreement	-
		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	-
		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	-

(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)
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	-
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	-

(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)
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	-
34	Sino Belgium (Holding) Ltd.	FEDP (Holding) Ltd.	3	Other receivables	115,992	Based on agreement	-
		FEDP (Holding) Ltd.	3	Interest revenue	(840)	Based on agreement	-
		Sino Belgium (Suzhou) Ltd.	1	Other receivables	857,515	Based on agreement	-

Note A: The numbers of column:

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

Note B: The relationship:

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

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

(Concluded)