



2010 ANNUAL REPORT FAR EASTERN NEW CENTURY

(Formerly Far Eastern Textile Ltd.)

Stock Code : 1402 April 30, 2011



rethink rebuild reinvent



Spokesperson

Name: Humphrey Cheng
Title: Executive Vice President
Tel: 886-2-27338000#8969
Fax: 886-2-27367184
E-mail: csostaff@metro.feg.com.tw

Deputy Spokesperson

Name: David Wang
Title: Executive Vice President
Tel: 886-2-27338000#8735
Fax: 886-2-27358175
E-mail: ccwang@metro.feg.com.tw

Headquarters, Branches & Plants

Headquarters

Address: 36F, Taipei Metro Tower, 207, Tun Hwa South Rd., Sec.2, Taipei, Taiwan, R.O.C.
Tel: 886-2-27338000

Plants

Hsinpu Chemical Fiber Plant
Address: 369, Yadong Sec., Xinpu, Hsinchu, Taiwan R.O.C.
Tel: 886-3-5882511

Kuanyin Texturizing Plant

Address: 3, Jingjian 6th Road, Kuanyin Industrial Park, Kuanyin, Taoyuan, Taiwan R.O.C.
Tel: 886-3-4832720

Banqiao Texturizing Plant

Address: 330, Sichuan Road, Sec. 1, Banqiao, Taipei, Taiwan, R.O.C.
Tel: 886-2-29648151

Neili Texturizing Plant

Address: 2, Far Eastern Road, Neili, Chungli, Taiwan, R.O.C.
Tel: 886-3-4555136

Hukou Mill

Address: 2, Lane 266, Tehsin Road, Hukou, Hsinchu, Taiwan, R.O.C
Tel: 886-3-5997135

Yilan Garment Factory

Address: No.49, Jiaosi Rd., Jiaosi, Yilan, Taiwan R.O.C
Tel: 886-3-9881411

Stock Transfer Agent

Oriental Securities Corporation
Address: 3F, 86, Chung Ching South Road, Sec.1, Taipei, Taiwan
Tel: 886-2-23618608
Website: <http://www.osc.com.tw>

Auditors

Deloitte & Touche
Auditors: Benjamin Shih, CPA,
Huang Shu Chieh, CPA
Address: 12F, Hung Tai Century Tower, 156 Min Sheng East Road, Sec.3, Taipei, Taiwan
Tel.: 886-2-25459988
Website: www.deloitte.com.tw

Overseas Securities Exchange

Luxembourg Stock Exchange
Disclosed information can be found at
<http://www.bourse.lu>

Corporate Website

<http://www.fenc.com>

Contents

I. 2010 Business Report	1
II. Company Profile	7
1. Date Of Incorporation	7
2. Company History	7
III. Corporate Governance Report	11
1. Organization	11
2. Directors, Supervisors And Management Team	13
3. Implementation Of Corporate Governance	26
4. Public Expenses Of CPA	36
5. Information For Change Of CPA	36
6. The Company's Chairman, President And Managers Responsible For Finance Or Accounting Who Have Held A Post In The CPA Office Or Its Affiliates Within The Latest One Year	37
7. Shareholding Transferred Or Pledged By Directors, Supervisors, Management, And Major Shareholders.	37
8. Top Ten Shareholders Being The Related Party As Defined In Statement Of Financial Accounting Standards	39
9. Shareholding Proportion Of FENC To Investees	40
IV. Capital Overview	41
1. Capital And Shares	41
2. Corporate Bonds	46
3. Preferred Shares	52
4. Issuance Of Depository Receipts	52
5. Employee Stock Options	52
6. Share Issued For Merger Or Acquisition	52
7. Fund Utilization Plans And Status	52
V. Operational Highlights	53
1. Business Activities	53
2. Analyses Of The Market, Production, And Sales	60
3. Information About Employees	66
4. Expenses On Environmental Protection	66
5. Employee Welfare	67
6. Important Contracts And Agreements	69

Index

VI. Financial Information	71
1. Five-Year Financial Summary	71
2. Financial Ratio Analysis For The Preceding Five Years	73
3. Supervisors' Report	75
4. Impact Of The Financial Distress Occurred To The Company And Affiliates In The Recent Years Until The Annual Report Being Published	75
5. Financial Reports In Recent Two Years	76
6. Consolidated Financial Reports In Recent Two Years	86
VII. Review And Analysis Of The Financial Condition, Operating Performance And Risk Management	99
1. Review And Analysis Of Financial Conditions	99
2. Review And Analysis Of Operating Performances	100
3. Review And Analysis Of Cash Flow	101
4. Major Capital Expenditures In Recent Years And Their Impacts On Financial And Operational Situations	102
5. Investment Policies In Recent Years	103
6. Sources Of Risks And Evaluations	104
7. Others	106
VIII. Special Disclosure	107
1. Affiliated Companies	107
2. Private Placement Securities In The Most Recent Years	120
3. The Company's Shares Held Or Disposed By Subsidiaries In Recent Years Until The Annual Report Being Published	120
4. Other Supplementary Information	120
5. Pursuant To The Article 2-2-2 Of Security Exchange Act, Event Having Material Impact On Shareholders' Equity Or Share Price In The Most Recent Year Until The Annual Report Being Published	120

I. 2010 Business Report

Business environment

Throughout 2010, the global economy had experienced an asymmetric recovery, with the emerging countries leading the robust economic growth, while the sluggish developed countries remain vexed in searching for solutions to the dilemmas originated from sub-prime mortgages, financial over-leverage, and sovereign debt issues. In spite of the vicissitudes of the global economic situation, Far Eastern New Century (the Company) was able to rise above the fast-evolving changes and achieved an earnings number of record-high in the Company's 61 years of history.

While signs of recovery after a devastating economic crisis have emerged above the horizon, we opt to remain cautious on the near-term outlook of global economy, given: 1) the potential negative impact on supply chain and consumer spending from the tragic earthquake in Japan; 2) food crops shortage caused by the heavy drought in northern China and severe flood in Australia; 3) fears of oil supply disruptions and a surge on the oil price due to the chaotic warfare in Egypt and Libya; and 4) the robust momentum on the prices of commodities such as gold and cotton triggered by the ample liquidity derived from the QE2 program of the United States. Undeniably, the current level of commodity prices appropriately reflects the incremental demand underpinned by a cyclical rebound in the global economic activities; then again, in our opinion, hot money speculation and inventory re-accumulation, to some extent, expedites the pace of price escalation as a result of easy financial conditions.

In order to revitalize its stagnant economy, the US Federal Reserve weakened the US dollar via easing monetary policy and pegging the interest rate at virtually 0%, while insistently accusing China with its artificially undervalued Renminbi currency for the large US trade deficit and that thus formed a stumbling block on the recovery path of the US economy. The stimulus policy adopted by the US consequentially built up currency tensions with the rest of the world as currencies of China and other emerging countries inevitably appreciated rapidly against deteriorating dollar, jeopardizing the prospect of further progress in the GDP growth of the aforesaid emerging markets.

Higher global inflation has induced European Central Bank (ECB) and emerging countries such as India, Brazil, and China to execute rate hikes in order to lessen the bubbly momentum effects emanated from super-expansionary monetary policies adopted by the US. Particularly in the case of China, its recently released food CPI has exceeded 11%, implicating that People's Bank of China will raise the bank reserve ratio regularly to constrain the rising inflation pressure. In addition, the general economic atmosphere in the Euro Zone has once again turned unclear with uncertainties from over-indebted countries, whom although implemented austerity measures to battle its economic crisis, still face the possibility of becoming insolvent due to a high sovereign debt over GDP ratio.

In past years subsequent to the financial crisis, China's impressive economic growth not only rescued the global economy from a deeper recession but also had a significant impact on the Company's performance in 2010. Today, the economic structure of China is experiencing a transition as indicated by its 12th Five-Year Plan that new economic policies are aimed at heightening domestic consumption while reducing hefty reliance on exports through measures like balancing wealth distribution, upgrading industry structure, and cultivating newly emerging industries, with an ultimate goal of becoming the global market.

After the signing of ECFA (Economic Cooperative Framework Agreement) with Beijing, the newly formed relationship across the Taiwan Strait has presented both sides with countless possibilities. The island's economy has steadily rebounded to its pre-financial-crisis level, and further sustainable improvement can be anticipated as both Taipei and Beijing authorities continue to have conversations on a regular basis, in order to create more business opportunities.

Business Report

With restriction of frequent direct flights being lifted and fast-growing number of mainland Chinese tourists, the Taiwanese economy is experiencing a vigorous vibe in the retail and tourist sectors as well as a rapid recovery in the domestic consumption. More significantly, the Company now has access to duplicate its growth model not only into China alone but a vast unified market with a combined population between the Taiwan Strait; presenting us a pivotal advantage to continue our business expansion into the future.

Operating results

In 2010, the financial results of the Company not only improved substantially but also achieved remarkable record-high earnings in 61 years since its inception. The operating revenue reached NT\$53.8 billion and NT\$200.2 billion on the parent-alone basis and the consolidated basis, respectively. The net income rose to NT\$12.9 billion, an increase of 59% YoY, translating into an EPS of NT\$2.7. Reasons for this improvement in financial results are: 1) the combined profit from the polyester chain increased substantially; 2) diversified investments in property, cement, retail and telecommunication businesses generated a better-than-expected return underpinned by a 45% increase from the previous year.

The Board has proposed to pay a cash dividend of NT\$2 per share and a stock dividend of NT\$0.3 per share, representing a combined payout ratio of 85%.

In addition to our achievements in delivering the financial results, FENC also improved several non-financial value drivers, which we believe would lead to the continual growth in the future, and those are recapped below:

A leading polyester producer

FENC successfully completed vertical integration at its core business production lines both in Taiwan and Shanghai, from upstream PTA plants to downstream textile and packaging products. Continual upgrade of product mix is persevered to sustain the Company's leading position in the polyester industry. The Company has already commenced productions of several high value-added products such as high-denier industrial yarns used for conveyor belts and tire cords, functional fibers with characteristics of anti-bacteria and regulating body temperature, low-melt staple fibers for thermal bonding, and anti-static PET sheets used for wrapping LCD panels, computer hard drives, and electronic appliances. The production scales of the said products will continue to expand; in addition, these products have greatly benefited the Company's core business profit as they are exempted from export tariff to China. Within the early harvest list of ECFA, 40% of the 224 zero-duty petrochemical and textile items are related to the products of FENC.

PTA – upgrade production line to expand margin

FENC owns PTA production plants in both Taiwan and Shanghai with capacity of 1 million tons and 650,000 tons, respectively. Affiliate earnings from investments in PTA business not only ranked as the No.2 contributor to the investment income of the Company but also substantially improved the earnings quality of our core business. The strong earnings performance of PTA is resulted from: 1) the increasing demand for polyester due to the substitution effect from the recent high surge in cotton price; 2) the limited PTA capacity in the market. The joint effect of the said factors have increased the PTA price since the global financial crisis in 2008 and accordingly expanded the margin of PTA. New projects are underway to increase the PTA capacity of the Company. A new PTA production line is planned at the Guanyiin site in Taiwan, with a capacity of 1.2 million tons/year. Meanwhile, a PTA joint-venture has been formed based on an alliance with Sinopec Yizheng Chemical Fiber Company Limited, a subsidiary of the Sinopec Group. The said plant is located at the Yangzhou Chemical Industrial park and is expected to increase the total PTA capacity of the Company by 36% upon its completion at end 2012.

Polyester – Continual upgrade of product mix

One of the essential elements that constitute FENC strategy is consistent R&D efforts, and that lead to a continual upgrade of the product mix which we believe is a must to maintain the Company's leading position in the polyester industry. The total polyester capacity of the Company in both Taiwan and China reached 1.6 million tons in 2010, and PET resins represent more than 50% of the said capacity. Applications of PET products have extended into various end uses, while two major applications are food-grade and industrial-grade PET. In terms of food-grade PET, the main application of such type of product is for the packaging purpose of beverage such as drinking water, tea, and carbonated soft drinks, etc. Additionally, it is also used to package fresh and frozen food. A potential growth of Chinese soft-drink market is highly anticipated based on the increasing domestic consumption in China during the period of its 12th 5-Year Plan. As for industrial-grade PET, such product is widely applied to various industries; for example: 1) seat belts, airbags, and tire cords in the auto industry; 2) wound dressings and anti-bacteria fibers in health care; 3) heavy duty conveyor belts in the mining industry. With respect to the amorphous PET sheets, the construction of 6 additional lines at the production plant in Wuhan is completed with an attempt to achieve a larger market share in the mid-western part of China.

Textile – innovative products with high value added

Downstream textile products, including cotton yarns, knitted fabrics, and garments, represent only around 20% of the parent-alone revenue while 10% of the consolidated revenue; however, throughout the years, the Company has established a solid competitive advantage in this business via providing premium-quality products, vertically-integrated production process, and consistent R&D efforts. The new business target now focuses on the designs and inventions of new raw materials for international sportswear brand names – Nike and Adidas, and the newly emerging China brands – Li Ning, Anta, and Kappa. Nike, being one of the major sponsors of the 2010 FIFA World Cup™ in South Africa, assigned FENC the responsibility for the design and manufacturing of the jerseys for national teams of Brazil, Australia, and New Zealand, with selected fibers produced by FENC and made of 100% recycled PET bottles. In order to effectively cope with the diminishing cost advantage of Chinese labor, the Company has commenced commercial operation of its first apparel plant in Vietnam, while the second plant is under planning.

Promising results from land development and equity investments

FENC owns substantial lands with a size of 550,000 pings in Taiwan, and 200,000 pings of them are interspersed among the CBDs of Taipei City and New Taipei City. The Taipei Far Eastern Telecom Park (T-park), located at the outskirts of the Taipei City with a land area of 24.4 hectares, is the primary focus of the land development business, as its land value is deemed potentially promising benefited from the municipal upgrade of New Taipei City and various soon-to-be-completed infrastructure and development projects in that particular area. The first residential housing project in the T-park, California Dream, was sold out in early 2010 while generating a net profit of NT\$4.1 billion. The Company has already booked half the net profit, NT\$2.1 billion, and the remaining half will be booked based on the percentage-of-completion method in 2011.

FENC holds interests in member companies of the Group, including Far EasTone Telecommunications, Asia Cement, Far Eastern Department Stores, and Oriental Petrochemical, etc. Among them, Far EasTone remains the most important contributor to the affiliate earnings of the Company with a stable and consistent earnings performance. While leading the market share in the non-voice services in Taiwan, Far EasTone initiated a strategic cooperation with China Mobile right after the restrictions on investments in Mainland were eased. In addition, Far EasTone has uploaded "S Mart" and "e-Book Town" to the network of China Mobile, allowing subscribers in China to download and purchase.

Business Report

Swift and proactive actions have also brought promising opportunities for Asia Cement and Far Eastern Department Stores. In May 2010, Asia Cement acquired 70% interests of Hubei Wuhan Xinlinyuan Cement Corp. in order to strengthen its market position along the Yangtze River. The retail business continued to sustain its earnings growth with a 33% increase in 2010 after-tax profit compared to the previous year. With the fast growing number of Chinese tourists to Taiwan and the higher consumers' confidence, further profit growth can be expected as well as more new store openings in both Taiwan and China.

Plans and prospects

Guided by the Company mission "Having innovative thinking, superior technology, and excellent managerial skills, we aim to lead the polyester industry and maximize the value of our holdings in estates and equities, and that shall bring happiness and prosperity to the community where we ourselves belong." The business plan of the Company in 2011 will focus on the followings:

Continual scale up to lead the polyester industry

To maintain the Company's leading position in the polyester industry, several plans are executed to increase its production capacity, and important ones are: First, a new PTA production line is planned at the Guanyiin site in Taiwan, expected to increase the total PTA capacity to 1.5 million tons/year. At the end of 2010, a joint-venture with Sinopec Yizheng was formed in Yangzhou, China to build a new PTA plant, providing the Company an annual capacity of 1 million tons/year while commencing operation. Second, a single PET production line, with a capacity of 700,000 tons/year, is planned at the Pudong site in Shanghai, along with new additional recycled PET capacity of 200,000 tons/year; this is the largest single PET production line in the world with the most advanced production technology. Combined with the capacity in Taiwan, such new line is expected to increase the total PET capacity to 3 million tons/year by 2014. Third, further expansion in textile products such as industrial fabrics, spindles, and functional fibers will generate additional value, in our opinion, to the Company.

FENC aims to become one of the world's top 3 producers in both PTA and PET as well as in recycled PET chips and nonwoven fabrics. We believe that the core value derived from expansions aforesaid would lead to sustainable growth into the future, and therefore, we are likely to continue to lead the polyester industry.

R&D – innovation drive

China's 12th Five-Year Plan addresses that future growth of the 7 emerging strategic industries is currently the top priority of the Beijing government for economic and social developments, and these industries include, but not limited to, Alternative Energy, Modern Agriculture, Bio-Technology and Environmental Protection industries. To embrace these newly emerging trends and market potentials, FENC has committed efforts to recruit qualitative professionals from related fields. An R&D Center, established in 2002, now consists of six teams focusing their research efforts primarily in relevant areas, with anticipation that outputs derived from the said R&D efforts will provide crucial contribution to the Company's future growth.

As global community has significantly grown its awareness of conserving the environment, FENC realizes that it is not only a requirement but a social responsibility; therefore, our R&D team has developed environmental-friendly and cost-efficient coal water mixture (CWM) to replace heating oil for the production factories. At this moment, the PTA plant in China has already consumed CWM into the production process, abandoning expensive and polluted heating oil. Soon, CWM will be used at the plants in Taiwan as well.

The said above clearly shows that R&D is the essential driver for the Company to continue its innovation into the future. Last year, FENC successfully launched various new innovative products while receiving 25 patents with 32 new patent applications submitted.

Green Product – conserve the environment while fulfilling customers' demand

As mentioned above, the public's awareness of the climate change has already created a major impact. International beverage producers in accordance tend to increase their usage of recycled/bio-based PET chips for beverage bottles. For example, Coca Cola, one of our largest customers, initiated the Plantbottle™ Project last year. Heinz, the largest ketchup producer in the US, announced that its ketchup product in 20-ounce bottles will all be packaged in plant bottles. Pepsi and Danone both claimed their intention to use recycled/bio-based PET bottles for the packaging purpose of their beverage products. Throughout the recent years, the Company has accelerated its R&D activities to promote recycled/bio-based PET resins as the new packaging materials while having supplied Coca Cola with 500 million plant bottles in 2010, and also began further cooperation with Pepsi and Danone. Oriental Resources Development Ltd., not only the first waste recycling company in Taiwan but also the first polyester producer to start its own bottle recycling business in Asia, is planning to build another green-field recycled PET chip plant with an annual capacity of 200,000 tons.

In the event of 2010 Taipei International Flora Expo, FENC participated by building a six-story pavilion, named as "FE EcoARK", in order to promote "Recycle, Reuse, Reduce" as the spirit of conserving the environment. The pavilion is made of 1.5 million post-consumed PET bottles with an aim to raise public interest in recycling. After the Expo, the pavilion can be made into recycled fibers or PET bottles by re-processing the building materials. "FE EcoARK" represents the ideal mixture of art, environmental conservation, and modern architecture technology.

Land Asset – increase the ROE from property development

Due to the change of business model, several of our factories were relocated overseas and the Company now owns substantial lands of more than 200,000 pings (660,000 square meters) as a result. To reuse and monetize the land assets, FENC established Far Eastern Resources Development Corporation, a 100% owned subsidiary, to assume the task. The T-park project mentioned above is the top priority of the land development business. The first product in T-park, a residential housing project, was sold out last year, and the construction of the first commercial office building was also completed and launched for rent, from that a consistent rental income can be expected. The next development target of the Company's land holdings will be the piece located in I-lan, and that is planned to be developed into a hotel resort combined with a shopping center. The project plan had already received the permit from the Ministry of Interior in 2009, and the development and construction will begin soon.

Human Resource – the crucial contribution to future growth

The speed and quality of strategy executions inside each company are mainly based on the competence of the management team; therefore, FENC genuinely acknowledges the criticality of human resources in the Company's future growth. The management team was sponsored to participate in numerous programs, specifically designed to help them improve their management capability and nurture their competence. Besides our training facilities in Taiwan, we established two training centers, one in Shanghai and the other in Suzhou, for our employees based in China as well. Management trainees are offered with opportunities to receive cross-function and cross-region learning through a rotation program, which is implemented continuously, and ensures the productive development of human resources. Despite all the uncertainties in the global economy, the Company's management team is dedicated to achieving our ultimate goal – increase return on shareholders' equity, while becoming the leader of innovation and profitability in the industry.

Business Report

Award Recognitions, CSR and Sustainability

Far Eastern Group has always committed to being a responsible corporate citizen and that all business activities of FENC are directed in support of the common good. The value of the Company and the common good of the society are consistent, and both can be achieved through well-designed business activities. In this aspect, FENC has established several non-profit Foundations and sponsored programs dedicated to the promotion of medical, educational, cultural, and scientific activities. Far Eastern Y. Z. Hsu Science & Technology Memorial Foundation has been sponsoring the “Y. Z. Hsu Scientific Award”, encouraging research activities on nanotechnology, optoelectronics, and biotechnology in Taiwan. Far Eastern Memorial Foundation, dedicated to supporting art and cultural activities, has sponsored “Far Eastern Architectural Award” in past one decade, which is recognized as the leading award in the architecture industry. Our Far Eastern Memorial Hospital has gained a well known reputation for its medical treatment of cardiovascular diseases while being the largest medical center in Taipei County with 1,100 beds, and will open a new wing with additional 1,000 beds. The Group’s Yuan Ze University is the first of its kind to receive the “National Quality Award” from the Executive Yuan together with our Far Eastern Memorial Hospital.

In a world filled with rapid changes and frequent unforeseen contingencies, FENC proactively makes necessary adjustments to achieve outstanding performance and deliver superior results to our shareholders. Never can this be done without the consistent efforts and the continuous hard work of our employees and the management team in the Company. The management team is determined to persevere with the Company’s great tradition, its founding spirit “Sincerity, Diligence, Thrift, Prudence” and “Innovation”, to deliver excellence as it always does. We sincerely thank the continual supports from our shareholders as they have been the major contribution to the Company’s growth.

FENC is enthused to establish new management foundation and fortify leadership based on the Company’s new slogan “Rethink, Rebuild, Reinvent”, with an aim to excel and lead the future. We are confident that the Company possesses the spirit and capacity to look beyond the wall and “see what is visible but not yet seen”. While we maintain our innovative approach and constantly looking out for new opportunities for future growth, we assure you that our customers will be better served and our shareholders better rewarded.

II. Company Profile

1. Date of Incorporation

13 January 1954

2. Company history

- 1942** • Yu-Ziang Hsu founded Far Eastern Knitting Factory Co., Ltd. in Shanghai to produce "Skyscraper"-brand underwears for sale throughout the whole country.
- 1949** • The company relocated to Taiwan, and installed its knitting factory in Banqiao, the outskirts of the Taipei City, where it continued producing and marketing knitted products.
- 1953** • The name of the Company was changed to Far Eastern Knitting Co., Ltd.; meanwhile, the Taiwan Far Eastern Textile Co., Ltd. was founded in Banqiao for the purpose of establishing a weaving mill.
- 1954** • Far Eastern Knitting and Taiwan Far Eastern Textile were merged to form Far Eastern Textile Ltd. (FETL), which was located on Yungshui Rd. in Taipei.
- 1955** • Shirt production equipment was added, and the Company was the first one in the Republic of China to receive an order for the cotton yarn export.
- 1960** • An advanced apparel plant was established.
- 1963** • Cotton and chemical fiber facilities were installed in response to the needs of society and the synthetic fiber industry.
- 1965** • The third synthetic fiber textile plant was established, completing the vertical integration of FETL's processes from spinning to weaving, dyeing and finishing, and apparel production.
- 1966** • The head office was moved to Paoching Rd. in Taipei in July.
- 1967** • Permission for FETL shares listed in the Taiwan Stock Exchange was received in April.
- 1969** • A new garment factory was constructed at Hsinpu.
- 1970** • A new spinning plant was built at Hsinpu to produce yarns from polyester and acrylic fibers.
- 1972** • The Banqiao textile factory of Taiwan Textile and the Neili textile plant of Yungshing Industries were procured and converted to FETL's Banqiao and Neili textile plants.

Company Profile

- 1974** • The Yilan apparel plant was built.
- 1978** • The Chungchou Textile Plant at Kuanyin in Taoyuan County was purchased and renamed as Kuanyin Textile Factory.
 - Permission was received to acquire and merge Orient Chemical Fiber and establish a chemical fiber plant.
- 1982** • Permission was received to merge Orient Chemical Fiber into FETL and established the Eastman Division, which in July of the next year was merged into the Textile Division.
- 1987** • The Hukou textile factory was developed, and yarn and fabric plants were constructed there.
 - Ground-breaking for the Taipei Metro Tower took place in August; these multiple-purpose towers, with 41 stories above ground and five below, contain offices, a shopping center, and a tourist hotel.
- 1988** • To create new applications for polyester filament, a joint investment of NT\$1 billion was made together with Hong Ho Precision Textile Co. in the establishment of Everest Textile Co. to produce fine woven fabrics as a means of adding value to FETL products.
- 1993** • The Hsinpu Synthetic Fiber Plant of the Fiber Division passed evaluation by the D.N.V. company to become the first chemical fiber plant in Taiwan to be accredited with ISO-9001 certification.
 - Construction of the Taipei Metro Tower completed in October and the head offices of FETL as well as of Asia Cement and other related companies moved into the complex on Oct. 16 and 17, making this the headquarters of the Far Eastern Group.
- 1994** • The Yilan and Banqiao plants of the Apparel Division, and the Neili and Hukou plants of the Textile Division, won ISO-9002 certification.
- 1995** • DuPont-Far Eastern Co. Ltd. was established in cooperation with DuPont of the United States, with an investment of US\$100 million, for the production of high-tech nylon 66.
 - A contract was signed with ICI for the establishment of ICI Far Eastern Ltd. to construct a PTA plant at Kuanyin in Taoyuan County.
- 1996** • Permission was received in July from the Investment Commission, Ministry of Economic Affairs for a joint investment of US\$30 million by FETL and its wholly-owned subsidiary Yuan Ding Investment Corp. in the establishment of a holding company in a third area to establish Far Eastern Industries (Shanghai) Ltd. for the production and sale of polyester staple, polyester filament, and other products.
- 1997** • In January, Far Eastone Telecommunications Ltd., which is 62.4% owned by FETL's subsidiary Yuan Ding Investment Corp., obtained island-wide DCS and northern-region GSM mobile phone licenses from the Directorate General of Telecommunications. This new high-tech enterprise was a powerful stimulative force in FETL's transition into a new business territory, and it provided a new model for growth as well.

- 1998** • The FETL-invested Far Eastern Textile Industrial (Shanghai) Co. Ltd. began trial production in September.
- 2000** • Mr. Y. Z. Hsu, Far Eastern Group founder, passed away at the age of 90 in December and left behind the most valuable and cherished founding spirit of "Sincerity, Diligence, Thrift, and Diligence" as the Company's motto.
- 2001** • In March, FETL-invested NCIC launched its voice and data services with "Sparq" as the brand name. Best quality services of NCIC help customers surf in an era of keen competition and rapid changes.
- 2002** • In May, FETL started the installation of SAP R/3 as the ERP system with PricewaterhouseCoopers. This project helped promoting internal processing re-engineering, cost reduction and management of financial information.
 - In October, a joint investment by FETL's subsidiaries and Far Eastern Department Stores ("FEDS") was formed to acquire the controlling interests of the SOGO Department Stores.
- 2003** • In September, FETL spun off its holdings of land and transferred such holdings as paid-in capital of the 100%-owned Far Eastern Resources Development Company ("FERD"), which became a vehicle specializing in developing and monetizing the existing land resources.
- 2004** • In April, FETL-invested company "Far Eastern Electronic Toll Collection Co. Ltd." has signed BOT contract with National Freeway Bureau.
- 2005** • In February, a development project "Taipei Far Eastern Telecom Park" (T-park) conducted by FERD was approved by Ministry of Economic Affairs as "national major investment and major public constructions".
 - In April, FET was approved by Taiwan Stock Exchange Corporation to become as a public listed company.
- 2006** • In February, the public highway electronic toll collection system was officially activated. This system was built by FETL-invested company "Far Eastern Electronic Toll Collection Co. Ltd."
 - In April, Oriental Petrochemical (Shanghai) Corporation invested by FETL commenced production, with a PTA production capacity of 600,000 tons/year to support the synthetic fiber business under Far Eastern group and other producers.
- 2007** • In January, FERD, fully owned by FETL, proposed to the government a change on the urban development plan, converting its Banqiao factory from production factory into a telecommunication-related specialized zone combined with a medical service center. The government had already approved such proposal after a three-year evaluation. This land re-zoning plan was officially announced on 23 January 2007.
- 2008** • In March, Sino Belgium Beer (Suzhou) Ltd was established and invested by FETL. The factory was completed in April. In October, a beer "Martens 1758", manufactured for Belgium Martens beer company, was marketed in Shanghai area.

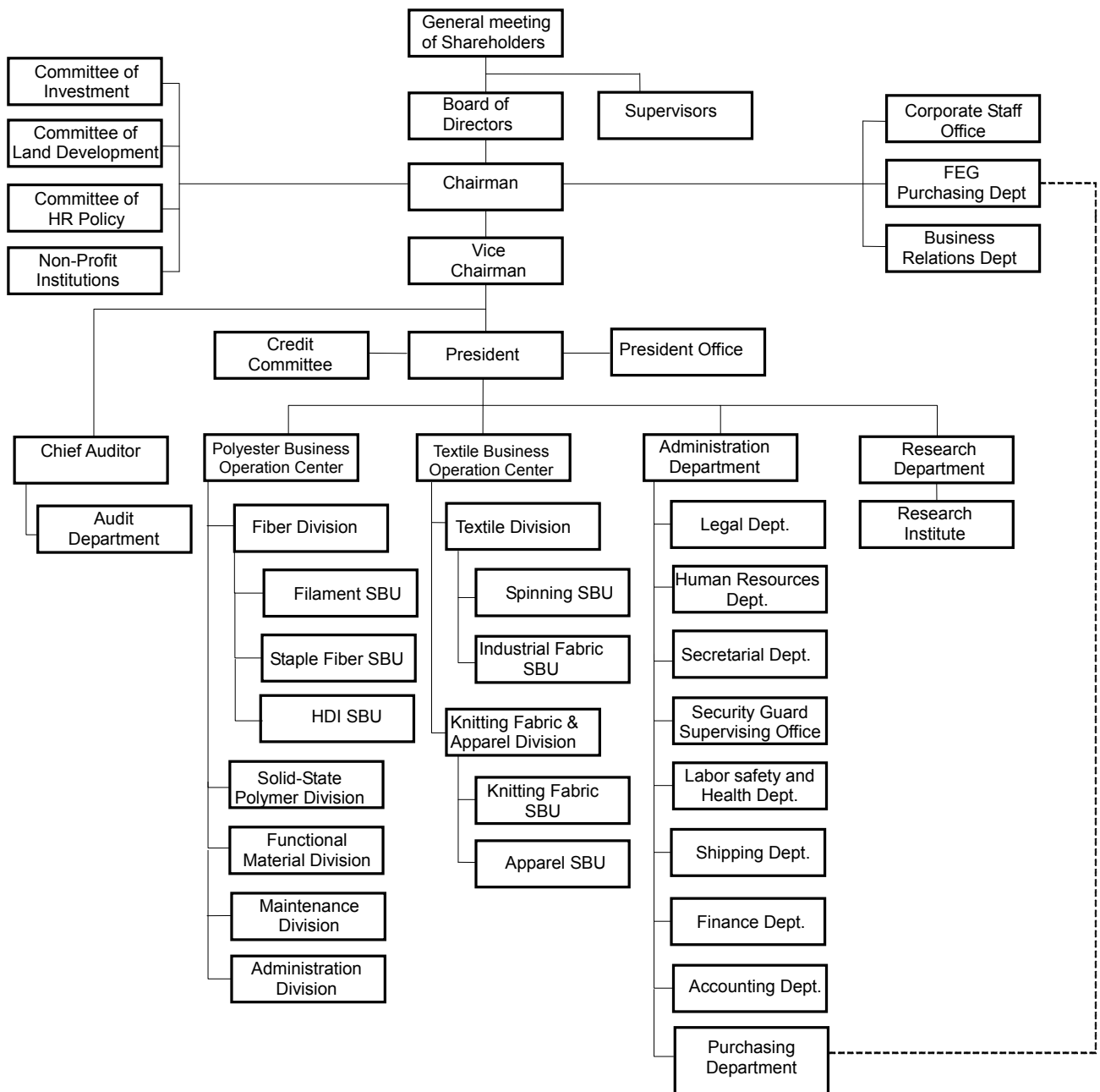
Company Profile

- In October, FETL obtained all shares of "Invista Far Eastern Petrochemicals Ltd."& "Far Eastern Invista Ltd." and renamed them to " Oriental Petrochemical (Taiwan) Co. Ltd." & "Far Eastern Fibertech Co., Ltd.", respectively.
- 2009** • In October, in the Company's Extraordinary Shareholders' Meeting held on 13 October 2009, shareholders presented had resolved and approved to rename the Company, from Far Eastern Textile Limited (FETL) to Far Eastern New Century Corporation (FENC), effective on the same date.
- 2010** • In January, new shares of FENC were listed in Taiwan Stock Exchange.
 - In December, FENC and Sinopec Yizheng Chemical Fibre Company Limited (YCF) have agreed to form a joint-venture company to construct a green-field purified terephthalic acid (PTA) plant located in the Yangzhou Chemical Industrial Park. Three parties aforesaid signed a "Letter of Intent (LOI)"
- 2011** • In March, FENC constructed, operated and sponsored "FE EcoARK", a pavilion made 100% post-consumed PET bottles, at the Taipei International Flora Expo. This architecture was the first of all sorts of green buildings in the world and the National Geographic Channel (NGC) produced a documentary "Megastructures EcoARK" on EcoARK as well. The show was broadcasted throughout 168 countries in 34 languages.
 - In April, the first commercial office building of T-park, TPKA, was officially launched to the market.

III. Corporate Governance Report

1. Organization

1.1 Organization chart



Corporate Governance Report

1.2 Affairs in charge for each major departments

Department	Affairs in charge
Audit Department	Internal auditing
Polyester Business Operation Center	Production and sales of polyester chips, polyester staple fibers, pre-oriented yarns of polyester, functional materials, and polyester films.
Textile Business Operation Center	Printing, dyeing and finishing of yarn, silk, fabric and cloth; production and sales of miscellaneous natural, man-made, synthetic fiber yarns and fabrics, blended yarns and fabrics, and woven finished clothings and knitted finished clothings.
Administration Department	Legal, human resources, general administration, shipping, security, finance, labor safety and health, accounting, and purchase departments.
Research Institute	Research and development.

2. Directors, Supervisors and Management Team

2.1 Directors and Supervisors

Book closure date: 26 April 2011

Title	Name	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae △ Other positions in FENC and/or other companies	Title	Name	Relation	
					Share	%	Share	%	Share	%					
Chairman	Douglas Tong Hsu	06.26 2009	3	12.23 1967	51,901,829	1.14	53,998,662	1.14	0	0	National Chiao Tung University, TW, Honor Ph.D in Management University of Columbia, USA, Master in Economics △ Chairman of ACC, OUCC, U-Ming, FEEDS, Far EastOne, and Vice Chairman of FEIB	Vice Chairman Director Director Supervisor	Johnny Shih Raymond Hsu Peter Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Brother Daughter Sister	
Vice Chairman	Johnny Shih Representative of Yue Ding Industry Co., Ltd.	06.26 2009	3	02.09 1979	1,610,402 *1,991,951	0.04 0.04	2,183,462 *2,072,425	0.05 0.04	0 *22,223,074	0 0.47	University of Columbia, USA, Master in Computer Science △ President of FENC, Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC & FET	Chairman Director Director Supervisor	Douglas Tong Hsu Raymond Hsu Peter Hsu Alice Hsu	Brother-in-law Brother-in-law Brother-in-law Brother-in-law	
	Raymond Hsu Representative of Yue Ding Industry Co., Ltd.	06.26 2009	3	04.14 1976	1,610,402 *20,291,617	0.04 0.44	2,183,462 *21,111,397	0.05 0.44	0 *20,514,108	0 0.43	Australian Mining and Metallurgy College, Australia △ Chief auditor of FENC, Chairman of An Ho Garment Co., Ltd. & Fu Kwok Garment Manufacturing Co., Ltd.	Chairman Vice Chairman Director Supervisor	Douglas Tong Hsu Johnny Shih Peter Hsu Alice Hsu	Brother Brother-in-law Brother Sister	
Director	Peter Hsu Representative of Asia Cement Corporation	06.26 2009	3	04.14 1976	1,018,191,496 *19,360,443	22.28 0.42	1,060,713,631 *22,639,564	22.31 0.48	0 *4,774,266	0 0.10	Stanford University, USA, Master in Operation Research △ Senior Executive Vice President of FENC, Director of ACC & FET, Supervisor of U-Ming	Chairman Vice Chairman Director Supervisor	Douglas Tong Hsu Johnny Shih Raymond Hsu Alice Hsu	Brother Brother-in-law Brother Sister	
	Shaw Y. Wang Representative of Asia Cement Corporation	06.26 2009	3	05.10 1985	1,018,191,496 *337,542	22.28 0.01	1,060,713,631 *351,177	22.31 0.01	0 0	0 0	National Chung Hsing University, TW, Business Administration Department △ Senior Executive Vice President of FENC, Supervisor of ACC, Director of FEIB	-	-	-	-
	Champion Lee Representative of Asia Cement Corporation	06.26 2009	3	04.20 1988	1,018,191,496 *195,871	22.28 0.00	1,060,713,631 *203,783	22.31 0.00	0 0	0 0	Texas A&I University, USA, Master in Business Administration △ Senior Executive Vice President of FENC, Supervisor of ACC, Director of FET & U-Ming	-	-	-	-

Corporate Governance Report

Title	Name	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae Other positions in FENC and/or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Share	%	Share	%	Share	%		Title	Name	Relation
Director	G. M. Wang Representative of Asia Cement Corporation	06.26.2009	3	05.15.2000	1,018,191,496 *0	22.28 0	1,060,713,631 *0	22.31 0	0 0	0 0	Kansas State University, USA, Ph.D in Industrial Engineering Professor of Yuan Ze University	-	-	-
	Y. H. Tseng Representative of Far Eastern Department Stores	06.26.2009	3	06.13.2006	17,044,348 *265,507	0.37 0.01	17,732,938 *159,233	0.37 0.00	0 0	0 0	Tung Hai University, TW, Chemical Engineering Department Senior Executive Vice President of FENC	-	-	-
	Richard Yang Representative of Far Eastern Department Stores	06.26.2009	3	06.13.2006	17,044,348 *630,461	0.37 0.01	17,732,938 *800,451	0.37 0.02	0 0	0 0	American Graduate School of International Management Managing Director of Surfview Capital Ltd.	-	-	-
	Kuan-Tao Li Representative of Far Eastern Department Stores	06.26.2009	3	06.13.2006	17,044,348 *0	0.37 0	17,732,938 *0	0.37 0	0 0	0 0	MBA, Kellogg-HKUST Chief Counselor, Lee and Li, Attorney-at-law, Director of Tai Yuen Textile Co., Ltd. and ACC, Supervisor of Yulon Nissan Motor Co., Ltd	-	-	-
	Tonia Katherine Hsu Representative of Bai Yang Investment	06.26.2009	3	06.13.2006	1,892,330 *0	0.04 0	1,968,779 *0	0.04 0	0 0	0 0	Sarah Lawrence College, New York, USA, Literature Department Art Counselor, KooNewYork	Chairman	Douglas Tong Hsu	Daughter
	T. H. Chang Representative of U-Ming Marine Transport Corp.	06.26.2009	3	06.26.2009	26,620,814 *77,497	0.58 0	27,696,294 *80,626	0.58 0	0 80,420	0 0	President of ACC, Director of ACC & U-Ming, Chief Executive Officer of Asia Cement (China) Holding Corp.	-	-	-
	Alice Hsu Representative of U-Ming Marine Transport Corp.	06.26.2009	3	04.20.1988	26,620,814 *24,336,677	0.58 0.53	27,696,294 *25,293,518	0.58 0.53	0 0	0 0	Heaton College, USA, Retail Business Management NII	Chairman Vice Chairman Director Director	Douglas Tong Hsu Johnny Shih Raymond Hsu Peter Hsu	Brother Brother-in-Law Brother Brother
	Ching-Ing Hou Representative of Yuan Ding Co., Ltd.	06.26.2009	3	06.13.2006	665,385 *0	0.01 0	692,265 *0	0.01 0	0 0	0 0	Vanderbilt University, USA, Master in Economics Chairman of FEIB	-	-	-

Note: 1. * represents the number of company shares owned by the individual representative.

2. No Director or Supervisor holds company shares via accounts under others' names.

2.1.1 Major shareholder of FENC's Directors is an institutional shareholder

Book closure date: 26 April 2011

Name of institutional shareholders	Major shareholders of the institutional shareholders (%)
Asia Cement Corp.	Far Eastern New Century Corp. (22.33); Far Eastern Medical Foundation (5.40); Yu Yuan Investment Co., Ltd. (5.32); Management Board of the Public Service Pension Fund (1.92); Far Eastern Department Stores Ltd. (1.82); Bai Ding Investment Co., Ltd. (1.61); Yuan-Ze University (1.41); Labor Pension Fund Committee of Far Eastern New Century Corp. (1.24); Fubon Life Insurance Co. Ltd.(1.14), Yu Chang Investment Co., Ltd.(1.04).
Far Eastern Department Stores Co., Ltd.	Far Eastern New Century Corp. (16.80); Asia Cement Corp. (5.56); Fidelity Fund account in the custody of Standard Chartered Bank (5.33); Yuan-Ze University (4.68); Yu Yuan Investment Co., Ltd. (2.02); Fidelity Southeast Asia Fund account in the custody of JP Morgan Chase Bank, N.A. (1.60); Government of Singapore Investment Corp. account in the custody of Citi Bank (1.59), Labor Pension Fund Committee of Far Eastern Department Stores Co., Ltd. (1.37); Guardian Baillie Gifford Emerging Markets Fund account in the custody of Deutsche Bank AG (1.22); RBS as Trustee of First State Greater China Growth Fund in the custody of Deutsche Bank N.A. Taipei Branch (1.17)
Yue Ding Industry Co., Ltd.	Fu Da Transportation Co., Ltd.(26.95); Yue Tung Investment Corp.(25.36); An Ho Garment Co., Ltd. (15.66); Ding Yuan International Investment Co., Ltd. (13.20); Ton Fu Investment Corp.(4.61); Ya Li Precast Prestressed Concrete Industries Corp.(3.89); Ta Chu Chemical Fiber Co., Ltd.(3.89); Yuan Ding Co., Ltd. (2.59); Bai Ding Investment Co., Ltd. (2.31); Yue Ming Co., Ltd.(1.53)
Bai Yang Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd. (100.00)
U-Ming Marine Transport Corp.	Asia Cement Corp. (38.66); Labor Pension Fund(2.43); Management Board of the Public Service Pension Fund (1.36); Yu Yuan Investment Co., Ltd. (0.93); Asia Investment Corp. (0.91); Vanguard Emerging Markets Stock Index Fund account in the custody of Standard Chartered Bank (0.79); Ya Li Transportation Co., Ltd. (0.74); Fu Jin Investment Co., Ltd. (0.59); Wisdom Tree Emerging Markets Small Cap Dividend Fund account in the custody of HSBC Bank (0.49); State Street Fund account in the custody of Deutsche Bank AG. (0.49)
Yuan Ding Co., Ltd.	Far Eastern New Century Corp. (37.13); Asia Cement Corp. (35.50); Der Ching Investment Corp.(14.50); Yuan Ding Investment Co., Ltd. (12.86); Yue Ming Co., Ltd. (0.01)

2.1.2 Major shareholders of the major shareholders that are juridical persons

Book closure date: 26 April 2011

Name of juridical persons	Major shareholders of the juridical persons (%)
Far Eastern New Century Corp.	Please refer to Page 42
Yue Yuan Investment Co., Ltd.	Asia Cement Corp.(36.42); Yuan Ding Co., Ltd.(25.02); Yuan Ding Investment Co., Ltd.(19.06); U-Ming Marine Transport Corp. (17.66); Yue Tung Investment Co., Ltd.(1.84)
Bai Ding Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.(66.66); Bai Yang Investment Co., Ltd.(33.34)
Fubon Life Insurance Co. Ltd.	Fubon Financial Holding Co., Ltd.(100.00)
Yu Chang Investment Co., Ltd.	Yu Sheng Investment Co., Ltd.(99.97)
Fu Da Transportation Corp.	Fu Ming Transport Corp.(99.90); Johnny Shih(0.03); K.Y. Lee(0.03); F.C. Wang(0.03)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corp.(73.54); U-Ming Marine Transport (Singapore) Pte. Ltd.(26.46)
An Ho Garment Co., Ltd.	Far Eastern New Century Corp.(100.00)
Ding Yuan International Investment Co., Ltd.	Far Eastern New Century Corp.(100.00)
Ton Fu Investment Co., Ltd.	Oriental Union Chemical Corp.(100.00)
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corp.(83.81); Far Eastern General Contractor Inc.(16.03); T. H. Chang(0.03); K. Y. Lee (0.03); R. H. Shao(0.03); Richard Yang(0.02); C.F. Zheng(0.01); H.M. Yang(0.01); Douglas Tong Hsu(0.01); S.S. Hsu(0.01)
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd.(41.86); Yue Ding Industry Co., Ltd.(38.76); Yue Lee Investment Co., Ltd.(19.38)
Yue Ming Co., Ltd.	Bai Ding Investment Co., Ltd.(47.00); Yuan Ding Investment Co., Ltd.(45.50); Yue Ding Industry Co., Ltd.(5.00); Ding Ding Management Consultants Co., Ltd.(1.00); Yuan Ding Co., Ltd.(1.00); Yuan Ding Leasing Corp.(0.50)
Asia Investment Co., Ltd.	Asia Cement Corp.(100.00)
Ya Li Transport Co., Ltd.	Asia Cement Corp.(49.39); Yue Yuan Investment Co. Ltd.(40.00); Ding Yuan International Investment Co., Ltd.(10.00); T. H. Chang(0.14); Y. F. Chang(0.14); C. K. Chang(0.14); Z. P. Chang(0.10); K.Y. Lee(0.09)
Fu Jin Investment Co., Ltd.	Y. M. Chen(30.25); Y. J. Chen(30.10); Y. K. Chen(22.17); C. Y. Chen(12.67); C. R. Chen(0.51); W. X. Cheng Chen(0.10)
Der Ching Investment Co., Ltd.	Asia Cement Corp. (99.99)
Yuan Ding Investment Co. Ltd.	Far Eastern New Century Corp. (99.7); An Ho Garment Co., Ltd. (0.3)

2.1.3 Professional qualifications and independence analysis for Directors and Supervisors

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five-Year Work Experience		Independence Criteria(Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9		10
Douglas Tong Hsu			V											V
Johnny Shih			V		V									V
Raymond Hsu			V		V									V
Peter Hsu			V		V									V
Shaw Y. Wang			V		V									V
Champion Lee			V		V									V
G.M. Wang	V		V	V	V									V
Y.H. Tseng			V		V									V
Richard Yang			V		V									V
Kuan-Tao Li	V		V		V									V
Tonia Katherine Hsu			V		V									V
T.H.Chang			V		V									V
Alice Hsu			V		V									V
Ching-Ing Hou	V		V		V									V

Note 1 : Please tick the corresponding boxes if Directors or Supervisors have been any of the following during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a Director or Supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
- (6) Not a Director, Supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
- (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
- (8) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (9) Not been a person of any conditions defined in Article 30 of the Company Law.
- (10) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

Note 2 : The Board of Directors of the Company comprised of no Independent Directors until 30 April 2011.

Corporate Governance Report

2.2 Management Team

Book closure date: 26 April, 2011

Title	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Positions in other companies	Managers who are spouses or within two degrees of kinship		
			Shares	%	Shares	%		Title	Name	Relation
President	Johnny Shih	95.01.01	2,072,425	0.04	22,223,074	0.47	University of Columbia, USA, Master in Computer Science Δ Please refer to Page 13.	Chief Auditor	Raymond Hsu	Brother-in-law
Chairman Office Chief Senior Executive Vice President	Shaw Y. Wang	05.01.01	351,177	0.01	0	0.00	National Chung Hsing University, TW, Business Administration Department Δ Please refer to Page 13.	-	-	-
Polyester Business Operation Center Senior Executive Vice President	Y.H. Tseng	05.01.01	159,233	0.00	0	0.00	Tung Hai University, TW, Chemical Engineering Department Δ Please refer to Page 14.	-	-	-
Textile Business Operation Center Senior Executive Vice President	Eric Hu	05.01.01	248	0.00	0	0.00	Tung Hai University, TW, Industrial Engineering Department Δ Director of Everest Textile & Far Eastern Apparel	-	-	-
Chief of Finance Office & Chairman Office Senior Vice President	Champion Lee	05.01.01	203,783	0.00	0	0.00	Texas A&I University, USA Δ Please refer to Page 13.	-	-	-
Chief Auditor	Raymond Hsu	96.03.01	21,111,397	0.44	20,514,108	0.43	Australian Mining and Metallurgy College, Australia Δ Please refer to Page 13.	President	Johnny Shih	Brother-in-law
Purchasing Department Senior Executive Vice President	Peter Hsu	05.01.01	22,639,564	0.48	4,774,266	0.10	Stanford University, USA, Master in Operation Research Δ Please refer to Page 13.	Senior Executive Vice President	Johnny Shih	Brother-in-law
Management Department Executive Vice President	Humphrey Cheng	05.01.01	0	0.00	0	0.00	National Chung Hsing University, TW, Law Department Δ Director of OUCC, Supervisor of FEIB	-	-	-
Management Department Executive Vice President	David Wang	05.01.01	6,320	0.00	62	0.00	Mississippi State University, USA, MBA Δ Chairman of Yuan Tong Investment, Director of Kai Yuan International Investment	-	-	-
Research Institute Executive Vice President	Ru-yu Wu	05.01.01	16,538	0.00	0	0.00	University of Monash, Australia, Ph.D Δ Director of OUCC	-	-	-
President Office Executive Vice President	K.S. Wu	05.01.01	1,228	0.00	328	0.00	Chinese Culture University, TW, Chemical Department Δ Director of Everest Textile & OPTC	-	-	-
Polyester Business Operation Center Executive Vice President	T.H. Liu	05.01.01	42,223	0.00	380	0.00	Ta Tung University, TW, Mechanical Engineering Department Δ Director of OUCC & Oriental Resource Development	-	-	-
Polyester Business Operation Center Executive Vice President	Fred Chu	05.01.01	0	0.00	0	0.00	National Taipei University of Technology, TW, Textile Engineering Department Δ Director of Far Eastern Fibertech & Yuan Faun	-	-	-
Polyester Business Operation Center Executive Vice President	Donald Fan	05.01.01	90,645	0.00	16,447	0.00	Feng Chia University, TW, Textile Department Δ Director of Far Eastern Industries (Shanghai), President of Sino Belgium (Suzhou)	-	-	-
Polyester Business Operation Center Executive Vice President	B. T. Cherng	07.10.01	361	0.00	0	0.00	Feng Chia University, TW, Textile Department Δ Director of Yuan Cheng Human Resources Consultant	-	-	-
Polyester Business Operation Center Executive Vice President	Chuck Tseng	09.06.01	66,146	0.00	447	0.00	Ta Tung University, TW, Chemical Engineering Department Δ Director of PET Far Eastern (M) SDN BHD	-	-	-

Title	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Positions in other companies	Managers who are spouses or within two degrees of kinship	
			Shares	%	Shares	%		Title	Name
Textile Business Operation Center Executive Vice President	Austin Lee	06.06.01	0	0.00	0	0.00	Soochow University, TW, Business Administration Department Δ Director of Far Eastern Apparel & Fu Kwok Manufacturing	-	-
Textile Business Operation Center Executive Vice President	Kwen Lin Ho	07.10.01	0	0.00	0	0.00	Feng Chia University, TW, Textile Department Δ Director of Far Eastern Dyeing and Finishing (Suzhou)	-	-
Corporate Staff Office Senior Vice President	Jackson Wu	07.10.01	44,898	0.00	0	0.00	Chung Yuan Christian University, TW, Master in Mechanical Engineering Δ Supervisor of Far Eastern General Contractor	-	-
Corporate Staff Office Senior Vice President	Frank Kuo	10.02.01	598	0.00	0	0.00	Yuan Ze University, TW, Master in Management Δ Supervisor of Oriental Securities Corp.	-	-
President Office Senior Vice President	David Shih	06.11.01	313	0.00	0	0.00	National Taiwan University of Science and Technology, TW, Industrial Management Department Δ Director of OPTC	-	-
President Office Senior Vice President	Emily Wu	06.06.01	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting Δ Director of Yuan Cheng Human Resource Consultant & Oriental Industries (Suzhou)	-	-
Internal Auditing Department Vice Chief Auditor	Mark Lu	91.01.11	38,343	0.00	7,515	0.00	University of Georgia, USA, Master in Accounting Δ Supervisor of Yuan Ding Investment	-	-
Accounting Department Senior Vice President	Bill Yang	01.10.01	484	0.00	0	0.00	National Cheng Kung University, TW, Accounting Department Δ Director of Kai Yuan International Investment & Yuan Tong Investment	-	-
Accounting Department Senior Vice President	Brian Lee	10.11.01	0	0.00	0	0.00	National Chung Hsing University, TW, Accounting Department Δ Supervisor of Far Eastern Apparel (Suzhou) and Far Eastern Industries (Wuxi)	-	-
Finance Department Senior Vice President	Mike Wu	06.09.01	1,101	0.00	0	0.00	University of Oklahoma, USA, MBA Δ Director of Far Eastern Apparel (Suzhou) & Shanghai Far Eastern IT	-	-
Finance Department Senior Vice President	Sandy Chiou	07.10.01	1,288	0.00	323	0.00	Yuan Tzu University, TW, Postgraduate Diploma in Management Administration Δ Director of Far Eastern Apparel	-	-
Finance Department Senior Vice President	Joe Pai	10.04.01	0	0.00	0	0.00	Boston University, USA, MBA Δ -	-	-
Legal Department Senior Vice President	Li-Chi Chen	07.10.01	0	0.00	0	0.00	National Taiwan University, TW, College of Law Δ Director of Far Eastern Apparel; Supervisor of Arcoa Communication	-	-
Human Resource Department Senior Vice President	William T. Hsu	10.04.12	0	0.00	0	0.00	University of Leicester, UK, MBA Δ -	-	-
Human Resource Department Senior Vice President	C.Y. Lin	09.06.01	0	0.00	0	0.00	National Chengchi University, TW, Master in Labor Research Δ Director of Yuan Cheng Human Resource Consultant	-	-
Research Institute Senior Vice President	C.W. Chu	07.07.01	1,546	0.00	0	0.00	National Taiwan University, TW, Chemical Engineering Department Δ -	-	-
Shipping Department Senior Vice President	Steve Liu	07.10.01	15,918	0.00	0	0.00	Yuan Tzu University, TW, Postgraduate Diploma in Management Administration Δ Director of Oriental Industries (Suzhou) & Far Eastern Industries (Suzhou)	-	-
Polyester Business Operation Center Senior Vice President	T.H. Tsai	06.10.01	93,698	0.00	0	0.00	National Taipei University of Technology, TW, Textile Engineering Department Δ Director of Oriental Industries (Suzhou)	-	-

Corporate Governance Report

Title	Name	Date effective	Shareholding		Shareholding of spouse & minor children		Curriculum vitae ΔPositions in other companies	Managers who are spouses or within two degrees of kinship	
			Shares	%	Shares	%		Title	Name
Polyester Business Operation Center	C.C. Fan	06.06.13	0	0.00	0	0.00	Feng Chia University, TW, Electronics Engineering Department	-	-
Senior Vice President	Arthur Lee	07.02.15	5,300	0.00	0	0.00	Oklahoma City University, USA, Master	-	-
Polyester Business Operation Center	C. T. Peng	10.08.01	0	0.00	0	0.00	National Tsing Hua University, TW, Master in Chemical Engineering	-	-
Senior Vice President	K.B. Louy	10.11.01	10,004	0.00	0	0.00	Feng Chia University, TW, Textile Engineering Department	-	-
Polyester Business Operation Center	C. T. Chen	10.11.01	0	0.00	0	0.00	Yuan Tzu University, TW, Master in Industrial Engineering	-	-
Senior Vice President	W.C. Hu	10.11.01	0	0.00	0	0.00	University of Connecticut, USA, Ph. D in Chemical Engineering	-	-
Polyester Business Operation Center	Jack Luh	10.11.01	20,000	0.00	0	0.00	Nanya Institute of Technology, TW, Textile Engineering Department	-	-
Senior Vice President	C. T. Chang	11.01.01	698	0.00	128	0.00	Yuan Tzu University, TW, Master in Chemical Engineering	-	-
Polyester Business Operation Center	H.C. Ho	11.01.01	37,362	0.00	0	0.00	Chung Yuan Christian University, TW, Chemical Engineering Department	-	-
Senior Vice President	T. J. Lo	06.06.01	1,101	0.00	0	0.00	Feng Chia University, TW, Textile Engineering Department	-	-
Textile Business Operation Center	Mingo A. Chen	07.10.01	3,849	0.00	3,530	0.00	Feng Chia University, TW, Textile Engineering Department	-	-
Senior Vice President	Monsun Yang	07.10.01	13,889	0.00	0	0.00	ΔDirector of Far Eastern Industries (Wuxi) Ta Tung University, TW, Chemical Engineering Department	-	-
Textile Business Operation Center	Tony Liang	09.01.01	31	0.00	121	0.00	Fu Jen University, TW, Department of English Language & Literature	-	-
Senior Vice President	Chun Min Ho	05.07.01	0	0.00	9,553	0.00	ΔDirector of Far Eastern Apparel (Suzhou) National Cheng Kung University, TW, Accounting and Statistics Department	-	-

Note:

1. Managers mentioned in table above do not hold the Company shares via accounts in others' names.
2. There is no share warrant and share option issued by the Company to employees for purchasing shares.

2.3 Remuneration of Directors, Supervisors, President, and Vice Presidents

2.3.1 Remuneration of Directors

Unit: NT\$, thousands

Title	Name	Remuneration						Ratio of total remuneration (I+II+III+IV) over net income(%)			Relevant remuneration received by directors who are also employees						Ratio of total compensation (I+II+III+IV+V+VI+VII) to net income(%)		Compensation paid to Directors from an invested company other than the company's subsidiary		
		Base Compensation (I)		Severance Pay (II)		Bonus to Directors (III)		Allowances (IV)		Salary, Bonuses, and Allowances (V)	Severance Pay (VI)	Profit Sharing-Employee Bonus (VII)		Exercisable Employee Stock Options (VIII)		A	B				
		A	B	A	B	A	B	A	B			A	B	A	B						
Chairman	Douglas Tong Hsu																				
	Yue Ding Industry Ltd																				
	Asia Cement Corporation																				
Director	Far Eastern Department Stores Bai Yang Investment Ltd., Co.	0	15,218	0	0	316,848	369,683	792	7,139	30,148	31,861	0	0	3,172	0	3,312	0	0	2.73%	2.14%	116,520

Note:

- Column A represents the company; column B represents all companies in the consolidated financial statement.
- Allowances mentioned in the table above were distributed in 2010. Bonuses to/ Directors and employees are proposed figures to be resolved by the upcoming 2011 Annual General Shareholders' Meeting.
- A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT\$6,508 million.
- There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the consolidated financial report to employees for purchasing shares.
- Johnny Shih & Raymond Hsu Representative of Yue Ding Investment Co., Ltd.; Peter Hsu, Shaw Y. Wang, Champion Lee, and G. M. Wang Representative of Asia Cement Corporation; Y. H. Tseng, Richard Yang, Kuan-Tao Li Representative of Far Eastern Department Store Co., Ltd; Tonia Katherine Hsu Representative of Bai Yang Investment Co., Ltd.

Bracket	Total of (I+II+III+IV)		Name of Directors		Total of (I+II+III+IV+V+VI+VII)	
	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement
Under NT\$2,000,000	0	0			0	0
NT\$2,000,000 ~ NT\$4,999,999	0	0			0	0
NT\$5,000,000 ~ NT\$9,999,999	0	0			0	0
NT\$10,000,000 ~ NT\$14,999,999	0	0			0	0
NT\$15,000,000 ~ NT\$29,999,999	Peter Hsu, Shaw Y. Wang, Champion Lee, and G. M. Wang Representative of Asia Cement Corporation Y. H. Tseng, Kuan-Tao Li, Richard Yang Representative of Far Eastern Department Store Co., Ltd. Tonia Katherine Hsu Representative of Bai Yang Investment Co., Ltd.	Y. H. Tseng, Kuan-Tao Li, Richard Yang Representative of Far Eastern Department Stores Co., Ltd. Tonia Katherine Hsu Representative of Bai Yang Investment Co., Ltd.	Peter Hsu, Shaw Y. Wang, Champion Lee, and G. M. Wang Representative of Asia Cement Corporation Y. H. Tseng, Kuan-Tao Li, Richard Yang Representative of Far Eastern Department Store Co., Ltd. Tonia Katherine Hsu Representative of Bai Yang Investment Co., Ltd.	Y. H. Tseng, Kuan-Tao Li, Richard Yang Representative of Far Eastern Department Stores Co., Ltd. Tonia Katherine Hsu Representative of Bai Yang Investment Co., Ltd.	0	0
NT\$30,000,000 ~ NT\$49,999,999	Johnny Shih & Raymond Hsu Representative of Yue Ding Industry Ltd Douglas Tong Hsu	Peter Hsu, Shaw Y. Wang, Champion Lee, and G. M. Wang Representative of Asia Cement Corporation Johnny Shih & Raymond Hsu Representative of Yue Ding Industry Ltd Douglas Tong Hsu	Johnny Shih & Raymond Hsu Representative of Yue Ding Industry Ltd Douglas Tong Hsu	Johnny Shih & Raymond Hsu Representative of Asia Cement Corporation	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0	0	Johnny Shih & Raymond Hsu Representative of Yue Ding Industry Ltd Douglas Tong Hsu	0	0
NT\$100,000,000 and over	0	0	0	0	0	0
Total	11	11	11	11	11	11

Corporate Governance Report

2.3.2 Remuneration of Supervisors

Unit: NT\$ thousands

Title	Name	Remuneration						Ratio of total remuneration (I+II+III+IV) to net income(%)		Compensation paid to Supervisors from an invested company other than the company's subsidiary
		Base Compensation(I)		Severance Pay(II)		Bonus to Supervisors (III)		The company	Companies in the consolidated financial statements	
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements			
Supervisor	U-Ming Marine Transport Corp.	0	0	29,386	29,386	144	144	0.23%	0.15%	11,863
	Yuan Ding Co., Ltd.	0	0	6,525	6,525	72	72	0.05%	0.03%	10,968

Note

1 : Base compensation is distributed in 2010 : bonuses to Supervisors are proposed figures to be resolved in the upcoming 2011 Annual General Shareholders' Meeting.

2 : T. H. Chang, Alice Hsu representative of U-Ming Marine Transport Corp.; Ching-Ing Hou Representative of Yuan Ding Co., Ltd.

Bracket	Name of Supervisors	
	The company	Companies in the consolidated financial statement
Under NT\$2,000,000	0	0
NT\$2,000,000 ~ NT\$4,999,999	0	0
NT\$5,000,000 ~ NT\$9,999,999	Ching-Ing Hou Representative of Yuan Ding Co., Ltd.	
NT\$10,000,000 ~ NT\$14,999,999	T. H. Chang, Alice Hsu Representative of U-Ming Marine Transport Corp	
NT\$15,000,000 ~ NT\$29,999,999	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0
NT\$100,000,000 and over	0	0
Total	3	3

2.3.3.Compensation of President and Executive Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary (I)		Severance Pay (II)		Bonuses and Allowances (III)		Profit Sharing Employee Bonus (IV)				Ratio of total compensation (I+II+III+IV) to net income after tax		Exercisable Employee Stock Option		Compensation paid to the President and Executive Vice President from an invested company other than the company's subsidiary
		A	B	A	B	A	B	A	B	A	B	A	B			
		Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	A	B	A	B			
President	Johnny Shih															
	Shaw Y. Wang															
	Y.H.Tseng															
Senior Executive Vice President	Eric Hu															
	Champion Lee															
	Peter Hsu															
Chief Auditor	Raymond Hsu															
	Humphrey Cheng															
	David Wang	41,755	41,863	0	0	66,941	66,941	6,592	0	6,592	0	0.90%	0.58%	0	0	53,475
	Ru-yu Wu															
	T.H. Liu															
	Fred Chu															
Executive Vice President	K.S. Wu															
	Donald Fan															
	Austin Lee															
	B.T. Cherng															
	Kwen Lin Ho															
	Chuck Tseng															

Note:

1. Column A represents the company; column B represents all companies in the consolidated financial statement.
2. The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonus.
3. Two company cars are assigned to the President and Vice Presidents for business purposes. The total rental for the said cars are NT\$360,000 per year.

Bracket	Name of President and Executive Vice President	
	The company	Companies in the consolidated financial statement
Under NT\$2,000,000	0	0
NT\$2,000,000 ~ NT\$4,999,999	0	0
NT\$5,000,000 ~ NT\$9,999,999	Johnny Shih, Shaw Y. Wang, Y.H.Tseng, Champion Lee, Peter Hsu, Raymond Hsu, Humphrey Cheng, David Wang, Chuck Tseng, Fred Chu, K.S. Wu, B.T. Cherng, Austin Lee, Kwen Lin Ho, Ru-yu Wu, Donald Fan, Eric Hu, T.H. Liu	Johnny Shih, Shaw Y. Wang, Y.H.Tseng, Champion Lee, Peter Hsu, Raymond Hsu, Humphrey Cheng, David Wang, Chuck Tseng, Fred Chu, K.S. Wu, B.T. Cherng, Austin Lee, Kwen Lin Ho, Ru-yu Wu, Donald Fan, Eric Hu, T.H. Liu
NT\$10,000,000 ~ NT\$14,999,999	0	0
NT\$15,000,000 ~ NT\$29,999,999	0	0
NT\$30,000,000 ~ NT\$49,999,999	0	0
NT\$50,000,000 ~ NT\$99,999,999	0	0
NT\$100,000,000 and over	0	0
Total	18	18

Corporate Government Report

2.3.4 Bounses to Executive Officers

Unit:NT\$ thousands

Title	Name	Employee Bonus - in Cash	Ratio of Total Amount to Net Income (%)
Vice Chairman	Johnny Shih	37,753	0.47%
Chairman Office Chief Senior Executive Vice President	Shaw Y. Wang		
Polyester Business Operation Center Senior Executive Vice President	Y.H. Tseng		
Textile Business Operation Center Senior Executive Vice President	Eric Hu		
Chief of Finance Office & Chairman Office Senior Vice President	Champion Lee		
Chief Auditor	Raymond Hsu		
Purchasing Department Senior Executive Vice President	Peter Hsu		
Management Department Executive Vice President	Humphrey Cheng		
Management Department Executive Vice President	David Wang		
Research Institute Executive Vice President	Ru-yu Wu		
President Office Executive Vice President	K.S. Wu		
Polyester Business Operation Center Executive Vice President	Fred Chu		
Polyester Business Operation Center Executive Vice President	B.T. Cherng		
Polyester Business Operation Center Executive Vice President	T.H. Liu		
Polyester Business Operation Center Executive Vice President	Donald Fan		
Polyester Business Operation Center Executive Vice President	Chuck Tseng		
Textile Business Operation Center Executive Vice President	Austin Lee		
Textile Business Operation Center Executive Vice President	Kwen Lin Ho		
Corporate Staff Office Senior Vice President	Jackson Wu		
Corporate Staff Office Senior Vice President	Frank Kuo		
President Office Senior Vice President	David Shih		
President Office Senior Vice President	Emily Wu		
Internal Auditing Department Vice Chief Auditor	Mark Lu		
Accounting Department Senior Vice President	Bill Yang		
Accounting Department Senior Vice President	Brian Lee		
Finance Department Senior Vice President	Mike Wu		
Finance Department Senior Vice President	Sandy Chiou		
Finance Department Senior Vice President	Joe Pai		
Legal Department Senior Vice President	Li-Chi Chen		
Shipping Department Senior Vice President	Steve Liu		
Human Resource Department Senior Vice President	C.Y. Lin		
Human Resource Department Senior Vice President	William T. Hsu		
Research Institute Senior Vice President	C.W. Chu		
Polyester Business Operation Center Senior Vice President	T.H. Tsai		
Polyester Business Operation Center Senior Vice President	C.C. Fan		
Polyester Business Operation Center Senior Vice President	W.C. Hu		
Polyester Business Operation Center Senior Vice President	K.B. Louy		
Polyester Business Operation Center Senior Vice President	C.T. Chen		
Polyester Business Operation Center Senior Vice President	Jack Luh		
Polyester Business Operation Center Senior Vice President	C.T. Peng		
Polyester Business Operation Center Senior Vice President	Arthur Lee		
Textile Business Operation Center Senior Vice President	T.J. Lo		
Textile Business Operation Center Senior Vice President	Mingo A. Chen		
Textile Business Operation Center Senior Vice President	Monsun Yang		
Textile Business Operation Center Senior Vice President	Tony Liang		
FEG Auditing Department Senior Vice President	Chun Min Ho		

Note : There is no share being issued by the Company to pay for the employee bonus.

2.4 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents :

2.4.1 The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income :

Year	The ratio of total remuneration paid	
	The company	Companies in the consolidated financial statement
2010	3.71%	2.78%
2009	3.95%	2.67%

2.4.2 The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance. :

All compensation of Directors and Supervisors and bonus to employees are appropriated based on the business results of the Company in the year and complying with the Article 27 of Articles of Incorporation, and are distributed upon methods determined by the Board of Directors. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, refers to the results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies.

Corporate Government Report

3. Implementation of Corporate Governance

3.1 Board of Directors

Totally four meetings were convened by the Board of Directors in 2010. Attendance of each Director and Supervisor is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%)	Remarks	
Chairman	Douglas Tong Hsu	4	0	100	Nil	
Director	Yue Ding Industry Co., Ltd.	Johnny Shih	4	0		100
		Raymond Hsu	4	0		100
	Asia Cement Corp.	Peter Hsu	4	0		100
		Shaw Y. Wang	4	0		100
		Champion Lee	4	0		100
		G.M. Wang	4	0		100
	Far Eastern Department Stores Co., Ltd.	Y.H.Tseng	3	0		75
		Richard Yang	3	0		75
		Kuan Tao Lee	4	0		100
	Bai Yang Investment Co., Ltd.	Tonia Katherin Hsu	3	0		75
Supervisor	U-Ming Marine Transport Corp.	Alice Hsu	1	0		25
		T.H. Chang	3	0		75
	Yuan Ding Co., Ltd.	Ching Ing Hou	3	0		75

Other required disclosure:

- (1) Should any circumstance described in Article 14-3 of the Securities and Exchange Act and any resolution on which an independent director had a dissenting or qualified opinion occur in board meetings, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of all independent directors, and measures the Company had in responding to such opinions shall be specified: Not applicable
- (2) Should there be any director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such director, the contents of the said resolution, the reasons such director has personal interests, and the voting results shall be specified: Not applicable
- (3) Targets and measures of this and previous years established to improve the functionality of the Board of Directors and their execution results (for instance, the establishment of the audit committee, the improvement of information disclosure, and so forth): None
- (4) Constitution and responsibilities of Supervisors:
 1. Communications between Supervisors and employees and shareholders of the Company:
 - a. Supervisors may directly communicate with employees and shareholders of the Company.
 - b. Employees and shareholders may access Supervisors via the Company's website, as needed.
 2. Communications between Supervisors and the chief internal auditor and CPA of the Company (for instance, the ways and topics that the aforesaid parties discuss on the financial and business situations of the Company, and the conclusions of their discussions):
 - a. Internal audit department shall submit monthly reports to Supervisors for review and examination. Should urgent matters occur during the auditing process, the chief internal auditor shall report to Supervisors immediately. In addition, quarterly reports of the auditing results shall be submitted to Supervisors. The Supervisors maintain thorough and sufficient communications with the chief internal auditor.
 - b. The Supervisors periodically communicate with CPA regarding the financial status of the Company in person or in writing.
- (5) Should Supervisors express opinions in board meetings, the dates and sessions of the said meetings, contents of the relevant proposals, resolutions made by the Board, and measures the Company had in responding to Supervisors' opinions shall be specified: None

3.2 Audit Committee: Not applicable

3.3 Corporate Governance Execution Results and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status	Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
(1) Shareholding Structure & Shareholders’ Rights		
a. Method of serving shareholders to respond to their suggestions or complaints	The Company has designated appropriate departments and persons, such as Chairman Office, Investor Relations, Spokesperson, Deputy Spokesperson to serve shareholders and to respond to their suggestions and complaints. In addition, Oriental Securities Corp., the Company’s share transfer agent, is appointed to assist shareholders.	None
b. The Company’s possession of a list of major shareholders and a list of ultimate owners of these major shareholders	The Company is keeping updated information of major shareholders and the ultimate owners of these major shareholders. As long as change in ownership occurs, the Company follows the relevant regulations to post related information.	None
c. Risk management mechanism and “firewall” between the Company and its affiliates	The Company has assigned the Credit Committee to be responsible for risk control of accounts receivable. Meanwhile, to manage the likely risk, and establish a “firewall”, between the Company and its affiliates, the Company has also signed up with affiliates for “Procedures of Assets Acquisition and Disposal”, “Procedures of Capital Loans to Others”, and “Procedures for Endorsements and Guarantees”.	None
(2) Composition and Responsibilities of the Board of Directors		
a. Independent Directors	The Board consists of 11 directors, and no independent director for now is included in the Board. Each director and the Board undertake their deeds pursuant to the Company Law, the Articles of Incorporation, Meeting Rules of Board of Directors, and other relevant regulations.	According to current laws and regulations, a publicly-listed non-financial company whose paid-in capital exceeds NT\$10 billion shall have independent directors. The Company is changing the Articles of Incorporation to include independent directors in the Board in 2012.
b. Regular evaluation of the independence of CPAs	The Board of Director evaluates the independence of CPAs regularly.	None
(3) Communication channels with stakeholders and other interested parties		
	The Company has designated appropriate departments to communicate with stakeholders and other interested parties on a case by case basis, as needed.	None

Corporate Government Report

Item	Implementation Status	Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
(4) Information Disclosure		
a. Construction of a corporate website to disclose information regarding the Company's financial, business and corporate governance status	The Company has set up a multiple-language (traditional Chinese/simplified Chinese/English) website (www.fenc.com). The Company also designated appropriate persons to monitor the information about the Company's financial, business, and corporate governance status, and the aforesaid information will be posted on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange, as needed.	None
b. Other information disclosure channels	The Company has established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company's requirements. Investor conference is held as needed, and the relevant information is disclosed on the Company's website and the M.O.P.S. website operated by the Taiwan Stock Exchange.	None
(5) Operations of the Company's Nomination Committee, Compensation Committee, or other committees of varieties of functions		
	The Company has established the Committee of HR Policy	None

(6) If the company has set up the principles based on "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference:

Though the Company has not yet set up its governance principles in writing based on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies", as stated in the table above, the deviation from the "Corporate Governance Best-Practice Principles for TWSE /GTSM Listed Companies" is non-existent. In reality, the Company has substantially implemented the relevant corporate governance practices required by the regulation.

(7) Measures the Company takes to fulfill corporate social responsibilities and their execution results:

Item	Implementation Status	Deviations from “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
(1) Implementation and promotion of corporate governance		
<p>a. A written policy or a system to carry out corporate social responsibilities, and the performance review of the said policy or system.</p> <p>b. Establishment of a department, dedicated or non-dedicated, to promote corporate social responsibilities; and the operating status of the said department.</p> <p>c. To provide periodical training and dissemination on corporate ethics to directors, supervisors and employees; meanwhile, incorporate corporate ethics into the performance evaluation system of employees to encourage the carry-out of ethics by a clear and effective reward/punishment system.</p>	<p>The Company has designated Corporate Staff Office as the dedicated unit to carry out and promote the corporate social responsibilities. Each department, according to the nature of its duties, is also required to cooperate with the Corporate Staff Office to promote and carry out corporate social responsibilities. The Human Resources Development Center is responsible for providing training courses related to corporate governance to directors, supervisors, and all employees. The Human Resources Department has clear and precise written policies addressing performance evaluation, training, and reward/punishment system for employees, and corporate ethics is one of criteria in evaluating performance of employees.</p>	<p>None</p>
(2) Conserving the environment		
<p>a. Efforts that the Company makes to efficiently utilize all natural resources, and to consume the recycled/recyclable materials as feedstocks to minimize the negative impact on the environment.</p> <p>b. The system or mechanism that the Company establishes to conserve the environment, based on the particular industry and business characteristics of the Company.</p> <p>c. The designation of a dedicated department or persons to carry out the duty of environmental protection.</p> <p>d. The Company must be aware of the impact from the climate change on its business operations; thus, methods and policies must be adopted by the Company to save the energy and to reduce the emission of carbon and green-house gas.</p>	<p>1. Specific efforts that the Company makes to conserve the environment mainly include, but not limited to, the followings: 1) consume recycled/recyclable materials as feedstocks, e.g. recycled PET bottles; 2) re-utilize the residuals from the production process as raw materials; 3) collect the residual fuel and the emission of heat and steam for heating purpose in order to reduce the consumption of energy.</p> <p>2. The Company has already promoted the awareness and reinforces policies to encourage the recycle of natural resources, to decrease the energy consumption, and to reduce the emission of green-house gas.</p> <p>3. Through each department, the specific actions that the Company takes to protect the environment are, but not limited to, the followings: 1) the collection and evaluation of data about the impact that business operations cause on the environment; 2) establish a set of evaluation criteria; 3) continual review and improvement of business operations to achieve the environmental protection purpose.</p> <p>4. The polyester plants and textile plants owned by the Company have been evaluated and accredited by ISO-14064-1 for their emissions of green-house gas. A special budget is set aside and dedicated for the purpose of reducing the energy consumption.</p>	<p>None</p>

Corporate Government Report

Item	Implementation Status	Deviations from “Corporate Social responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
(3) Promote common goods and public welfare		
<p>a. In compliance with the relevant labor regulations, methodologies and procedures adopted by the Company to protect the legal privileges of employees</p> <p>b. A safe and healthy working environment for employees has to be provided, and training courses about employee working safety and health must be offered by the Company.</p> <p>c. Establishment and public disclosure of the Company’s policy to protect the rights of consumers; a clear and effective procedure to satisfy product and/or service claims from consumers.</p> <p>d. Requesting and cooperating with its upstream suppliers to promote the corporate social responsibilities.</p> <p>e. Participation in community development and charity events through commercial activities, donation of materials, volunteer services, and other activities relevant to non-profit charity organizations.</p>	<ol style="list-style-type: none"> 1. The Company is in compliance with all relevant labor regulations. Moreover, by closely monitoring the changes in the said regulations, the Company improves its internal management procedures from time to time. In addition, announcements and disseminations of relevant labor regulations are made to employees periodically. 2. The Company provides employees training courses about working safety and personal health. 3. The Company has established “Procedures for receiving and satisfying clients’ claims”, and according to the said procedures, the dedicated persons in the Marketing Department reponse to clients’ claims via electronic or postal mails. Business scopes, news flash, and “contact us” sections are installed on the website of the Company, ensuring consumers to receive the updated material information in time, and allowing consumers to provide the Company their opinions and feedback. 4. The Company has been cooperating with international sportswear companies and international beverage companies to promote the usage of green products, in order to reduce the consumption of energy and natural resources. Efforts the Company has already made are, but not limited to, 1) using bio-based polyester chips and recycled chips to produce PET bottles; and 2) using recycled fibers and corn-made PLA fibers to produce function textile products. 5. In order to promote the awareness of environmental protection, FENC has worked with the Taipei City Government in the event of 2010 Taipei International Florar Expo. The Company has built the pavilion, named as Far Eastern EcoARK, for the Expo. The pavilion walls were made of PET crystal bricks recycled from PET bottles, the first architecture of this kind in the world. This pavilion is the only one donated by the private enterprise in this event. 	None
(4) Improvement in information disclosure		
<p>a. Method of the Company adopts to disclose relevant and reliable information on corporate social responsibilities.</p> <p>b. Compilation of report to disclose information on the status the Company executing its policies on carrying out corporate social responsibilities.</p>	<p>On the website of the Company (www.fenc.com), information about the status the Company carries out corporate social responsibilities is disclosed. In addition, relevant information is conveyed to interested parties via investors’ conferences, shareholders’ meetings, and services provided by investor relationship personnel.</p>	None

Item	Implementation Status	Deviations from "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
<p>(5) If the company has set up the principles based on "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", please illustrate the implementation progress and any difference:</p>	<p>Though the Company has not yet set up its governance principles in writing based on the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies", as stated in this table, the Company has enthusiastically and aggressively promoted corporate social responsibilities and contributed to the common goods of the society, such as implementing corporate governance best practices, conserving the global environment, and participating in public charity events, through the Company's R&D ability, donation of materials and valuables, and environmental conservation evaluation verified by independent, publicly well-known organizations.</p>	
<p>(6) Please state any other important information that would facilitate better understanding on the Company's status in fulfilling corporate social responsibilities (i.e. systems, mechanism, policies that the Company adopts and their execution results about corporate social responsibilities, such as environmental conservation, community welfare improvement, contributions to common goods, social service activities, charity and donations, consumer rights, safety, health, and others):</p>	<p>a. The Company dedicates in conserving the global environment through the following ways:</p> <ul style="list-style-type: none"> - Reduce: Reduce the consumption of energy in the production process through continual R&D efforts. Launch and promote light-weighted PET bottles to reduce the consumption of natural resources. - Recycle: Develop the up-to-date recycling technology, increase the scale and scope of recyclable products, and create more applications for recycled materials. - Replace: Replace fossil fuels with alternative energies. Utilize the waste of crops and indigestible crops as materials to replace petrochemical-based plastics. <p>b. T park, a land development project under construction currently, utilizes a rain-collection system and a water recycling system to build a eco-environment. A massive space of green area is also planned in this project. T park would be a perfect demonstration of advanced technology and environmental conservation.</p> <p>c. In order to save energy and reduce the carbon emission, the Company is replacing traditional light bulbs with LED lights in every factory and office building. All employees are encourages to save all sorts of natural resources.</p> <p>d. During the Company's sixtieth anniversary, employees of the Company volunteered to donate blood to fill the blood bank islandwide.</p>	
<p>(7) If products of the Company or reports of corporate social responsibility have/has been accredited by relevant accreditation institutions, please elaborate:</p>	<p>a. Knitted fabrics made of the recycled fibers developed by the Company have been accredited by GRS (Global Recycle Standard), a international institute to verify sportswear made of recycled materials.</p> <p>b. Yarns made of organic cotton and yarns made of recycled fibers have been accredited by C.U. (CONTROL UNION).</p> <p>c. Evaluation of green-house gas emission has been implemented based on the criteria of ISO 14064-1, and have been accredited by D.N.V.</p> <p>d. Quality of products have been accredited by D.N.V. based on the criteria of ISO 9001.</p> <p>e. Food-grade PET resins produced by the Company all have received quality endorsements from international prestigious beverage companies. All sorts of PET resins have received quality approvals from the US FDA.</p> <p>f. Polyester fibers made of 100% recycled materials have been accredited by the Taiwanese government authority.</p>	

(8) Status of Ethical Management of the Company and Measures that the Company implements such Management:

Although the company has not yet completed the "Codes of Ethical Conducts" and "Principles of Trustworthy Operations", all directors in the Company uphold high discipline such that a director shall not join discussion, vote nor exercise the voting right on behalf of another director for matter which he/she has a personal interest or concerns interest of which he/she represents for other legal entity which may impair the interest of the Company. In addition, the internal auditing department will periodically audit the accounting system, internal control system, and the executions of the said systems. An auditing report will be prepared and submitted to the Board of Directors.

Corporate Government Report

(9) Other Information on improving understanding of corporate governance :

a. Company's Risk management organization:

- Establishe the "Credit Review and Control Committee": the committee is in charge of the review of the credit situation of domestic and foreign customers, and decides the credit ratings and credit lines for such customers based on the review results. The committee is also in charge of the continual monitor and control of each credit account and account receivables, in order to achieve the target of "zero bad debt".
- Establishe the "Information monitor and safeguard committee": the committee is in charge of preventing business information from being misappropriated or being released to irrelevant parties.

b. Execution of policies to protect consumers or customers: The Company has followed up the relevant policies.

c. The Company's purchase of liability insurance for Directors and Supervisors : The content and necessity of insurance are under evaluation and it will be submitted to Board of Directors for approval after evaluation and consideration.

d. Training for board of directors, supervisors, president and executive vice presidents :

Title	Name	Study Date		Sponsoring Organization	Course name	Study hours
		From	To			
Chairman	Douglas Tong Hsu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Johnny Shih	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Shaw Y. Wang	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Champion Lee	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Directors	Peter Hsu	Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Tonia Katherine Hsu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Y.H. Tseng	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Richard Yang	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 28, 07	Sep 28, 07	Taiwan Academy of Banking and Finance	Regulations of Related Party Transactions	3
	Kuan Tao Lee	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3

Title	Name	Study Date		Sponsoring Organization	Course name	Study hours
		From	To			
Supervisor	T.H. Chang	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Alice Hsu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 28, 07	Sep 28, 07	Taiwan Academy of Banking and Finance	Regulations of Related Party Transactions	3
	Ching Ing Hou	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		July 02, 09	July 02, 09	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Executive Vice President	Eric Hu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
	Humphrey Cheng	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
		Sep 23, 09	Sep 23, 09	Deloitte & Touche	IFRS Seminar	6
	T.H. Liu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
	Ru-yu Wu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3
Sep 23, 09		Sep 23, 09	Deloitte & Touche	IFRS Seminar	6	
K.S. Wu	Dec 23, 10	Dec 23, 10	Taiwan Academy of Banking and Finance	Board Operations and Corporate Governance	3	

3.4 Methods for searching the rules and relevant regulations of corporate governance

Company's Website at www.fenc.com and the Market Operation Observe System by the Taiwan Stock Exchange : http://emops.twse.com.tw/emops_all.htm

3.5 Others

3.5.1 Employees' code of conducts or ethics :

"Sincerity, Diligence, Thrift, Prudence" and "Innovation" is the motto of the Company, and also the code of conducts for each employee of the Company.

3.5.2 Professional licenses granted to those who are responsible for the financial information transparency of the Company by regulatory authorities:

Licenses	Department	Accounting Department	Finance Department	Audit Department
CPA ROC		2	-	2
CPA China		1	-	-
CFA		-	2	-
CIA		1	-	4
CMA		1	-	-
CFM		1	-	-
CPB		16	-	-
Land Administration Agent		1	-	-
Realtor		1	-	-
Non-Life Insurance Broker		1	-	-
the Enterprise Internal Control Basic Ability		20	7	16
the Senior Securities Specialist		3	8	1
the Futures Specialist		2	1	1
Financial Planning		-	4	1
Trust		1	7	1
Foreign Exchange Trading		-	1	-
CISA		-	-	1
ISMS Lead Auditor		-	-	1

Corporate Government Report

3.6 Internal Control system execution status

3.6.1 Internal Control Report

**Far Eastern New Century Corp.
The Declaration of internal Control System**

Date: 22 March 2011

Based on the self-examination results of the internal control system for the year of 2010, Far Eastern New Century Corp. (the Company) therefore declares the following:

1. The Company's Board of Directors and management understand their responsibilities of developing, implementing and maintaining the company internal control system and such a system has been established. The purpose of establishing the internal control system is to reasonably assure the following events:
 - (1) the degree that effectiveness and efficiency of business operation and financial objectives achieved.
 - (2) the reliability of the financial and related reports
 - (3) The compliance of the relevant laws/regulations and internal policies
 - (4) Safeguard of company assets and information
2. Limitations that may hinder the effectiveness of an otherwise adequate system of controls include resource constraints, faulty judgments, unintentional errors, and circumvention by collusion, and management overrides. The presence of these limitations may not always be detected by the audit. Controls cannot prevent all problems because they would not be cost-effective. Moreover, the effectiveness of controls changes over time. Since the Company internal control system has included self-examination capability, the Company will make immediate corrections considering materiality when material errors are detected.
3. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with "Guidelines for the Establishment of Internal Control Systems by Public Companies" (the Guidelines). The Guidelines are made to exam the following areas during the internal control process: (1) Control Environment, (2) Risk Management, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. Details of each exam area can be found in the Guidelines.
4. The Company has examined the effectiveness of each respected area in the internal control system based on the Guidelines.
5. The exam result indicated that the Company internal control system (including subsidiary governance) has effectively assured the following events have been reasonably achieved during the assessed period:
 - (1) The degree that effectiveness and efficiency of business operation and financial objectives achieved
 - (2) The reliability of the financial and related reports
 - (3) The compliance of the relevant laws/regulations and company policies
 - (4) Safeguard of company assets and information
6. This Declaration is a significant item in the Company annual report and prospectus available to the general public. If it contains false information or omits any material contents, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the ROC Security and Exchange Law.
7. The Board of Directors has approved the Declaration of Internal Control System in the board meeting held on March 22, 2011. All of eleven Directors presented consented the Declaration, and no dissenting opinion is expressed.

Far Eastern New Century Corporation

Chairman : Douglas Tong Hsu

Vice Chairman & President : Johnny Shih

3.6.2 The investigative report of Entrusting CPA to examine the internal control system: None.

3.7 In recent years until the annual report being published, violation of internal control policies by employees: None

3.8 In recent years until the annual report being published, major resolutions of shareholders' meetings and board meetings:

3.8.1 Shareholder' meeting

	Date	Resolutions of Shareholders' Meeting	Execution
2010 Annual General Shareholders' Meeting	2010.06.26	Matters to be reported: 1. 2009 business operations 2. 2009 financial statements 3. Supervisor's review report of 2009 business operations and financial statements 4. Information of the issuance of corporate bonds in 2009	Not applicable
		Matters to be approved: 1. To accept 2009 business report and financial statements. 2. To approve the proposal for distribution of 2009 profits.	August 31 2010 was fixed to be the date of ex-dividend, and cash dividend was distributed on 30 September 2010
		Matters to be discussed 1. To approve amending the Articles of Incorporation. 2. To approve the capitalization of 2009 stock dividends. 3. To approve amending the Company bylaws on "Procedures for Endorsements and Guarantees" and "Procedures for Lending of Capital to Others"	1. Operating pursuant to the amended procedures 2. Common stocks were issued on 30 September 2010 3. Operating pursuant to the amended procedures

3.8.2 Board of Directors

Important Resolutions	
2010/03/24	<ol style="list-style-type: none"> 1. Approved 2009 financial statements(Including consolidated reports) 2. Approved the proposal for profit distribution of 2009 3. Approved the capitalization of 2009 stock dividends 4. Approved amending the Articles of Incorporation of the Company 5. Approved the amendments of "Procedures for Endorsements and Guarantees" and "Procedures for Lending of Capital to Others" 6. Approved the proposal of convening 2010 Annual General Shareholders' Meeting. 7. Approved the proposal for 2010 Capital budget 8. Approved the issuance of corporate bonds in year 2010
2010/06/29	<ol style="list-style-type: none"> 1. Approved the details about FENC' s cash dividend, stock dividend and ex-dividend date. 2. Approved the issuance of corporate bonds in year 2010.
2010/08/20	<ol style="list-style-type: none"> 1. Approved financial statements (including consolidated reports) for the first half of year 2010 2. Approved the amendments to "Internal Audit Charter" of the Company.
2010/12/21	<ol style="list-style-type: none"> 1. Approved the proposal for 2011 operating budget 2. Approved the change of depreciation methods and the consequent accounting estimates
2011/03/22	<ol style="list-style-type: none"> 1. Approved 2010 financial statements(Including consolidated reports) 2. Approved the proposal for profit distribution of 2010 3. Approved the capitalization of 2010 stock dividends 4. Approved amending the Articles of Incorporation of the Company 5. Approved the amendments on the "Election procedures for the directors and supervisors" of the Company. 6. Approved the amendments on the "meeting rules of the Board of the directors" of the Company. 7. Approved the proposal of convening 2011 Annual General Shareholders' Meeting. 8. Approved the issuance of corporate bonds in year 2011. 9. Approved the self-inspection project for the 2010 internal control system 10. Approved the proposal for special capital budget of saving energy

Corporate Government Report

3.9 In recent years until the annual report being published, dissenting comments on major BOD resolutions from Directors and Supervisors: None.

3.10 Resignation or Dismissal of personnel involved in preparation of financial reports: None.

4. Public Expenses of CPA

4.1 Information of CPA

Accounting Firm	Name of CPA		Audit Period	Note
Deloitte & Touche	Benjamin Shih	Huang Shu Chieh	2010.1.1~2010.12.31	

4.2 Public Expenses of CPA

4.2.1

Amount (NT\$)	Item	Audit Fee	Non-audit Fee	Total
1	Under 1,999,999			
2	2,000,000 ~ 3,999,999		V	
3	4,000,000 ~ 5,999,999			
4	6,000,000 ~ 7,999,999			
5	8,000,000 ~ 9,999,999	V		
6	10,000,000 and over			V

4.2.2

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Audit Fee	Non-audit Fee					Audit period
				System Design	Registration	Human Resource	Other	Total	
Deloitte & Touche	Benjamin Shih	Huang Shu Chieh	7,440	0	90	0	3,660	3,750	2010.1.1~2010.12.31

Note: Non-audit fee mainly includes fees of 1) NT\$2,500,000 related to convert R.O.C GAAP into IFRS; and 2) NT\$1,160,000 service fees for tax reporting, legal consulting, and corporate bonds issuance.

4.3 In the event that the CPA firm is changed and the audit public expenses paid in the year when the CPA firm is less than that paid in the preceding year, reduction of the audit public expenses, percentage and causes: None

4.4 In the event that the audit public expenses reduce by 15% compared with that was charged in the preceding year, reduction of audit public expenses, percentage and causes: None

5. Information for Change of CPA

None

6. The Company's Chairman, President and Managers Responsible for Finance or Accounting Who Have Held a Post in the CPA Office or its Affiliates within the Latest One Year

None

7. Shareholding Transferred or Pledged by Directors, Supervisors, Management, and Major Shareholders.

7.1 Shareholding Variation

Unit: Share

Title	Name	2010		Year 2011 till 26 Apr	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman	Douglas Tong Hsu	1,058,797	-	-	-
Director	Yue Ding Industry Co., Ltd.	32,852	-	508,000	-
	Johnny Shih	40,635	-	-	-
	Raymond Hsu	413,948	-	-	-
	Asia Cement Corp.	20,798,306	(20,000,000)	-	15,840,000
	Shaw Y. Wang	6,885	-	-	-
	Champion Lee	3,995	-	-	-
	Peter Hsu	(13,956,087)	-	(9,600,000)	-
	G.M.Wang	-	-	-	-
	Far Eastern Department Stores Co., Ltd.	347,704	-	-	-
	Y. H. Tseng	(66,584)	-	(45,000)	-
	Richard Yang	157,381	-	-	-
	Kuan Tao Lee	-	-	-	-
	Bai Yang Investment Co., Ltd.	38,603	-	-	-
Tonia Katherin Hsu	-	-	-	-	
Supervisor	U-Ming Marine Transport Corp.	543,064	-	-	-
	T. H. Chang	1,580	-	-	-
	Alice Hsu	478,108	(6,000,000)	(8,000)	-
	Yuan Ding Co., Ltd.	13,573	-	-	-
	Ching Ing Hou	-	-	-	-
Manager	Eric Hu	4	-	-	-
	K.S.Wu	24	-	-	-
	T.H. Liu	827	-	-	-
	Fred Chu	-	-	-	-
	Donald Fan	1,973	-	(10,000)	-
	Humphrey Cheng	-	-	-	-
	Ru-yu Wu	324	-	-	-
	David Wang	123	-	-	-
	Austin Lee	-	-	-	-
	B. T. Cherg	5,340	-	(5,000)	-
	Kuen Lin Ho	-	-	-	-
	Chuck Tseng	(16,351)	-	-	-
	Mark Lu	751	-	-	-
Chum Min Ho	-	-	-	-	

Corporate Government Report

Title	Name	2010		Year 2011 till 26 Apr	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Manager	T.J. Lo	21	-	-	-
	Emily Wu	-	-	-	-
	Bill Yang	9	-	-	-
	C.C. Fan	-	-	-	-
	Mike Wu	21	-	-	-
	T.H.Tsai	1,837	-	-	-
	David Shih	6	-	-	-
	Arthur Lee	103	-	-	-
	C.W. Chu	30	-	-	-
	Jackson Wu	880	-	-	-
	Mingo A. Chen	3,075	-	-	-
	Li Chi Cheng	-	-	-	-
	Monsun Yang	272	-	-	-
	Sandy Chiou	25	-	-	-
	Steve Liu	312	-	-	-
	Tony Liang	-	-	-	-
	C.Y. Lin	-	-	-	-
	Joe Pai	-	-	-	-
	William T.Hsu	-	-	-	-
	C.T. Peng	-	-	-	-
	Brian Lee	-	-	-	-
	K.B. Louy	10,000	-	-	-
	C.T. Chen	-	-	-	-
W.C. Hu	-	-	-	-	
Jack Luh	20,000	-	-	-	
Frank Kou	11	-	-	-	
C.T.Chang *	-	-	-	-	
H.C. Ho *	-	-	-	-	

Note: * C.T. Chang and H.C. Ho were appointed as Senior Vice President effected from 1.1. 2011

7.2 Shareholding Transferred (while the counterparty is a related party):

Not applicable

7.3 Shareholding Pledged :

Name	Reason for Changing Pledged Shares	Changed Date	Counter Party	The Relationship of the Counter Party	Shares (000 shares)	Holding Ratio	Pledge Ratio	Remark
Asia Cement Corporation (ACC)	Pledge	Dec 13, 2010	Far Eastern International Bank (FEIB)	The Chairman of ACC is the same person as the Vice Chairman of FEIB	34,500	22.31%	0.73%	Loan guarantee

8. Top Ten Shareholders being the Related Party as Defined in Statement of Financial Accounting Standards

Book closure date: 26 April 2011

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders being the related party as defined in statement of financial accounting standards No.6	
	shares	%	shares	%	shares	%	Name	Relationship
Asia Cement Corporation. Chairman : Douglas Tong Hsu	1,060,713,631	22.31	0	0.00	0	0.00	Oriental Institute of Technology	The same Chairman
							Far Eastern Medical Foundation	
							Yuan Ze University	
							Far Eastern Memorial Foundation	Chairman is Director of the Foundation
							Der Ching Investment Co., Ltd	ACC's subsidiary
Oriental Institute of Technology Chairman : Douglas Tong Hsu	228,853,673	4.81	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman
							Far Eastern Medical Foundation	
							Yuan Ze University	
							Far Eastern Memorial Foundation	Chairman is Director of the Foundation
Far Eastern Medical Foundation Chairman : Douglas Tong Hsu	170,729,837	3.59	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman
							Oriental Institute of Technology	
							Yuan Ze University	
							Far Eastern Memorial Foundation	Chairman is Director of the Foundation
Far Eastern Memorial Foundation Chairman : Chen Sun	141,978,252	2.99	0	0.00	0	0.00	Asia Cement Corp.	Director of the Foundation is the Chairman of the aforesaid organizations.
							Oriental Institute of Technology	
							Yuan Ze University	
							Far Eastern Medical Foundation	
Yuan Ze University Chairman : Douglas Tong Hsu	130,187,942	2.74	0	0.00	0	0.00	Asia Cement Corp.	The same Chairman
							Oriental Institute of Technology	
							Far Eastern Medical Foundation	
							Far Eastern Memorial Foundation	Chairman is Director of the Foundation
Chinatrust Commercail Bank Trust Account-Asia Cement Corp.	69,360,000	1.46	0	0.00	0	0.00	None	None
Der Ching investment Co., Ltd. Chairman : K. Y. Lee	68,647,829	1.44	0	0.00	0	0.00	Asia Cement Corp.	ACC's subsidiary
Funds of Saudi Arabia at the discretionary account of Morgan Stanley Asset Management and in custody of JP Morgan	66,101,634	1.39	0	0.00	0	0.00	None	None
Chunghwa Post Co. Ltd.	55,757,000	1.17	0	0.00	0	0.00	None	None
Douglas Tong Hsu	53,998,662	1.14	0	0.00	0	0.00	Asia Cement Corp.	Chairman
							Oriental Institute of Technology	
							Far Eastern Medical Foundation	
							Yuan Ze University	
							Far Eastern Memorial Foundation	Director

Corporate Government Report

9. Shareholding Proportion of FENC to Investees

Book closure date: 26 April 2011

Investees	Investment of FENC		Directors, Supervisors, Managements Direct and Indirect Investment of FENC		Total Investment	
	Shares (Thousand)	%	Shares (Thousand)	%	Shares (Thousand)	%
Asia Cement Corp.	686,631	22.33	193,748	6.30	880,379	28.63
Far Eastern Department Stores Co., Ltd.	208,750	16.80	97,144	7.82	305,894	24.62
Oriental Union Chemical Corp.	73,833	9.17	171,461	21.29	245,294	30.46
Far Eastern International Bank	62,343	3.11	429,781	21.41	492,124	24.52
Everest Textile Co., Ltd.	129	0.03	129,171	27.41	129,300	27.44
Yuan Ding Investment Co., Ltd.	1,828,323	99.70	5,502	0.30	1,833,825	100.00
Far Eastern Resources Development Co., Ltd.	487,279	100.00	-	-	487,279	100.00
Yuan Tong Investment Co., Ltd.	705,147	100.00	-	-	705,147	100.00
Far Eastern Investment (H) Ltd.	1,700	100.00	-	-	1,700	100.00
Far Eastern Polychem Industries Co., Ltd.	678,205	67.15	331,718	32.85	1,009,923	100.00
Kai Yuan International Investment Co., Ltd.	302,844	100.00	-	-	302,844	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	385,760	75.56	32,844	6.43	418,604	81.99
Far Eastern Polytex (H) Ltd	46	100.00	-	-	46	100.00
Yuan Ding Co., Ltd.	186,926	37.13	243,474	48.37	430,400	85.50
Far Eastern Construction Co., Ltd.	154,372	65.11	2,150	0.91	156,522	66.02
Ding Yuan International Investment Co., Ltd.	205,000	100.00	-	-	205,000	100.00
Oriental Securities Co., Ltd.	140,278	19.65	466,901	65.42	607,179	85.07
PET Far Eastern (H) Ltd.	202	85.28	-	-	202	85.28
An Ho Garment Co., Ltd.	66,346	100.00	-	-	66,346	100.00
Pacific Liu Tung Investment Co., Ltd.	67,500	16.83	242,435	60.46	309,935	77.29
Fu Kwok Grament Manufacturing Co., Ltd.	3,999	99.99	-	-	3,999	99.99
FEDP (H) Ltd.	244	50.43	240	49.57	484	100.00
Ding Ding Hotel Co., Ltd.	5,386	19.00	21,466	75.72	26,852	94.72
Hantech Venture Capital Corp.	4,939	3.73	4,832	3.65	9,771	7.38

IV. Capital Overview

1. Capital and Shares

1.1 Issued shares

Unit:NT\$ thousands, thousand shares

Month/ Year	Par value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital increased by assets other than cash	Other
Oct 06	10	4,950,000	49,500,000	4,349,851	43,498,513	Dividends	-	-
Sep 07	10	4,950,000	49,500,000	4,480,347	44,803,469	Dividends	-	-
Sep 08	10	4,950,000	49,500,000	4,569,954	45,699,538	Dividends	-	-
Sep 09	10	4,950,000	49,500,000	4,661,353	46,613,529	Dividends	-	-
Sep 10	10	4,950,000	49,500,000	4,754,580	47,545,799	Dividends	-	-

Note :

Dates and letter numbers of capital increase approvals received from the regulatory authority:

2006.07.25 Financial Supervisory Commission Ruling Ref. No.0950132454

2007.07.19 Financial Supervisory Commission Ruling Ref. No.0960037682

2008.07.16 Financial Supervisory Commission Ruling Ref. No.0970035940

2009.07.21 Financial Supervisory Commission Ruling Ref. No.0980036534

2010.07.14 Financial Supervisory Commission Ruling Ref. No.0990036491

Unit: thousand shares

Type of Stock	Authorized Share Capital							Note
	Outstanding issued shares			Unissued Shares	Shares convertible from corporate bonds	Shares convertible from stock warrants	Total	
	Listed	Non-Listed	Total					
Common Stock	4,754,580	-	4,754,580	35,420	150,000	10,000	4,950,000	-

1.2 Shelf Registration: None

1.3 Composition of shareholders

Book closure date: 26 April 2011

Types Amounts	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Trust Fund	Foreign Institutions & Natural Persons	Total
Numbers	21	63	229	95,005	51	732	96,101
Number of shares owned	117,906,039	324,717,012	2,110,442,786	608,692,848	62,537,139	1,530,284,135	4,754,579,959
% holdings	2.48%	6.83%	44.39%	12.79%	1.32%	32.19%	100.00%

Capital Overview

1.4 Distribution profile of share ownership

Par value: NT\$10 per share
Book closure date: 26 April 2011

Shareholder Ownership	Number of shareholders	Number of shares owned	%
1 ~ 999	55,317	12,860,368	0.27%
1,000 ~ 5,000	28,794	62,341,285	1.31%
5,001 ~ 10,000	5,615	40,919,752	0.86%
10,001 ~ 15,000	2,000	23,998,491	0.50%
15,001 ~ 20,000	1,085	19,125,292	0.40%
20,001 ~ 30,000	936	22,772,309	0.48%
30,001 ~ 40,000	486	16,899,113	0.36%
40,001 ~ 50,000	269	12,173,218	0.26%
50,001 ~ 100,000	567	40,533,908	0.85%
100,001 ~ 200,000	306	43,041,701	0.91%
200,001 ~ 400,000	179	51,080,116	1.07%
400,001 ~ 600,000	101	48,932,555	1.03%
600,001 ~ 800,000	49	33,611,140	0.71%
800,001 ~ 1,000,000	45	40,478,574	0.85%
Over 1,000,001	352	4,285,812,137	90.14%
Total	96,101	4,754,579,959	100.00%

1.5 Preferred Share: None

1.6 Major shareholders

Shareholders	Total shares owned	Ownership%
Asia Cement Corp.	1,060,713,631	22.31%
Oriental Institute of Technology	228,853,673	4.81%
Far Eastern Medical Foundation	170,729,837	3.59%
Far Eastern Memorial Foundation	141,978,252	2.99%
Yuan Ze University	130,187,942	2.74%
Chinatrust Commercial Bank Trust Account- Asia Cement Corp.	69,360,000	1.46%
Der Ching Investment Corp.	68,647,829	1.44%
Funds of Saudi Arabia Central Bank at the discretionary account of Morgan Stanley Asset Management, in custody of JP Morgan	66,101,634	1.39%
Chunghwa Post Co., Ltd.	55,757,000	1.17%
Douglas Tong Hsu	53,998,662	1.14%

1.7 Net worth, earnings, dividends, and market price per common share

Items		Year	2009	2010	Year 2011 till 31 Mar
Market price per share	Highest		43.30	52.20	51.50
	Lowest		18.90	29.55	41.40
	Average		33.42	38.71	46.88
Net worth per share	Before distribution		19.85	19.85	22.16
	After distribution		18.18	(Note 1)	(Note 1)
Earnings per share	Weighted average shares (thousand shares)		4,661,353	4,754,580	4,754,580
	Diluted earnings per share		1.74	2.70	1.00
	Adjusted diluted earnings per share (Note 2)		1.70	(Note 1)	(Note 1)
Dividends per share (Note 3)	Cash dividend		0.8	1.3	-
	Stock dividend	Dividend from retained earnings	0.2	0.2	-
		Dividend from capital surplus	-	-	-
	Accumulated undistributed dividend		-	-	-
Return on Investment	Price / Earnings ratio (Note 4)		19.66	14.34	-
	Price / Dividend ratio (Note 5)		41.78	29.78	-
	Dividend yield (Note 6)		2.39	3.36	-

Note 1 : The profit distribution amounts shall be finalized based on the resolutions at the upcoming 2011 Annual General Shareholders' Meeting.

Note 2 : The adjusted diluted EPS is calculated based on the number of shares after stock dividends being distributed.

Note 3 : Distribution of profit generated from the preceding year

Note 4 : Price/Earnings ratio = Average closing share price of the period/Earnings per share

Note 5 : Price/Dividend ratio= Average closing share price of the period / Cash dividend per share

Note 6 : Cash dividend yield=Cash dividend per share / average closing share price of that year

1.8 Dividend policy and its execution results

1.8.1 Dividend policy under the Articles of Incorporation: The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these Articles of Incorporation aimed at maintaining the stability of dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing dividends, the cash dividends shall not be less than 10% of the aggregate sum of dividends and bonus distributed in the same year.

1.8.2 Proposed distribution of 2010 profits to be approved at the Shareholders' Meeting: Cash dividend NT\$2 per share and stock dividend NT\$0.3 per share (dividend 30 shares for each thousand shares owned). Totally NT\$2.3 per share proposed to be distributed.

Capital Overview

1.9 Effects on business performance and EPS resulting from stock dividend distribution proposed by 2011 Shareholders' Meeting.

NT\$ thousands

Items		Year	2011
Paid-in Capital (Beginning of the year)			47,545,799
Stock & cash dividend to be distributed	Cash Dividend		NT\$2/share
	Stock dividend from retained earnings		30 shares for each thousand shares owned
	Stock dividend from capital surplus		-
Variance in business performance	Operating income		Not applicable (Note)
	% change in operating income		
	Net income		
	% change in net income		
	EPS		
	% change in EPS		
	Average return on investment(%)		
Pro forma EPS & P/E ratio	When retained earnings were all distributed as cash dividend instead of being capitalized	Pro forma EPS	
		Pro forma average annual return on investmnet	
	When capital surplus were not capitalized	Pro forma EPS	
		Pro forma average annual return on investmnet	
	When retained earnings and capital surplus were all distributed as cash dividend instead of being capitalized	Pro forma EPS	
		Pro forma average annual return on investmnet	

Note: As FENC did not disclose financial forecast of 2011, pursuant to the letter issued by the Securities and Futures Bureau on 1 February 2000 (Letter number: Tai-Tsai-Zen-1-00371), the company is not required to disclose this information.

1.10 Bonuses for employees, Directors and Supervisors

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

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

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

1.10.2 Proposed bonuses for employees, directors and supervisors:

The Company Board of Directors resolved on March 22, 2011, the amount of bonuses being paid to employees, Directors, and Supervisors, respectively, are listed below:

- a. Employee cash bonuses: NT\$470,345,544, employee stock bonuses: NT\$0, bonuses for Directors and Supervisors: NT\$352,759,158.
- b. Proposed percentage of employee stock bonuses over retained earnings transferred to common stock: Not applicable

1.10.3 Bonuses to employees, Directors and Supervisors for 2009 as approved at the board meeting and Shareholders' Meeting are as follows:

- a. Bonuses for Directors and Supervisors: The amount proposed by the Board of Directors is NT\$225,549,334, while the actual amount paid is NT\$155,700,000.
- b. Bonuses for employees: The amount proposed by the Board of Directors is NT\$300,732,445, and the full amount is paid.

The surplus, if there is any, will be distributed in the coming years.

1.11 Share buyback by the Company: None

Capital Overview

2. Corporate Bonds

Book closure date: 26 April 2011

Corporate Bond Type	2 nd Domestic Unsecured Bond	1 st Unsecured Bond 2008	2 nd Unsecured Bond 2008	3 rd Unsecured Bond 2008
Issue Date	14 Sep 2007	28 May 2008	20 Jun 2008	18 Jul 2008
Face value	NT\$ 100,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	OTC	OTC	OTC	OTC
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 2,500,000,000	NT\$ 2,600,000,000	NT\$ 1,000,000,000	NT\$ 1,200,000,000
Coupon rate	0%	2.67%	2.83%	2.95%
Maturity	5 years Maturity date: 14 Sep 2012	3 years Maturity date: 28 May 2011	5 years Maturity date: 20 Jun 2013	5 years Maturity date: 18 Jul 2013
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Chinatrust Securities	-	-	-
Legal counsel	-	N.C Liao	N.C Liao	N.C Liao
CPA	Shih Ching Pin Wu En Ming	Shih Ching Pin Wu En Ming	Shih Ching Pin Wu En Ming	Shih Ching Pin Wu En Ming
Repayment	Unless the bonds have been previously redeemed, repurchased and cancelled, or exchanged as terms described in the issuing prospectus, the company shall redeem the bonds at 100% of their principal amount by cash on the maturity date.	The bonds are repayable in lump sum on the maturity date, and the interest is calculated and paid annually.	The bonds are repayable in 30%, 30%, and 40% of the face value, respectively, at the end of the third, fourth, and fifth year after issuance, and the interest is calculated and paid annually based on the issued and outstanding amount.	The bonds are repayable in 30%, 30%, and 40% of the face value, respectively, at the end of the third, fourth, and fifth year after issuance, and the interest is calculated and paid annually based on the issued and outstanding amount.
Outstanding amount	NT\$1,239,300,000	NT\$2,600,000,000	NT\$1,000,000,000	NT\$1,200,000,000
Redemption or early repayment clause	Refer to Contract	-	-	-
Covenant applicable	Refer to Contract	-	-	-
Crediting rating	Received a rating of "twA+" from Taiwan Ratings Corp. on 1 Aug 2007	Received a rating of "twA+" from Taiwan Ratings Corp. on 2 May 2008	Received a rating of "twA+" from Taiwan Ratings Corp. on 21 May 2008	Received a rating of "twA+" from Taiwan Ratings Corp. on 20 Jun 2008
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	No bondholder exercised exchangeable rights until 30 Apr 2010.	-	-
	Conversion rights	Refer to Contract	-	-
Dilution and other effects on existing shareholders	The underlying asset of the bonds is the common shares of Asia Cement Corp. owned by the Company. Exercising the exchangeable options by bondholders will not affect the number of issued shares of the Company. Proceeds of the bonds were used to pay back short term borrowing and, as a result, reduced the interest expenses, which should be in the interests of shareholders of the Company.	-	-	-
Custodian	TDCC	-	-	-

Book closure date: 26 April 2011

Corporate Bond Type	1 st Unsecured Bond 2009	1 st Unsecured Bond 2010	2 nd Unsecured Bond 2010
Issue Date	29 October 2009	27 May 2010	16 Sep 2010
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	OTC	OTC	OTC
Offering rate	Par	Par	Par
Total amount	NT\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 6,000,000,000
Coupon rate	1.85%	1.68%	1.59%
Maturity	5 years Maturity date: 29 Oct 2014	5 years Maturity date: 27 May 2015	5 years Maturity date: 16 Sep 2015
Guarantor	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	-	-	-
Legal counsel	N.C Liao	N.C Liao	N.C Liao
CPA	Shih Ching Pin Wu En Ming	Shih Ching Pin Huang Shu Chieh	Shih Ching Pin Huang Shu Chieh
Repayment	The bonds are repayable in 50% of the face value, respectively, at the end of the fourth and fifth years, and the interest is calculated and paid annually based on the issued and outstanding amount.	The bonds are repayable in 50% of the face value, respectively, at the end of the fourth and fifth years, and the interest is calculated and paid annually based on the issued and outstanding amount.	The bonds are repayable in 50% of the face value, respectively, at the end of the fourth and fifth years, and the interest is calculated and paid annually based on the issued and outstanding amount.
Outstanding amount	NT\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 6,000,000,000
Redemption or early repayment clause	-	-	-
Covenant applicable	-	-	-
Crediting rating	Received a rating of "twA+" from Taiwan Ratings Corp. on 30 Sep 2009	Received a rating of "twA+" from Taiwan Ratings Corp. on 27 Apr 2010	Received a rating of "twA+" from Taiwan Ratings Corp. on 10 Aug 2010
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	-	-
	Conversion rights	-	-
Dilution and other effects on existing shareholders	-	-	-
Custodian	-	-	-

Exchangable Bonds

Type	2 nd Domestic Unsecured Bond					
Year	14 Sep 2007	31 Dec 2007	31 Dec 2008	31 Dec 2009	31 Dec 2010	30 Apr 2011
Items						
Number of shares as underlying assets	657,751,161	657,751,161	697,216,230	666,632,716	686,631,697	686,631,697
Exchange price	57.88	57.88	51.77	47.70	43.74	43.74
Market price	Highest	—	109.00	110.80	100.50	105.00
	Lowest	—	98.00	82.50	95.00	99.30
	Average	—	103.36	101.39	98.69	99.64
Issued date	14 September 2007					
Exchange Target	Common stock of Aisa Cement Corporation					

Capital Overview

Far Eastern New Century Corporation

Issuance and Exchange Terms for the Second Domestic Unsecured Exchangeable Bond

1. Bond name: The second domestic unsecured exchangeable bond (hereinafter referred to as the "Bond") of Far Eastern New Century Corporation (hereinafter referred to as the "Company")
2. Issuing date: 14 September 2007
3. Issuing amount: Total amount of NT\$2.5 billion with a denomination of NT\$100,000 each, issued at the par value
4. Maturity: Five years; the Bond is issued on 14 September 2007 and due on 14 September 2012
5. Coupon rate: 0%
6. Repayment of principal:

Unless the Bonds have been exchanged into common shares of Asia Cement Corporation (hereinafter referred to as "ACC"), or the holders' rights for early redemption of the Bonds have been exercised, or the Bonds have been early redeemed or repurchased and cancelled by the Company (as provided in Conditions 10, 17, and 18 described below), the Company should redeem the Bonds at 100% of the principal amount in a lump sum cash payment at maturity.

7. Bond status:

The Bonds constitute unsecured obligations of the Company. Provided that another new secured bond issued by the Company with the same underlying exchange property (ACC common shares) after the issuance of the Bonds, the preference, priority, conditions, and secured obligations of the said new secured bond shall be applied to the Bonds.

8. Exchange property: ACC's common shares held by the Company

9. Exchange period:

Each holder of the Bonds has the right to exchange any or all of the principal amount of Bonds held by such holder into Exchange Property, in accordance with the Conditions 10, 13, and 14 described below, at any time between 15 October 2007 (the first business day one month after the issuance date) and 4 September 2012 (the tenth business day before the maturity date) except during the "Closed Period". "Closed Period" herein means (i) the period beginning on the third trading day prior to the date of notification by ACC to the Taiwan Stock Exchange (referred as TWSE) of the record date for the determination of shareholders entitled to the receipt of dividends, subscription of new shares, or exchange share certificates for capital reduction to such record date; (ii) such other periods during which ACC may be required to close its stock transfer books under laws and regulations applicable from time to time. The Company, pursuant to the relevant regulations, should make a public announcement of the "Closed Period", and notify the GreTai Securities Market (referred to as "GTSM") by writing.

10. Exchange procedures:

10.1 To exercise the exchange right attaching to any Bond, a holder of the Bond shall fill in an "Application form for Exchange/Redemption/Repurchase (the Form)" obtainable from the brokerage firm from which such holder purchased the Bond, and deposit the Form at the said brokerage firm. Such brokerage firm will submit the Form to the Taiwan Depository and Clearing Corporation (referred as "TDCC"), and subsequently TDCC will forward the Form to the stock transfer agent appointed by the Company. Once the Form is delivered to the agent, the Form will be irrevocable and may not be withdrawn, and the exchange is immediately in effect. ACC common shares will be delivered by book-entry system of TDCC to the holder of the Bond on the succeeding day, except the portion of odd lot shares (fewer than 1,000 shares, the smallest trading unit of stock listed on TWSE), which may be delivered within subsequent five business days.

10.2 When the holder of the Bond is overseas compatriots or foreigners and when such holder exercise the exchange right attaching to any Bond, ACC common shares will be delivered only through the book-entry system of the TDCC.

11. Exchange price and adjustments:

11.1 The reference date of the Bond is set at 6 September 2007, and the exchange price initially shall be NT\$57.88 per share. A reference price is first calculated, by using one of the average closing prices of ACC common shares for the preceding one, or three consecutive, or five consecutive trading days prior to the reference date. Then, a premium of 125% is added on the reference price to determine the initial exchange price, and the outcome is rounded to cent of NT Dollar. The aforesaid closing prices should be adjusted to exclude any dividend, should ACC common shares go ex-dividend prior to the reference date. The initial exchange price, once determined, should be adjusted based on the formula described in sections 11.2 and 11.3, should ACC common shares go ex-dividend before the issuance date of the Bond.

11.2 The exchange price shall be subject to adjustment, if the number of total ACC issued common shares increases upon the occurrence of certain events, including, but not limited to, the following:

- (i) rights issue by public offering or private placement;
- (ii) capitalization of stock dividends from retained earnings;
- (iii) capitalization of stock dividends from capital surplus;
- (iv) new shares issued as employee bonus;
- (v) new shares issued for merging or acquiring other companies;
- (vi) stock split of ACC common shares;
- (vii) new shares issued as the underlying assets for offering overseas depository shares.

However, new shares issued as a result of the exercise of options, warrants, or other securities attached with an exercisable right to purchase ACC common shares, which were issued by ACC prior to the issuance of the Bond through public offering or private placement, shall be exempted in this condition.

Upon the occurrence of an adjustment, the adjusted price shall be calculated in accordance with the formula described hereinafter, and the outcome is rounded to cent of NT Dollar. The exchange price shall be adjusted only downward. The Company should notify the GTSM in regard to the adjustment by writing to make a public announcement, and the adjustment shall be in effect on the record date of the new share issuance.

When ACC changes the offering price of new issued shares after the record date (note 1), the adjustment should be made to the exchange price in accordance with the formula based on the new offering price. When the newly calculated exchange price is lower than the previous one announced by the GTSM, the Company should notify the GTSM the new exchange price by writing to make a public announcement.

$$\text{Adjusted exchange price} = \frac{\text{Exchange price prior to adjustment} \times \text{Current number of shares ACC issued (note 2)} + \text{Subscription price per share (note 3)} \times \text{Number of new shares to be issued by ACC}}{\text{Current number of shares ACC issued} + \text{Number of new shares to be issued by ACC}}$$

Note 1: For a stock split, it shall be the record date for the split. If new shares are issued by a bookbuilding process, or private placement, or issued as the underlying assets for the issuance of overseas depository receipts, the record date is unavailable. Under such circumstance, the price adjustment should be made on the day the full subscription payment is received, or the delivery day of privately-placed securities. In the case of issuing new shares for merger or acquisition, the price adjustment should be made on the record date of the merger or acquisition.

Note 2: Current number of shares ACC issued means total number of shares issued by ACC (including shares publicly offered or privately placed) minus treasury shares ACC bought back but has not yet canceled or transferred.

Note 3: In the case of stock dividend or stock split, the subscription price per share shall be zero. In the case of issuing new shares to acquire any other company, the subscription price per share shall be the book value per share of the acquired company based on its latest audited or reviewed financial statement prior to the record date multiplied by the share conversion ratio determined for the acquisition. In the case of issuing new shares to acquire shares of any other company, the subscription price per share shall be the book value per share of the acquired target based on its latest audited or reviewed financial statement prior to the record date multiplied by the the share conversion ratio determined for the transaction.

- 11.3 After issuance, provided that the ratio of the cash dividend per share distributed by ACC to the prevailing share price of ACC exceeds 1.5%, an adjustment should also be made to the exchange price on the ex-dividend date. The adjusted exchange price should be calculated based on the formula described herein, and the outcome is rounded to cent of NT Dollar. The Company should notify GTSM by writing to make a public announcement in regard to the adjustment. Bondholders who exercise exchange right before the ex-dividend date shall be exempted from this condition. The said formula is:

$$\text{Adjusted exchange price} = \text{exchange price prior to adjustment} \times (1 - \text{cash dividend over ACC share price})$$

(Note)

Note: ACC share price is determined by choosing one of the average closing prices of ACC common shares for the preceding one, or three consecutive, or five consecutive trading days prior to the ex-dividend date.

- 11.4 After issuance, if the subscription price of ACC's common shares determined in various securities issued by ACC, through public offerings or private placements, with an attached exercisable right to purchase ACC's common shares, is lower than the prevailing price of ACC common shares (note 1), an adjustment should also be made to the exchange price. The adjusted exchange price should be calculated in accordance with the formula described herein, and the outcome is rounded to cent of NT Dollar. The exchange price shall be adjusted only downward. The Company shall notify the GTSM by writing to make a public announcement in regard to the adjustment. The adjustment should be in effect, either on the issuance date while in the case of public offering, or on the delivery date while in the case of private placement. The aforesaid formula is:

Capital Overview

$$\text{Adjusted exchange price} = \frac{\text{Exchange price prior to adjustment} \times \text{Current number of shares ACC issued (note 2)} + \text{Subscription price of ACC common shares determined in the securities to be issued by ACC with an attached right to purchase ACC's common shares}}{\text{Number of new common shares issued by ACC when purchasing rights being exercised}}$$

Note 1: The prevailing price of ACC common shares is determined by choosing one of the average closing prices of ACC common shares for the preceding one, or three consecutive, or five consecutive trading days, either prior to the pricing date of the said securities while in the case of public offering, or prior to the delivery date while in the case of private placement.

Note 2: If treasury shares, instead of newly issued shares, are delivered upon the exercise of the purchasing rights attached to the said securities, the number of treasury shares should be deducted from the current number of shares ACC issued.

- 11.5 After issuance, when the number of common shares issued by ACC decreases for reasons other than the cancellation of treasury shares, an adjustment should also be made to the exchange price. The adjusted exchange price should be calculated in accordance with the formula described herein. The Company should notify the GTSM by writing in regard to the adjustment, and the adjustment should be in effect on the record date of capital reduction.

$$\text{Adjusted exchange price} = \frac{\text{Exchange price prior to adjustment} \times \text{Number of common shares issued before capital reduction}}{\text{Number of common shares issued after the capital reduction}}$$

12. Listing on and de-listing from GTSM:

The Company shall apply for the listing of the Bonds on GTSM prior to the date of issuance, and shall make a public announcement after receiving the approval from GTSM. The Bonds will be de-listed from GTSM upon the date when: (i) the full amount of the Bonds are exchanged into the Exchange Property; or (ii) the full amount of the Bonds are repurchased or redeemed by the Company.

13. Upon the date of delivery in the case of exchange right being exercised, the Exchange Property can be listed and traded on TWSE.
14. If after the conversion there is a remaining amount which is less than the value of one share, such amount will be deemed as a fee paid to the TDCC in accordance with the operating requirements of TDCC. No further cash payment will be made to the holder of the Bonds.
15. Ownership of cash and stock dividend in the year the exchange right is exercised:

15.1 Cash dividend

15.1.1 A holder of the Bond will be entitled to receive the cash dividend resolved by the Shareholders' Meeting from the profit allocation of the previous year, provided such holder exercise the exchange right during the period beginning on 1 January of the year till the third business day prior to the date of notification by ACC to TWSE of the ex-dividend date.

15.1.2 The exchange right is suspended during the Closed Period. Please refer to the Condition 9 for the definition of Closed Period.

15.1.3 A holder of the Bond will not be entitled to receive the cash dividend resolved by the Shareholders' Meeting from the profit allocation of the previous year, provided such holder exercise the exchange right during the period beginning on the first business day after the ex-dividend date till 31 December of the year. However, such holder will be entitled to receive the cash dividend resolved by the Shareholders' Meeting in the next year from the profit allocation of the current year.

15.2 Stock dividend

15.2.1 A holder of the Bond will be entitled to receive the stock dividend resolved by the Shareholders' Meeting from the profit allocation of the previous year, provided such holder exercise the exchange right during the period beginning on 1 January of the year till the third business day prior to the date of notification by ACC to TWSE of the ex-dividend date.

15.2.2 The exchange right is suspended during the Closed Period. Please refer to the Condition 9 for the definition of Closed Period..

15.2.3 A holder of the Bond will not be entitled to receive the stock dividend resolved by the Shareholders' Meeting from the profit allocation of the previous year, provided such holder exercise the exchange right during the period beginning on the first business day after the ex-dividend date till 31 December of the year. However, such holder will be entitled to receive the stock dividend resolved by the Shareholders' Meeting in the next year from the profit allocation of the current year.

16. Rights and obligations of common shares received by exercising the exchange right are the same as the original ACC common shares.
17. Redemption at the option of the Company:
 - 17.1 From the first day following one month after the issuance (15 October 2007) until 40 days before the maturity date (5 August 2012), if each of the closing prices of ACC common shares exceeds the prevailing exchange price by 50% for 30 consecutive trading days, the Company may within the following 30 business days send via registered mail a "Redemption Notice", which expires in one month (the aforementioned period starts from the date the Company mails out the notice; the expiry day of the period shall be the record date for the redemption of the Bonds, and the aforementioned period shall not fall into the Closed Period specified in Condition 9) to holders of the Bonds (based on names contained in the bondholder list registered five business days before the "Redemption Notice" is sent). A public announcement shall be made to inform those who later obtain ownership of the Bonds due to transactions or other reasons in regard to the Company's decision to redeem the Bonds. The Company should notify the GTSM by writing to make a public announcement, and may redeem the outstanding Bonds at 100% of the principal amount upon the expiration of the notice period.
 - 17.2 From the first day following one month after the Bond's issuance (15 October 2007) until 40 days before the maturity date (5 August 2012), if the outstanding balance of the Bonds is lower than NT\$250 million (10% of the original total issuing amount), the Company may at any time thereafter send via registered mail a "Redemption Notice", which expires in one month (the aforementioned period starts from the date the Company mails out the notice; the expiry day of the period shall be the record date for the redemption of the Bonds, and the aforementioned period shall not fall into the Closed Period specified in Condition 9) to holders of the Bonds (based on bondholders' names contained in the bondholder list registered five business days before the "Redemption Notice" is sent). A public announcement shall be made to inform those who later obtain ownership of the Bonds due to transactions or other reasons in regard to the Company's decision to redeem the Bonds., The Company should notify the GTSM by writing to make a public announcement, and may redeem the outstanding Bonds at 100% of the principal amount upon the expiration of the notice period.
18. Redemption at the option of the holder of the Bonds:

Each holder of the Bonds has the right to require the Company to early redeem the Bonds of such holder, at 100% of the principal amount on 14 September 2010 (the record date), three years after the issuance date. Before 5 August 2010, the 40th day prior to the record date, the Company should send by registered mail to each holder of the Bonds a "Notice of Early Redemption Right" (based on names contained in the bondholder list registered five business days before the "Notice of Early Redemption Right" is sent). A public announcement shall be made to inform those who later obtain ownership of the Bond due to transactions or other reasons in regard to the early redemption right. The Company should notify the GTSM by mail to make a public announcement in regard to the early redemption right of holders of the Bonds. Each holder of the Bonds may exercise the right by depositing a notice the stock transfer agent appointed by the Company within 40 calendar days after the announcement. Once notice being deposited, it is irrevocable, and immediately in effect. For a notice sent via mail, the effective time should be based on the time on the postmark. The Company should redeem the Bonds of holders who deposit the notice within five business days after the record day.
19. The Company should promptly surrender and cancel Bonds early redeemed, repurchased (including those repurchased at a security brokerage), or exchanged, and none of those shall be sold or re-issued.
20. The Bonds and ACC shares exchanged from the Bonds are registered in the names of their holders, whose ownership transfer, change in the registration, registration of pledge, or loss of the certificates are subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the relevant articles in the ROC Company Law. Tax related issues are subject to the applicable prevailing tax regulations.
21. The ACC common shares set aside for the purpose of exchange are in the custody of TDCC.
22. Bank SinoPac (refer to as the "Bank") is appointed as the trustee, who has the responsibility of auditing and supervising the Company in fulfilling related obligations of the issuance of the Bonds in the interests of Bondholders, based on an indenture signed between the Company and the Bank. Bondholders who hold the Bond either from subscription on the issuing date or from transactions after the issuing date shall agree on the indenture between the Company and the Bank, and shall agree to grant the Bank a discretionary authority to handle trustee-related matters, and shall agree such discretionary authority cannot be revoked. Contents of the indenture are available for inspection at any time during normal business hours at the offices of the Company and the Bank.
23. The stock transfer agent appointed by the Company is in charge of the principal repayment of the Bonds and exchange related matters.
24. No physical certificates will be printed for the Bond pursuant to the provisions in Article 8 of the Securities Exchange Law.
25. For matters not covered by the conditions specified hereinabove shall be governed by the relevant laws and regulations.

Capital Overview

3. Preferred Shares

None

4. Issuance of Depository Receipts

Item	Content		
Date of issuance	25 Oct 1999 & 19 Nov 1999		
Place of issuance	Placed in Asia, Europe, and US. Listed in Luxembourg Stock Exchange		
Total amount of issuance	US\$202,631,674		
Unit price of issuance	US\$14		
Total number of units issued	14,473,691 units		
Type of underlying securities	Far Eastern New Century Common Stock		
Amount of securities	Common Stock 144,736,910 shares		
Rights and obligations of subscribers	Same as common stock shareholders		
Trustee	-		
Depository bank	The Bank of New York Mellon Corporation		
Custodian bank	Far Eastern International Bank		
Number of outstanding shares	1,099,635.10 Units (Year 2011 till 30 April)		
Bearer of related charges incurred during issuance and holding period	The Company is responsible for the payment of related charges during the holding period.		
Major terms of Depository Agreement and Custodian Agreement	Voting rights can be exercised only if the owners holding at least 51% of the Depository receipts outstanding vote at the same manner in respect of one or more resolutions to be proposed at the Shareholders' Meeting.		
Unit market price	High	Low	Average
2010	US\$11.90	US\$8.76	US\$10.85
Year 2011 till 30 April	US\$17.75	US\$11.00	US\$14.25

5. Employee Stock Options

None

6. Share Issued for Merger or Acquisition

None

7. Fund Utilization Plans and Status

Uncompleted bond issues, private placement of securities, completed bond issues or private placement of securities in the preceding 3 years whose return of investment has not emerged: None

V. Operational Highlights

1. Business Activities

1.1 Business Scope

1.1.1 Main products and percentage of sales for each product

Polyester Division		Textile Division	
Products	% of sales	Products	% of sales
Solid-state polymer	31.56%	Cotton yarn	8.41%
Polyester staple fiber	23.66%	Apparel	9.05%
Pre-oriented yarn	7.62%	Knitted finished fabrics	2.74%
High denier industrial yarn	4.86%	Industrial fabrics	1.54%
Drawn textured yarn	2.83%	Fabrics (Including yarn-dyed fabrics)	0.29%
PET bottle	1.82%		
Polyester chip	2.92%		
PET sheet	1.69%		

1.1.2 Current products and services provided by FENC

- Polyester chip, polyester staple fiber, polyester filament, solid-state polymer, drawn textured yarn, high denier industrial yarn, PET bottle preform, PET bottle and PET sheet.
- Cotton yarn, CVC yarn, polyester yarn, OE yarn and functional specialty yarn.
- Cotton fabrics, cotton blended fabrics, yarn-dyed fabrics, polyester fabrics, knitted fabrics and industrial fabrics.
- Textile products (Including shirts of brand names of Manhattan and John Henry, business suits of Hart Schaffener Marx and Paul Simon, and beddings of ToniaNicole, etc.)
- Knitted products (Including underwears of brand names of F.E.T., Active and Paul Simon, casual wears of ACTIVE, etc.)

1.1.3 New products and services under development: functional fibers, textile products made of special materials, water-proof and vapor-permeable thermoplastic polyurethane films, biodegradable plastics, high gas barrier plastic materials, functional bio-medical wound dressing, environmental friendly heat shrinkage films, key materials used in optoelectronics industry, and self-branding international e-commerce marketing networks.

1.2 Business environment

1.2.1 Current situation and prospects

1.2.1.1 Petrochemical business

The major product of the Company in the petrochemical business area is pure terephthalate acid (PTA). In 2010, the total PTA production volume in the world was 43.74 million tons, up by 10% or 4.04 million tons compared to the previous year. The total global consumption of PTA in 2010 rose to 43.66 million tons, representing a year-on-year growth rate of 11%, or up by 4.19 million tons. The incremental consumption exceeded the incremental production in 2010, causing a shortage of supply in the PTA market, and as a result, PTA producers benefited from the business environment.

Operational Highlights

Globally, most of the major PTA-producing countries locate in Northeast Asia. The top three producing countries, in their ranking, are China, South Korea, and Taiwan, and all of which together comprise of 60% of the global production volume. In 2010, the total production volume in China was 14.58 million tons, up by 14% year on year, and representing 33% of the global output. The production volume in Taiwan was 5.07 million tons in the same year, increasing by 14% year on year and representing 12% of the global output.

1.2.1.2 Polyester business

The polyester industry has experienced a strong recovery after the global credit shortage in 2008, and the global output and consumption have already recovered to the levels close to those of pre-crisis period.

Reviewing the history in the polyester industry, the average production volume of polyester polymers increased by 7% per year during the period of 2000 – 2007. The production volume suffered a decline of 1% year over year in 2008, affected by the global financial turmoil. Beginning from year 2009, the increase in the production volume of polyester polymers returned to 4%, following the recovery of the global economy. In 2010, as the expansion of global economy accelerated, the production volume of polyester polymers rose by 10%, reaching 52.79 million tons.

There are two major applications of polyester products: PET resins and polyester fibers. Polyester filament, one of the polyester fibers, is the most widely used products, comprising of 42% of the global polyester consumption. PET resins and polyester staple fibers representing 33% and 25%, respectively, of the global polyester consumption.

– PET resins

PET resins can be classified into the food-grade and the industrial-grade resins. Nowadays, food-grade PET resins are widely used for the packaging bottles of beverages, including but not limited to, drinking water, carbonated soft drinks, juices, and tea. Using the beverage market in China as an example, beverage filled in PET bottles have already risen to 76% of the total beverage produced in China in 2010, up from 74% in 2007. The beverage market in China witnessed a rapid growth in past two years. The total output volume jumped by 20% year on year to 94.74 million tons in year 2010. Such rapid growth in the size of beverage market should help boosting the consumption volume of PET resins.

In addition to bottles, new applications of food-grade PET resins have been created, such as packaging materials for fresh food and frozen food, and microwavable containers.

Industrial-grade PET resins are widely used by automobile, electronic, other industrial factories, as well as medical and medicare purposes. Major applications are, but not limited to, automobile seat belts, air bags, tire cords, conveyor belts, packaging materials for electronic products, and wound dressing used for medical purposes.

– Polyester fibers

The worldwide production volume of fibers in 2010 was 72.58 million tons, among which man-made fibers and natural fibers comprised of 64% and 36%, respectively. Moreover, polyester fibers dominated the man-made fiber market in terms of production volume. In 2010, the total production volume of polyester fibers globally reached 36.41 million tons, representing 78.4% of the market size of the man-made fibers.

Polyester fibers can be further classified into polyester filaments and polyester staple fibers.

In 2010, the global production volumes for polyester filaments and polyester staple fibers were 22.94 million tons and 13.48 million tons, respectively. The growth rate of production volume was 16% year on year for polyester filaments, and 11% for polyester staple fibers. China was the largest producing country, with a filament output of 16.79 million tons and a total staple-fiber output of 8.35 million tons. The growth rate of production volume in China for filament was 19%, and for staple fiber 13%. In 2010, China alone controlled 73% of the polyester filament market and 62% of the staple fiber market globally.

In 2010, the production volumes of polyester filaments and polyester staple fibers in Taiwan were 1.12 million tons and 0.6 million tons, respectively. The output growth for the former product was 9%, and the latter 6%. The market size that Taiwan represented was 5% in the polyester filament area and 4% in the staple market.

1.2.1.3 Textile spinning business

Prices of cotton, the major raw material for textile spinning business, were negatively affected by the global financial crisis. As a result, the planting acreages and the harvest volume of cotton were reduced by three consecutive years, starting from year 2008/09. In 2009/10, the total harvest volume was further lowered by 5% year over year, down to only 22.11 million tons. However, the consumption of cotton was unexpectedly up by 8%, rising to 25.81 million tons, following the recovery of the global economy. The fact that the cotton demand outnumbered the supply, in combination with speculative activities fueled by the monetary easing policies adopted by major central banks, boosted cotton prices up into an uncharted territory.

As China owned 110 million cotton spindles, or 51% of the global ones, China alone is the largest consumption area for raw cotton. The number of cotton spindles in China increased by 2% in 2010. There was only 1.17 million cotton spindles in Taiwan, and the number has remained flat in 2010.

1.2.1.4 Fabricating business, garments, and apparels

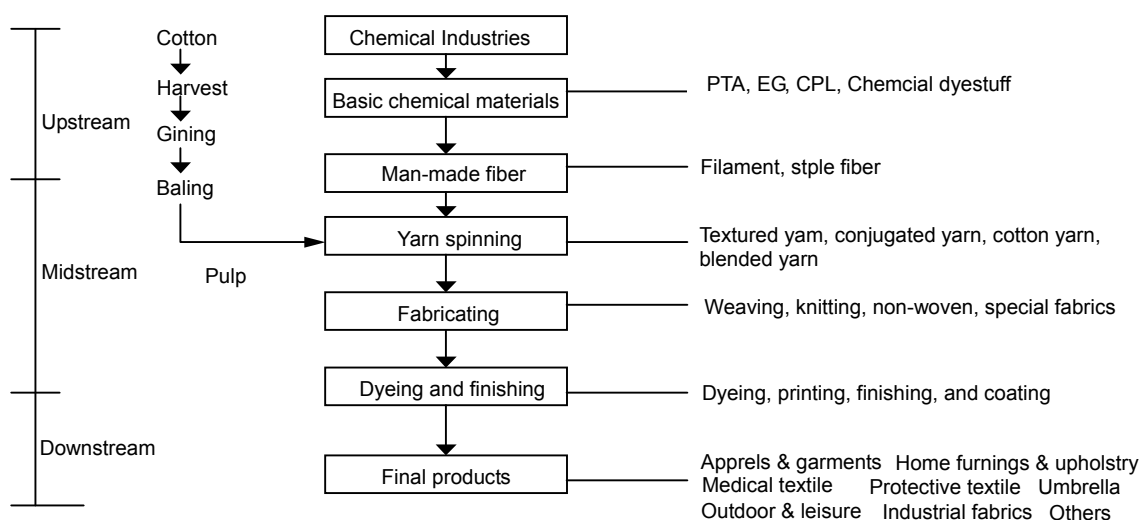
China again was the largest producing country of fabrics, garments, and apparels. In 2010, China produced all sorts of fabrics of totaling 65.5 billion meters, and clothes of 28.5 billion pieces. Both categories represented an annual growth rate of 19%. China was also the largest exporting country for the aforesaid products. In terms of dollar amount, the combined export of textile products including apparels and clothes was US\$212 billion, representing a growth rate of 24% year on year. The major export areas and countries are the United States, European area, Japan, etc. Such economically developed countries absorbed about 48% of China exports in terms of US dollar amount.

More specifically, out of the total China textile export, the export of fabrics in 2010 was US\$82.5 billion, up by 28% year over year. The export of apparels was US\$129.5 billion, up by 21%. The export of knitted apparels outnumbered the woven ones, comprising of 51% of the total apparel export in terms of dollar amount. The export of knitted apparels in 2010 rose to US\$66.7 billion, representing an annual growth rate of 24%, a rate higher than the industry average.

1.2.2 The supply chain analysis

Originally, the textile industry serves the purpose of providing the necessities for daily life. Nowadays, this industry has already incorporated fashion trends, technologies, and arts, meeting the demands beyond the basic clothing needs. Polyester polymers are in the upstream part of the supply chain, consuming chemicals derived from crude oil as basic materials. In the mid-stream, there are spinning, weaving, fabricating, dyeing and finishing production processes. Apparels, garments, and home furnishings are the downstream end products. The whole supply chain is summarized in the chart below.

Operational Highlights



1.2.3 Industry trends and competition

1.2.3.1 Petrochemical business – PTA

The production volume of PTA worldwide in 2011 is expected to rise by 7%, reaching 47 million tons, and the global utilization rate is expected to trend higher compared to 2010. The global consumption is estimated to be 47.02 million tons, up by 8% year on year. In 2011, China alone would consume nearly 50% of the global consumption volume, or 23.2 million tons, representing a growth rate of 9% compared to previous year.

The shortage of PTA supply in China is estimated to be 6 million tons in 2011, and therefore, relying on imports to meet the demands of China is inevitable. In past several years, China mainly imported PTA from South Korea, Taiwan, and Thailand. However, the Beijing government initiated an anti-dumping investigation on the PTA imports from Thailand and South Korea in 2009, and later decided that PTA dumping from such countries was a fact and domestic PTA producers in China were damaged by such fact. Therefore, an anti-dumping tariff was adopted in August 2010, and applied to the imports of PTA from Thailand and South Korea. Taiwan was clear and not included in the aforesaid investigation; therefore, PTA sourced from Taiwan into the China market is relatively cost competitive compared to those from Thailand and South Korea. In order to benefit from this favorable business environment, the Company is expanding its PTA producing capacity in both Taiwan and China.

1.2.3.2 Polyester business

– PET resins

The global consumption of PET resins is expected to rise stably, mainly thanks to: 1) Bottles mixed with recycled PET resins enjoys a growth rate of double-digit percentage points, as the awareness of conserving the environment has been proliferating; 2) Fixed asset investments in several industries continue to increase; consequently, demand for industrial-grade PET resins is driven higher by such investments, especially varieties of conveyor belts used in manufacturing factories; 3) China has emerged as the largest producing and consuming country of automobiles, resulting in surging demand for tire cords, which can also be made of PET resins.

FENC is the first company in Asia to commence the production of PET resins, and currently is the largest producer of food-grade and industrial-grade PET resins. In order to maintain its leading position in Asia, and prepare itself to further challenge the largest producer in the world, the Company has planned to increase its capacity aggressively in both Taiwan and China.

In 1988, Far Eastern Group established Taiwan Recycling Corporation (TRC), the first company in Taiwan dedicated to the processing of recycled PET-made products. In 2006, TRC was renamed as Oriental Resources Development Ltd., aiming to expand its processing capacity and become the largest global producer of recycled PET resins used for food packaging purposes.

– Polyester fibers

Drawn textured yarns, one of polyester fibers, are included in the early harvest list of “Economic Cooperative Framework Agreement (ECFA)”, a free-trade agreement between Taipei and Beijing, and the export of such product from Taiwan into China has been free of tariff, effective from 1 January 2011. As a result, taking advantage of the tariff-free competitiveness relative to foreign ones, Taiwan producers are building and solidifying its business relationship with downstream customers in China.

FENC is the second largest producer of polyester filament yarns worldwide. In both Taiwan and China, the Company owns several sites for production, marketing, and sales. The production process is vertically integrated, and the product family is wide and comprehensive, including but not limited to, POY, DTY, HDI, and nylon 6.6. The sales channel of the company has penetrated into the China market for years. The effectiveness of ECFA should be positive for the operations of the Company in the future.

In addition, FENC achieves a leading position in the polyester industry, in terms of adopting and creating environmentally friendly materials. Currently, PLA and PTT fibers made of corn and corn cobs are in the R&D pipeline. The recycled fibers, produced by the Company and made of 100% of post-consumed PET bottles, have been well accepted by the sportswear industry. Such product, branded as Top Green™, is made possible by the Company's proprietary dyeing process and dyestuff recipe. Top Green™ fibers were selected by international brandname as the raw materials to fabricate the jerseys in the 2010 FIFA World Cup™.

With respect to the polyester staple fibers, FENC is ranked the number four largest producer in the world, owning sites for production, marketing, and distributing in both Taiwan and China. To some extent, polyester staple fibers can be used to substitute cotton. As mentioned above, the shortage of cotton supply has already moved the cotton price into a level of historical high; as a result, the price gap between cotton and polyester is unprecedentedly large. In 2011, it is expected that the demand for polyester staple fibers would augment, a result of substitution effect from cotton shortage.

Besides, FENC has created new applications for polyester staple fibers, such as non-woven cloth, a high-value added product versus traditional apparels. FENC has planned to upgrade its capacity for polyester staple fibers, in order to maintain its leading position.

– Textile spinning business

During 2010/11, the supply of cotton would remain tight. The consumption volume is estimated to exceed the harvest volume. The consumption volume is expected to increase to 25.39 million tons, marginally higher than the harvest volume of 25.03 million tons. The global inventory level, as a result, should continue to fall to a level of around

Operational Highlights

9.22 million tons. In China, the shortage is estimated to be 3.3 million tons, and importing cotton is inevitable, as the Chinese reserve has been extremely low. If the tightness of cotton supply can be eased remains unknown, and there will be no clue at all to find out the answer until global cotton harvest in October this year completes.

Despite the shortage of cotton supply and the skyrocketing cotton price, FENC would be little affected, as the Company has already accumulated sufficient inventory, which has an average cost lower than the current market price. Taking advantage of this low-cost inventory of cotton, FENC will have much flexibility to manage its spinning business to maximize the profit. In addition, cotton spindle numbers are planned to be added in both Taiwan and China, and the newly-added spindles will focus on high-margin specialty yarns in order to differentiate FENC from its peers.

– Knitted fabrics and apparels

Rising labor cost is undeniably a long-term sustainable trend in China. As a labor-intensive business, downstream fabric and apparel producers are relocating production sites to areas where the labor costs are lower. In the meantime, the international brand names of sportswear also diversify their sources of supply into Southeast Asia and other emerging markets. FENC has foreseen this trend, and several actions have been taken to sustain or even enlarge its profit: 1) taking advantage of the integrated production process of the Company to provide customers unique services, such as material developments, fashion designs, and proprietary dyeing and fabricating technologies. Differentiation in services provided make FENC unrivalled by its peers; 2) identifying key customers and focusing on high-end brandnames, including international and China domestic ones; 3) abandoning commodity apparels and promoting high value-added, functional sportswears and outdoor wears. In addition, relocating part of the production facility to inner part of China, where the labor cost is less expensive. The factory of the Company in Vietnam is under the process of capacity upgrade.

– Positive impact from ECFA

ECFA, a free trade agreement between Taiwan and China, became effective on 1 January 2011. Pursuant to this agreement, 539 items of products exported from Taiwan into China will be tariff-free. In dollar amount, the total value of the aforesaid products being exported to China totaled to US\$13.8 billion, comprising of 16% of total export value from Taiwan to China. After the effectiveness of ECFA, the tariff paid by Taiwan companies to the Chinese authorities can be reduced by NT\$29.5 billion, or around US\$1 billion. Out of the 539 items, 88 items belong to the petrochemical category and 136 items belong to the textile category. Combining both categories, 40% of the said items are relevant to the products of the Company. In 2009, from the aforesaid petrochemical and textile categories, the total export value that Taiwanese generated from China was US\$7.5 billion. Polyester films, drawn textured yarns, cotton yarn, industrial fabrics, and knitted fabrics will benefit most, as Taiwan-based producers receive a uni-lateral preferential treatment according to ECFA. To be specific, when Taiwan-based companies export the said products to China, the tariff is zero. However, when China-based companies export the same products to Taiwan, a tariff of 4% - 10% will be applied.

1.3 Technology innovation and R&D results

1.3.1 R&D expenses in recent years

The R&D expenses are NT\$567.39 million and NT\$588.51 million in 2009 and 2010, respectively.

1.3.2 Technologies or products being developed

Polycarboxylate concrete water reducer, Hard coat resin for non-primer treated optical PET films, Special grade of liquid flexographic photopolymer, Polymer composite comprised of recycled PET resins, High weathering durability flexographic liquid photopolymer, High resilience thermal bonding polyester staple fibers, Electric static dissipative PET sheets, Durable antistatic PET sheets with fog effects, Transparent conductive films of crystalline indium tin oxide, Contact lens care solution, Dental light-curing temporary filling material, and development of new type of wound-care dressing.

1.4 Long-term and near-term business plans:

1.4.1 Near-term business plan

1.4.1.1 Maximize benefit from vertical integration

The production process of the Company is vertically-integrated, from the upstream basic chemical materials, all the way down to the finished products such as apparels and garments. Fully vertical integration in the production process has created cluster effects of textile-related producers and lowered production costs for the Company. More importantly, the Company is able to build a closer relationship with globally famous brands, by cooperatively inventing new upstream materials for finished products, and that creates a competitive advantage unrivaled by peers.

1.4.1.2 Take advantage of ECFA

In recent years, the international bilateral and regional free trade agreements are proliferating. Since 2010, the import tariff for most products in China and ASEAN member countries are reduced to zero, which is extremely adverse to Taiwan-based companies. Fortunately, a free trade agreement, ECFA, was signed between Taipei and Beijing in 2010, providing Taiwan-based companies a tariff benefit similar to those ASEAN countries. In the meantime, the Company also already established several production sites based in China and ASEAN countries, allowing the Company to adopt flexible production and marketing strategies, in order to explore opportunities and maximize the Company's profits.

1.4.1.3 Increase domestic sales in China market

China has developed itself into the second largest economic entity in the world. The domestic demand is strongly encouraged by the 12th Five-Year Plan adopted by the Beijing authority, and these policies are also highly relevant to the Company's business operations. Therefore, given such good opportunities, the Company has decided to increase its sales amount in the China domestic market.

1.4.2 Long-term business plan:

The long term target of the Company is to double the operating revenue from its manufacturing business in five years. Three specific plans have been decided to achieve this target:

1.4.2.1 Capacity expansions

Increasing capacity has long been a consistent strategy of the Company. Over next five years, the upstream petrochemical business, the mid-stream polyester business, and the downstream textile business will all implement several expansion projects. Economies of scale is an effective way to sustain a company's leading position in this industry, and enhance the long term operating efficiency.

Operational Highlights

1.4.2.2 Accelerating new product developments

New product development has been another strategy the Company perseveres with. The R&D Center of the Company consists of six teams, focusing their efforts on polyester, new polymers, green products and materials, optoelectronics products, and bio-medical researches. In addition, a new R&D institute was established in Shanghai, in order to meet the needs of business in China and provide customers service. Only with innovative and high value-added products can the Company maintain its leadership in the industry, and in the meantime, meet the changing demands from customers.

1.4.2.3 Ongoing promotion of environmental protection and energy saving

In addition, conserving the environment has become a worldwide trend and attracts attentions from many customers. Therefore, new products the Company is developing focuss on environmentally friendly products, in order to capture the relevant new business opportunities. Two major products the Company currently focus on are: 1) Bio-based PET resins; 2) Recycled PET resins.

Bio-based PET resins: through a fermentation process, bio-ethanol can be produced from several kinds of crops. Bio-ethanol can be further processed into bio-ethylene, which is the raw material of bio-MEG. At the end, bio-MEG can be used to produce bio-based PET. This newly developed production process will reduce the consumption of petroleum-based materials. In recent years, Plant Bottle™ launched by Coca-Cola is a typical example using this production process.

Recycled PET resins: recycled PET resins are generated by processing post-consumed PET bottles, helping reducing the waste and lower the energy consumption. The entry barrier for food-grade recycled PET resins is high, as quality endorsements from the US FDA and international beverage companies are must. Such entry barrier would provide existing producers a early mover advantage and a better margin.

2. Analyses of the Market, Production, and Sales

2.1 Market analysis

2.1.1 Sales regions of the Company's main products (services)

In 2010, 72% of the Company's sales revenue derived from export, and 28% from the domestic market. The major export regions and the percentage sales of each region are: Asia(43.4%), America(35.6%), European countries(14.8%), and others(6.2%).

2.1.2 Domestic market share of main products

Products	Solid-state polymer	Polyester staple fiber	POY & DTY
%			
Demastic market share	52.00%	45.30%	12.78%

2.1.3 Current supply/demand situation and the prospects of the market

In past one more years, the supply and demand situation in the polyester market has gradually improved, and a more disciplined market is emerging. Price competition has become less severe than before. Key reasons for the improvement were: 1) On the demand side, the

consumption of polyester products has recovered to a level as good as that before the global financial turmoil, and the annual growth rate of consumption also returned to around 6% - 7%. 2) On the supply side, during the period of global credit shortage, many marginal players, which have been suffering from financial difficulties for a prolonged period, were forced to, or even voluntarily, retreat from this industry, resulting in the reduction of effective capacity.

Within the foreseeable investment horizon, we believe the supply/demand situation of the industry, as well as the profitability of the Company, would continue to improve for the following reasons:

First, a tremendous amount of new plants for the production of paraxylene (PX), the upstream raw material for polyester production, are expected to commence commercial operations. The new supply is likely to cap the price of PX, easing the cost pressure for the downstream polyester producers. Therefore, margins of polyester products can maintain at the upward trend.

Second, prices of cotton have risen into an uncharted territory, and still being traded at a price level much higher than those of polyester fibers. The surging cotton price triggers a substitution effect, and as a result, downstream fabrics and apparel producers inevitably select polyester, instead of cotton, as their raw materials. Demand for polyester fibers, therefore, has been further rising.

Third, green products made of polyester are created and well-accepted. A well-known example is the jerseys made for Nike to sponsor the 2010 FIFA World Cup™ in South Africa. The jerseys, designed and made by FENC, consumes 100% of recycled fibers as raw materials. The weight of the jersey is lighter, and the material used can allow the shirt to release more heat, moisture, and perspiration. The said jerseys were fully sold out in a very short period of time after being launched in the market. In addition, international beverage companies such as Coca-Cola have begun to promote the adoption of Plant Bottle™ and the recycled PET resins. As the company has started the processing of recycled materials and bio-based materials for more than a decade, the early mover advantage could also ensure more business opportunities for the company.

Moreover, efforts made by the Company to integrate production process upward have begun to yield satisfactory results. FENC currently owns two factories for producing PTA, an important intermediate raw material for the polyester production. The combined capacity for two factories, one in Taiwan and the other in Shanghai, is 1.65 million tons per year. Such capacity is more than self-sufficient for the internal requirement of the Company, and the surplus can also be sold to the third party for additional profit. In 2009 and 2010, following the recovery of the global economy, PTA business has already generated a material amount of net income for the Company.

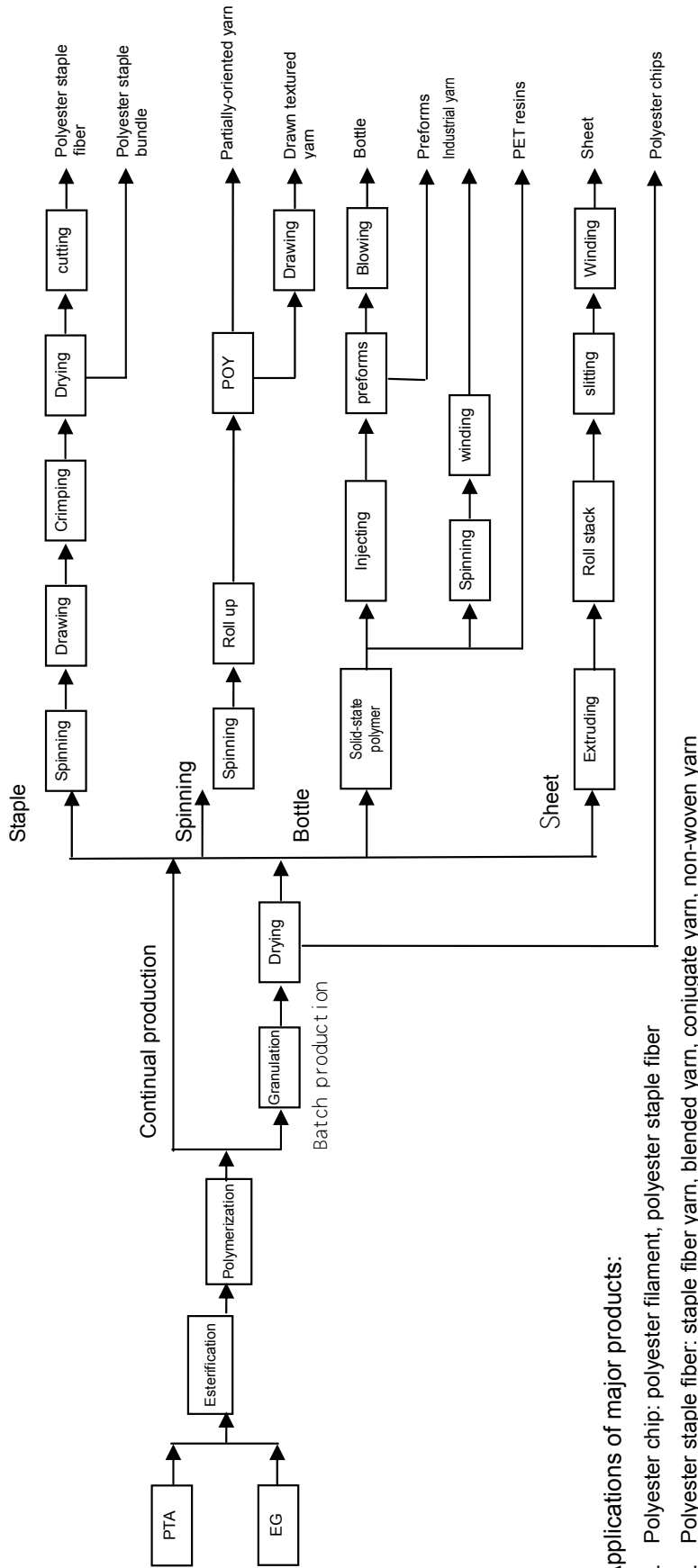
In addition to the reasons mentioned above, we believe the efforts in R&D can create further competitive advantage for the Company. The Company has already established a Research Institute, consisting of six sub-groups: polyester & textile, new specialty polymers, green materials, optoelectronics, bio-medical, and Shanghai sub-group. The Institute has been creating differentiated products, high value-added applications, and green products for the Company, and will continue to do so to maintain the Company's leading position.

Operational Highlights

2.1.4 Competitive advantages, disadvantages, and the Company's measures to counteract negative factors

Competitive advantages	<ul style="list-style-type: none"> - Being the fifth largest polyester producer in the world, the economies of scale of the Company is hardly rivaled by other peers. - Already achieved fully vertical integration at the production process, and as a result, the Company is one of the lowest cost producers in the world.
Positive factors	<ul style="list-style-type: none"> - Cost pressure expected to be eased, as tremendous amount of upstream raw material capacity, including PX and MEG, is being started up. - The polyester fiber appearing to be as a more attractive material for downstream garment and apparel producers, for prices of cotton being traded at a much higher level. - New technologies and new applications for polyester products emerging, sustaining the growth of demand for polyester products.
Negative factors	<ul style="list-style-type: none"> - For the regional free trade agreement (FTA) between China and ASEAN countries, and for the access of Korea and Japan to the aforesaid FTA, competition is expected to increase. - Monetary policies adopted by major central banks are expected to change from easing to neutral, or even to tightening, causing the rising costs of working capital.
Company's measures to counteract negative factors	<ul style="list-style-type: none"> - The effectiveness of ECFA, a free trade agreement between Taiwan and China, can minimize the negative impact from FTAs between ASEAN countries, Korea, Japan, and China. - Upgrade product mix, and focus on the production of niche products. - Replace obsolete machineries to improve the production efficiency and increase the product margin.

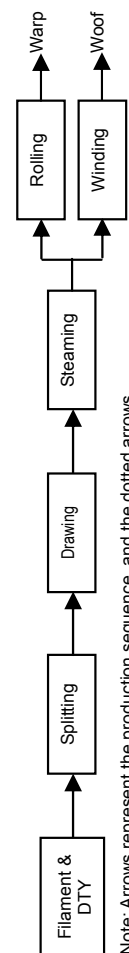
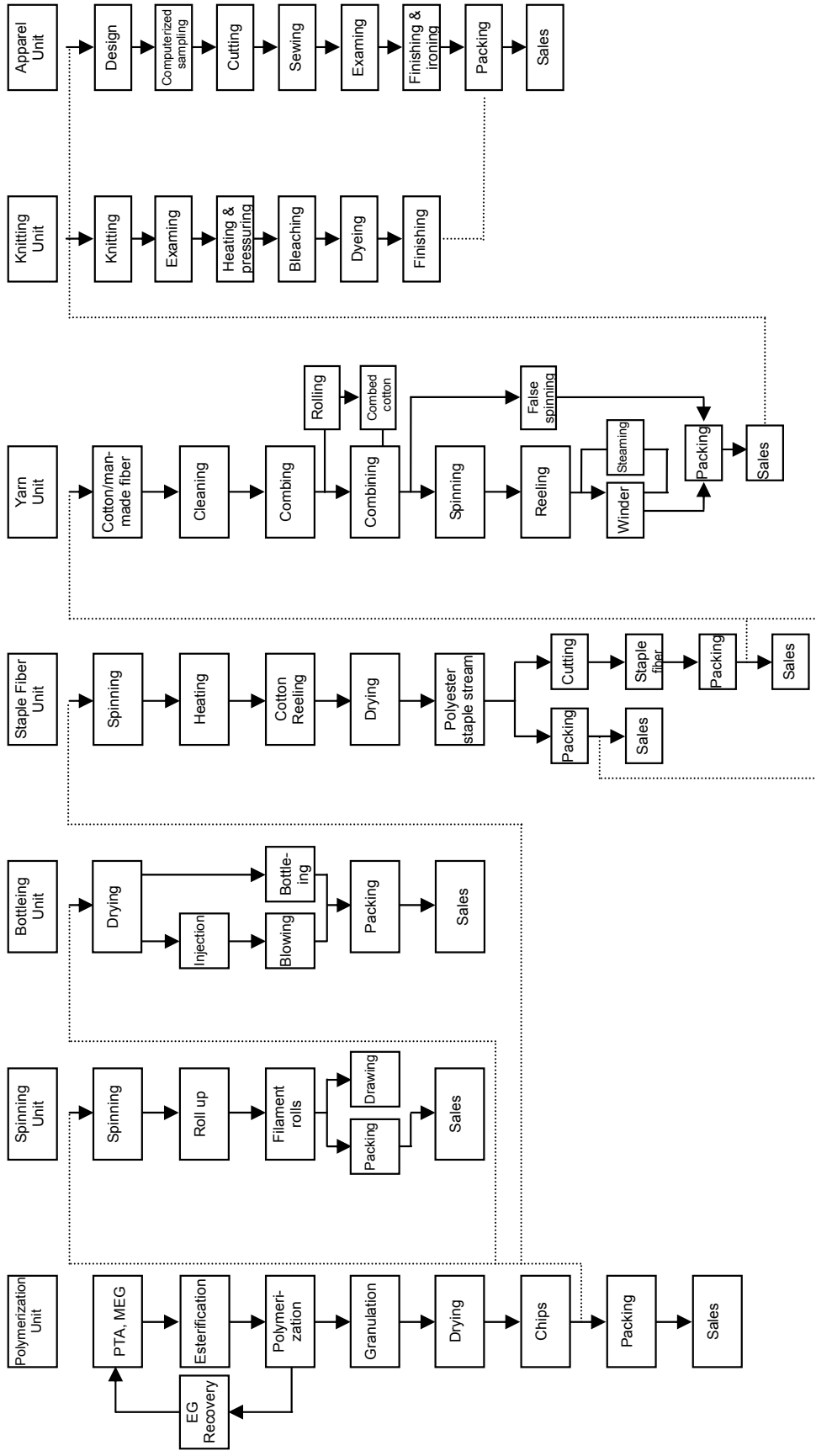
2.2 Applications and production process of major products



Applications of major products:

1. Polyester chip: polyester filament, polyester staple fiber
2. Polyester staple fiber: staple fiber yarn, blended yarn, conjugate yarn, non-woven yarn
3. Polyester filament: apparel, garment, upholstery and home furnishing textiles
4. Industrial yarn: seat belt, conveyor belt, water-proof coated fabrics
5. PET resins: PET bottle, PET sheet
6. PET bottle: packaging of beverages and food
7. Yarn: fabrics for clothings, industrial usage, or home furnishing purpose through weaving or knitting process
8. Fabrics : Finished fabrics for clothings, industrial usage, or home furnishing purpose after dyeing and finishing process
9. Knitted fabrics: apparels, garments, upholstery and home furnishing products
10. Apparels : underweares, clothings, shirts, fashions, etc..

Operational Highlights



Note: Arrows represent the production sequence, and the dotted arrows represent the inter-unit transferring.

2.3 Sources of major raw materials

Item	PTA, EG	Cotton, polyester staple	Fabrics	Finished fabrics	Remarks
Major sources	CAPCO Co., Ltd., Oriental Petrochem, the United States	The United States, Internally supplied	Internally supplied	The United States, Internally supplied	Supplies of major raw materials are stable and sufficient.

2.4 Any single supplier from whom the Company sourced more than 10% of the raw materials within any one of the preceding two years

2.4.1 List of aforesaid suppliers

Unit: NT\$ thousands; %

Items	Suppliers	Relationship with the Company	2010		2009		Year 2011 till 31 March	
			Amount	%	Amount	%	Amount	%
1	Oriental Petrochemical	Subsidiary	9,537,895	25	8,250,881	29	2,880,870	23
2	CAPCO Co., Ltd.	External suppliers	7,993,180	21	6,374,214	23	2,847,592	22
3	SABIC		5,550,715	15	3,471,899	12	1,573,846	12
4	Others	-	15,093,430	39	9,970,440	36	5,390,846	43
Total net amount of procurement			38,175,220	100	28,067,434	100	12,693,154	100

2.4.2 Any single customer to whom the Company sold more than 10% of the total revenues within any one of the preceding two years: None.

2.5 Quantity and value of the production in preceding two years

Unit: NT\$ thousands

Main products		Year	2010			2009		
			Production capacity	Production quantity	Production value	Production capacity	Production quantity	Production value
Polyester chip	MT	785,108	832,274	31,418,312	758,076	758,536	23,906,072	
Solid-state polymer	MT	465,722	457,371	17,867,443	463,303	432,968	13,981,056	
PET bottle preform	Thousand piece	633,257	486,139	857,199	509,546	496,503	741,320	
PET bottle	MT	90,600	61,192	222,531	115,291	78,971	256,486	
PET sheet	MT	18,200	16,266	867,004	15,800	11,962	587,203	
Polyester staple fiber	MT	240,000	260,982	11,380,508	230,000	236,405	8,947,363	
Pre-oriented yarn	MT	100,200	100,901	4,912,517	89,600	91,229	3,842,060	
Drawn textured yarn	MT	24,700	23,491	1,558,083	25,300	19,812	1,223,062	
High denier industrial yarn	MT	39,000	42,862	2,513,869	36,000	34,192	1,845,737	
Yarn	Bale	244,815	241,890	4,161,897	268,126	247,936	3,725,558	
Knitting fabrics	MT	4,450	4,611	1,729,155	4,450	4,409	1,377,462	
Industrial fabrics	MT	3,360	3,707	364,578	2,976	2,564	258,457	
Apparel	Dozen	102,078	196,214	468,219	205,265	142,161	364,365	

Operational Highlights

2.6 Sales quantity and revenue in preceding two years

Unit: NT\$ thousands

Main products		Year	2010				2009			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Quantity	Revenue	Quantity	Revenue	Quantity	Revenue	Quantity	Revenue
Polyester chip	MT	17,500	855,890	16,546	723,973	13,224	580,691	11,063	418,544	
Solid-state polymer	MT	45,982	1,885,018	343,919	15,083,136	40,180	1,442,377	333,861	12,675,824	
PET bottle preform	Thousand pieces	272,191	402,067	149,130	393,255	235,257	354,768	155,605	414,690	
PET bottle	MT	60,352	185,091	0	0	77,458	224,319	0	0	
PET sheet	MT	11,282	588,387	6,129	319,802	7,602	331,565	4,847	226,890	
Polyester staple fiber	MT	50,877	2,505,383	205,964	10,215,920	47,833	1,946,377	185,193	8,016,532	
Pre-oriented yarn	MT	58,738	3,057,735	20,578	1,037,278	50,142	2,006,989	26,620	1,074,014	
Drawn textured yarn	MT	12,951	955,496	7,635	566,824	13,348	775,636	8,236	498,079	
High denier industrial yarn	MT	5,435	337,737	33,922	2,273,267	6,275	338,560	26,210	1,513,045	
Yarn	Bale	175,275	3,251,771	65,246	1,268,030	183,727	2,613,146	68,483	1,100,508	
Knitting fabrics	MT	934	159,467	4,558	1,311,254	1,418	195,264	3,442	933,730	
Industrial fabrics	MT	1,827	225,554	3,340	405,308	1,852	179,194	1,909	217,787	
Knitting apparel	Dozen	7,235	18,137	2,062,125	4,848,125	6,576	18,594	1,371,008	3,224,583	

3. Information about Employees

Year		2010	2009	30 Apr 2011
Number of employees	Office staff	2,992	2,840	3,075
	Factory workers	877	858	893
	Foreign Labors	761	747	781
	Total	4,630	4,445	4,749
Average Age		42.1	42.1	42.0
Average Years of Service		15.7	15.9	15.5
Breakdown of Educational level (note)	Ph.D	0.6%	0.5%	0.6%
	Master	10.0%	8.8%	10.4%
	College	40.4%	40.1%	40.7%
	High School and below	49.0%	50.6%	48.3%

Note: Foreign Labors are not included in this statistics.

4. Expenses on Environmental Protection

4.1 Loss or penalty due to pollution in the preceding two years

Year	2010	Year 2011 till 30 Apr
Loss/penalty		
Pollution event	Air pollution, water pollution	None
Penalty or regulatory authority	Hsinchu and Taoyuan County Environment Protection Bureau	
Damage claim or other claims	NT\$ 690,000	
Other losses	None	

4.2 Specific measures to conserve the environment

4.2.1 Planned specific measures

4.2.1.1 The Company has planned to invest NT\$66.702 million to improve the waste water treatment equipments and to procure furnace for industrial dirt burning at its polyester plants.

4.2.1.2 Expected improvement

- i. The company will be in compliance with the relevant regulations and reduce the emission of polluted waste, in order to achieve a goal of environmental conservation will be better ensured.
- ii. Complying with the ISO requirements, the Company will continuously make efforts to protect the environment and ensure the safety at the working environment.
- iii. Improve the efficiency at the equipments to reduce the air pollution.
- iiii. Upgrade the waste water treatment equipments to lower the cost.

4.2.1.3 Expected impact after the improvement

- a. Depreciation is expected to increase by NT\$4.447 million in 2011.
- b. Enhance the reputation and image of the Company.

4.2.2 Any measures the Company is able to take but unwilling to take: None.

5. Employee Welfare

5.1 Current agreements with employee and employee welfare

5.1.1 Employee welfare procedures

The Company has employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and manages various welfare activities for employees. The said activities include, for example, employee group touring and hiking activities. There are also rhythmic gymnastics club, yoga club, badminton club, softball club, bowling club, mountain climbing club, and biking club organized by the Company, and various club activities are held periodically. Meanwhile, the Company provides free physical health check for employees, education scholarships for children of employees, gift money for birthday, wedding, funeral, child birth, and holiday for employees. A variety of group insurance programs are also provided for the choice of employees.

5.1.2 Advanced training:

Employee training has always been one of the top priorities in the Company's agenda. Since the Company was relocated to Taiwan in 1949, it has been providing employees various educational training courses each year. In March 1973, the Company established occupational training center, even before the promulgation of Occupational Training Act by the central government. After the enforcement of Occupational Training Act, the Company re-applied to the Council of Labor Affairs, Executive Yuan and received approval to establish a certified education center on 15 August 1992. To enhance overall personnel quality, cultivate professional management talents and satisfy requirements of organization operations, the education center was re-organized and expanded into the Human Resources Development Center in February 2008.

Operational Highlights

The establishment of Human Resources Center (the Center) evidenced how the Company emphasizes on the training of talents. In addition to providing management trainees with business administration and plant management related training courses at the initial stage, the Company later also proactively open professional courses, and cultivate various professional talents as required to correspond with rapid business expansions at chemical fiber, textile, dyeing, and apparel divisions.

In order to lead business forward in the rapid change environment and reinforce the overall competitiveness of the Far Eastern Group, the Company planned courses with Yuan Ze University for the management team of the Far Eastern Group. In 2011, the Center offered the "EMBA School of Far Eastern Business College" for the sixth consecutive year. In addition, it also opened MP courses for mid level managers with Yuan Ze University. Such courses are held mainly through class participations, mutual discussions, and group projects, in hopes that the managerial theories can be applied to the daily operation practices. In the meantime, the Center begins to offer training courses about key performance indicators (KPIs) and the setup and evaluation of business targets, in order to improve the performance evaluation system and reconcile personal performance of each employee with the overall business target of the Company.

To integrate personal career plan with the development strategy of the Company, the management function modules for top director and manager level in the first phase was completed within one year by intensive efforts. Based on this module, internal talent requirement, job description for each position, and performance evaluation can be monitored in a fair and precisely way. The Center will insist on its original intention to continue playing the role of accumulating intellectual assets for the Company, and further enhancing the competitive advantages of the Company.

5.1.3 Pension:

Pension fund and all other employee retirement related affairs are managed in compliance with the Labor Standard Act. The pension fund supervisory board has been established to review and supervise the management of employee pensions. The pension fund is appropriated to the pension fund trust account in custody of Bank of Taiwan to assure the interest of current and retired employees. In addition, pension fund is appropriated monthly to each personal pension fund account for those who are qualified or voluntarily choose the new pension fund scheme in accordance with the "Labor Pension Fund Act" effective from 1 July 2005.

5.1.4 The agreement between labor and management and various procedures regarding protection of employees' rights :

All regulations and procedures regarding labor and management relationship are implemented in good condition pursuant to related laws.

5.1.5 Working environment and employee safety protection procedures:

5.1.5.1 Draw up "Working Rules Governing Labor Safety and Health": assuring the working environment safety and the plant sanitation to protect personal physical safety and mental health of employees.

5.1.5.2 Organize safety and health committee: responsible for studying safety and health related regulations; planning and implementing other management policies to protect and enhance the safety and health of employees.

5.1.5.3 Periodical training: annual safety and health education, annual fire safety training and first aid personal training.

5.2 Loss occurs due to labor issues in most recent years till the publishing of this annual report: None.

6. Important Contracts and Agreements

Type of contract/agreement	Counter party	Duration period	Major contents	Covenants
Technology cooperation	Yuan Ze University	Oct 10 – Apr 11	Ectoine amifostine Scale-up of fermentation process	None
Long-term supply contract	CAPCO Co., Ltd.,	Jan 11 – Dec 13	PTA supplying contract	None
	Oriental Union Chemical Corporation	Mar 10 – Feb 12	EG supplying contract	Option to extend three years when expiration
	SABIC Far East Limited	Jan 11 – Dec 13	EG supplying contract	Automatically extended by one year when expiration
Long-term borrowing contract	Mega Commerical Bank, Foreign Department	Mar 11 – Mar 14 Sep 10 – Sep 13 Aug 10 – Aug 12 Aug 10 – Aug 12	Bank loan agreement Bank loan agreement Bank loan agreement Bank loan agreement	None
	Bank of Taiwan, Wu-Chan Branch	Jun 10 – Jun 12	Bank loan agreement	
	Bank of Taiwan, Min-Shen Branch	Jul 09 – Jul 12 Oct 10 – Oct 13	Collaterized loan - machinery Bank loan agreement	
	Chinatrust Commerical Bank	Dec 10 – Dec 12	Bank loan agreement	
	First Commercial Bank	Mar 10 – Mar 13 Mar 10 – Mar 13 Sep 08 – Sep 13 Apr 10 – Apr 12	Bank loan agreement Bank loan agreement Bank loan agreement Bank loan agreement	
	Taiwan Cooperative Bank, Ximen Branch	Mar 10 – Mar 13	Bank loan agreement	
	Taiwan Cooperative Bank, Chunshang Branch	Jul 10 – Jul 12	Bank loan agreement	
	Chang Hwa Bank	Sep 08 – Sep 13	Bank loan agreement	
	Hwa Nan Commerical Bank	Jul 10 – Jul 12 Sep 08 – Sep 13	Bank loan agreement Bank loan agreement	
	Taipei Fubon Commerical Bank	Oct 10 – Oct 12	Bank loan agreement	
	Far Eastern International Bank	Mar 10 – Mar 12	Bank loan agreement	
	Industrial Bank of Taiwan	May 10 – May 12	Bank loan agreement	
	China Development Industrial Bank	Oct 10 – Oct 13 Oct 10 – Oct 13	Bank loan agreement Bank loan agreement	
	E Sun Bank	Sep 10 – Sep 12 Sep 08 – Sep 13	Bank loan agreement Bank loan agreement	
	Sinopec Commerical Bank	Apr 10 – Apr 12	Bank loan agreement	
	The Agricultural Bank of Taiwan	Sep 08 – Sep 13	Bank loan agreement	
Land Bank	Sep 08 – Sep 13	Bank loan agreement		

Operational Highlights

Type of contract/agreement	Counter party	Duration period	Major contents	Covenants
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sep 08 – Sep 13	Bank loan agreement	
	HSBC	Dec 10 – Dec 12	Bank loan agreement	
	BNP Paribas	Feb 10 – Feb 12	Bank loan agreement	
	Mizuho Corporate Bank	Jul 10 – Jul 12	Bank loan agreement	
	Crédit Agricole Corporate & Investment Bank	Sep 10 – Sep 12	Bank loan agreement	
	Sumitomo Mitsui Banking Corporation	Jun 10 – Jun 12	Bank loan agreement	
	Bank of East Asia	Jul 09 – Jul 12	Bank loan agreement	
	Bangkok Bank	Feb 10 – Feb 12	Bank loan agreement	
	Citibank	Apr 10 – Apr 12	Bank loan agreement	
	International Bills Finance Corporation	Aug 09 – Aug 12	Non-collateral revolving credit commercial paper	

VI. Financial Information

1. Five-Year Financial Summary

1.1 Condensed Balance Sheet

Unit: NT\$ thousands

Item	Year	Condensed five-year balance sheet					Financial status as at 31 Mar 2011 (Note 2)
		2010	2009	2008	2007	2006	
Current assets		22,941,610	18,578,752	19,186,350	22,656,668	15,045,678	22,745,407
Funds & long-term investments		122,861,543	113,066,432	105,923,915	106,666,104	95,493,702	127,522,483
Fixed assets		14,422,982	13,361,364	14,285,439	14,835,520	15,352,170	14,928,165
Intangible assets		23,439	8,976	94,708	59,880	497,683	21,953
Other assets		1,202,454	1,527,708	1,547,900	1,375,703	1,380,754	1,017,229
Total assets		161,452,028	146,543,232	141,038,312	145,593,875	127,769,987	166,235,237
Current liabilities	Before distribution	16,878,906	15,739,025	13,786,001	13,363,815	12,062,673	19,224,275
	After distribution	Note 1	25,248,185	17,441,964	22,102,900	18,241,333	Note 1
Long-term liabilities		43,910,634	36,170,340	39,702,182	37,946,296	30,568,999	41,569,717
Reserve for land value appreciation tax		1,018,899	1,018,899	1,018,899	1,018,899	1,018,899	1,018,899
Other liabilities		1,094,978	1,103,780	1,987,303	1,318,898	1,868,541	1,143,308
Total liabilities	Before distribution	62,903,417	54,032,044	56,494,385	53,647,908	45,519,112	62,956,199
	After distribution	Note 1	63,541,204	60,150,348	62,386,993	51,697,772	Note 1
Capital stock		47,545,799	46,613,529	45,699,538	44,803,469	43,498,513	47,545,799
Capital surplus		10,228,131	10,181,403	10,060,658	9,327,997	7,820,117	10,243,085
Retained earnings	Before distribution	27,290,233	21,308,981	17,766,327	23,343,236	19,475,624	32,159,824
	After distribution	Note 1	11,799,821	14,110,364	14,604,151	13,296,964	Note 1
Other stockholders' equity		13,484,448	14,407,275	11,017,404	14,471,265	11,456,621	13,330,330
Total Stockholders' equity	Before distribution	98,548,611	92,511,188	84,543,927	91,945,967	82,250,875	103,279,038
	After distribution	Note 1	83,002,028	80,887,964	83,206,882	76,072,215	Note 1

Note:

- The distribution of 2010 earnings is subject to the approval at the upcoming 2011 Annual General Shareholders' Meeting.
- The data has been reviewed and audited by the independent auditor.

Financial Information

1.2 Condensed Statement of Income

Unit: NT\$ thousands

Item	Year	Condensed five-year statement of income					Financial data for the period ending at 31 Mar 2011 (Note 3)
		2010	2009	2008	2007	2006	
Operating revenue		53,758,879	41,940,078	50,674,895	49,153,990	39,629,540	15,721,005
Gross profit		5,999,195	3,449,668	5,030,934	5,458,736	3,176,184	1,693,289
Operating income (loss)		774,853	(832,784)	187,742	1,036,402	(418,582)	555,033
Non-operating income		13,775,287	10,396,075	6,508,095	11,950,128	10,502,346	4,722,410
Non-operating expenses		1,540,940	1,427,584	2,081,333	1,712,716	1,773,791	192,270
Income before tax		13,009,200	8,135,707	4,614,504	11,273,814	8,309,973	5,085,173
Income after tax		12,850,170	8,088,696	4,621,944	11,367,097	8,337,183	4,767,011
EPS (NT\$/share)	Note 1	2.70	1.74	1.01	2.54	1.92	1.00
	Note 2	-	1.70	0.97	2.39	1.75	-

Note:

1. The EPS is calculated based on the weighted average number of issued and outstanding shares for each year.
2. The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends being distributed each year.
3. The data has been reviewed and audited by the Independent auditor.

1.3 Names and opinions of independent auditors in the preceding five years

Year	Name of CPA	Auditing Opinion
2010	Benjamin Shih & Huang Shu Chieh	Modified Unqualified opinion
2009	Benjamin Shih & Huang Shu Chieh	Modified Unqualified opinion
2008	Benjamin Shih & Wu En Ming	Modified Unqualified opinion
2007	Benjamin Shih & Wu En Ming	Modified Unqualified opinion
2006	Benjamin Shih & Wu En Ming	Modified Unqualified opinion

2. Financial Ratio Analysis for the Preceding Five Years

Item	Year	Financial ratios in the preceding five years					Financial data as at 31 Mar 2011	
		2010	2009	2008	2007	2006		
Financial structure (%)	Ratio of liabilities to assets	39.0	36.9	40.1	36.8	35.6	37.9	
	Ratio of long-term capital to fixed assets	987.7	963.1	869.7	875.5	734.9	970.3	
Liquidity analysis (%)	Current ratio(%)	135.9	118.0	139.2	169.5	124.7	118.3	
	Quick ratio(%)	100.9	85.8	96.6	116.6	74.4	78.9	
	Interest coverage ratio (times)	23.1	14.6	4.8	12.7	10.6	33.1	
Operating ability	Accounts receivable turnover(times)	7.3	6.1	6.9	7.1	6.9	7.1	
	Average collection period (days)	49.9	59.8	52.9	51.4	52.9	51.3	
	Inventory turnover (times)	9.5	7.7	7.5	7.2	6.4	8.7	
	Accounts payable turnover (times)	15.1	14.7	16.8	14.6	14.9	13.4	
	Average sales days (days)	38.5	47.7	48.7	50.7	57.0	41.9	
	Fixed assets turnover (times)	3.7	3.1	3.5	3.3	2.6	4.2	
	Total assets turnover (times)	0.3	0.3	0.4	0.3	0.3	0.3	
Profitability	Return on total assets(%)	8.7	6.0	4.1	9.0	7.4	12.0	
	Return on shareholders' equity (%)	13.5	9.1	5.2	13.1	10.5	18.9	
	Ratio to paid-in capital (%)	Operating income	1.6	(1.8)	0.4	2.3	(1.0)	4.7
		Pre-tax income	27.4	17.5	10.1	25.2	19.1	42.8
	Ratio of net income to revenue(%)	23.9	19.3	9.1	23.1	21	30.3	
	EPS (NT\$/share)	Note 1	2.70	1.74	1.01	2.54	1.92	1.00
Note 2		—	1.70	0.97	2.39	1.75	—	
Cash flow (%)	Cash flow ratio	49.7	49.3	84.5	63.5	70.5	(43.4)	
	Cash flow adequacy ratio(%)	117.5	120.9	107.9	94.7	92.2	66.0	
	Cash reinvestment ratio(%)	1.2	2.4	2.1	1.6	2.9	(4.4)	
Leverage	Operating leverage	7.6	—	28.2	7.2	—	4.4	
	Financial leverage	4.2	—	—	14.3	—	1.4	

Analysis of variations exceeding 20% of the numbers in previous year for 2009 and 2010:

- (1) Increase at the interest coverage ratio: The net income of the Company increased substantially in 2010, following the recovery of the global economy.
- (2) Increase at the accounts receivable turnover: Despite the revenue in 2010 increased substantially, the amount of accounts receivables decreased, causing the increase at the turnover of accounts receivables.
- (3) Increase at inventory turnover: Although the overall inventory level rose in 2010, the sales amount per day rose more, causing the increase at the turnover of inventory.
- (4) Increase at the return on total assets, return on shareholders' equity, pre-tax income/paid-in capital, net income margin, and earnings per share: The net income of the Company rose as a result of the rising affiliate earnings in 2010, while the global economy was also recovering from recession.
- (5) Decrease at cash reinvestment ratio: Cash dividends payout in 2010 was more than that in 2009; therefore, the cash reinvestment ratio was lower.

Note:

1. The EPS is calculated based on the weighted average number of issued and outstanding shares for each year.
2. The EPS is calculated based on the number of shares after adjusting the retained earnings and capitalizing the stock dividends being distributed each year.

Financial Information

The formula used for the calculation of numbers in the table above:

1. Financial Structure

(1) Debts to assets ratio = Total liabilities / Total assets

(2) Long-term funds to fixed assets ratio = (Total shareholders' equity + Long-term liabilities) / Net fixed assets

2. Liquidity Analysis

(1) Current ratio = Current assets / Current liabilities

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities

(3) Interest coverage ratio = (Net income before income tax and interest expenses) / Interest expenses

3. Operating Performance

(1) Account receivable turnover = Net sales / Average accounts receivable

(2) Average collection days = 365 / Accounts receivable turnover

(3) Inventory turnover = Costs of goods sold / Average inventory

(4) Accounts payable turnover = Costs of goods sold / Average accounts payable

(5) Inventory turnover days = 365 / Inventory turnover

(6) Fixed assets turnover ratio = Net sales / Net fixed assets

(7) Total assets turnover ratio = Net sales / Total assets

4. Profitability Analysis

(1) Return on assets = [Net income + Interest expenses × (1 - Tax rate)] / Average total assets

(2) Return on shareholders' equity = Net income / Average shareholders' equity

(3) Net income ratio = Net income / Net sales

(4) Earnings per share = (Net income - Preferred stock dividend) / Weighted-average number of outstanding shares

5. Cash Flow

(1) Cash flow ratio = Cash flows from operating activities / Current liabilities

(2) Cash flow equivalent ratio = Net cash flow from operating activities for the past 5 years / (Capital expenditures + Increase in inventory + Cash dividends) for the past 5 years

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross fixed assets + Long-term Investment + Other assets + Working capital)

6. Leverage Ratio

(1) Operating leverage = (Net sales - Variable operating costs and expenses) / Operating income

(2) Financial leverage = Operating income / (Operating income - Interest expenses)

3. Supervisors' Report

To the 2011 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 219 of the Company Law, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, and Financial Statements submitted by the Board of Directors for the year ending 2010 which had been audited by Deloitte & Touche, and found them in order.

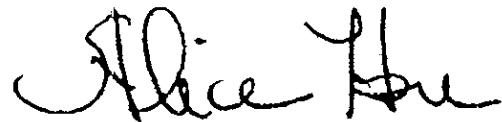
T. H. Chang



Ching-Ing Hou



Alice Hsu



April 25th, 2011

4. Impact of the Financial Distress Occurred to the Company and Affiliates in the Recent Years until the Annual Report Being Published
None

Financial Information

5. Financial Reports in Recent Two Years

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Far Eastern New Century Corporation (the "Company") (formerly Far Eastern Textile Ltd.) as of December 31, 2010 and 2009 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. However, we did not audit the financial statements of certain investees as of and for the years ended December 31, 2010 and 2009. The direct and indirect stock investments in these companies were all accounted for by the equity method. The carrying values of these investments, included in the accompanying balance sheets, were 1.31% (NT\$2,116,579 thousand) and 1.41% (NT\$2,063,325 thousand) of the Company's total assets as of December 31, 2010 and 2009, respectively. As shown in the accompanying statements of income, the Company's equity in net gain of NT\$255,710 thousand and gain of NT\$160,792 thousand of the foregoing investees were 1.97% and 1.98%, respectively, of the Company's income before income tax in 2010 and 2009, respectively. The financial statements of these investees were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts pertaining to the above investments, is based solely on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of other auditors, the Company's financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Far Eastern New Century Corporation as of December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As disclosed in Note 3 to the financial statements, starting on January 1, 2009, the Company adopted the newly revised ROC Statement of Financial Accounting Standard No. 10 - "Inventories". This accounting change resulted in decreases of NT\$110,756 thousand in net income and a decrease of NT\$0.02 in after income tax basic earnings per share in 2009.

Note 22 describes a case related to the Department of Commerce's nullification of Pacific Liu Tung Investment Corporation's registration of capital increase and other relevant registrations and the impact of this case on Far Eastern New Century Corporation's controlling interest and several recapitalizations done by the Company and its subsidiaries, which are the investors of Pacific Liu Tung Investment Corporation ("PLT"), will depend on the final judgment of the court.

We have also audited the consolidated financial statements of Far Eastern New Century Corporation and subsidiaries for the years ended December 31, 2010 and 2009 (not presented herewith) and have expressed a modified unqualified opinion thereon in our report dated March 1, 2011 on the basis of our audits and the reports of the other auditors.

Deloitte & Touche

March 1, 2011

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors report and financial statements shall prevail.

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

(Formerly Far Eastern Textile Ltd.)

BALANCE SHEETS

DECEMBER 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2010		2009	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 4)	\$ 8,192,747	5	\$ 5,928,545	4
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	17,416	-	53,228	-
Notes receivable (Note 2)	702,541	1	480,684	1
Accounts receivable - less allowance for bad debts of \$100,099 thousand, net (Note 2)	6,972,796	4	6,011,795	4
Notes and accounts receivable from affiliates (Note 20)	321,825	-	227,106	-
Other receivables	200,796	-	260,552	-
Other receivables from affiliates (Note 20)	291,486	-	227,478	-
Inventories, net (Notes 2, 3 and 6)	5,640,168	4	4,436,524	3
Prepaid expenses (Note 20)	271,983	-	631,524	1
Deferred income taxes assets - current (Notes 2 and 16)	45,829	-	98,038	-
Other current assets	<u>284,023</u>	-	<u>223,278</u>	-
Total current assets	<u>22,941,610</u>	<u>14</u>	<u>18,578,752</u>	<u>13</u>
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 9 and 21)				
Available-for-sale financial assets-noncurrent	919,563	1	722,890	-
Financial assets carried at cost - noncurrent	53,667	-	53,667	-
Investment accounted for by the equity method	<u>121,888,313</u>	<u>75</u>	<u>112,289,875</u>	<u>77</u>
Total funds and investments	<u>122,861,543</u>	<u>76</u>	<u>113,066,432</u>	<u>77</u>
PROPERTIES (Notes 2, 10, 17, 20 and 21)				
Cost				
Land	1,428,688	1	1,076,981	1
Buildings and equipment	5,904,996	4	5,869,427	4
Machinery and equipment	40,867,130	25	40,209,266	27
Furniture and miscellaneous equipment	<u>2,625,260</u>	<u>1</u>	<u>2,568,397</u>	<u>2</u>
Total cost	50,826,074	31	49,724,071	34
Revaluation increment	<u>3,016,483</u>	<u>2</u>	<u>3,016,844</u>	<u>2</u>
Total cost and revaluation increment	53,842,557	33	52,740,915	36
Less: Accumulated depreciation	42,039,316	26	40,550,392	28
Accumulated impairment losses	<u>159,730</u>	-	<u>1,615</u>	-
	11,643,511	7	12,188,908	8
Constructions in progress	2,560,702	2	1,006,817	1
Prepayments for equipment	<u>218,769</u>	-	<u>165,639</u>	-
Net properties	<u>14,422,982</u>	<u>9</u>	<u>13,361,364</u>	<u>9</u>
INTANGIBLE ASSETS				
Other intangible assets (Notes 2 and 17)	<u>23,439</u>	-	<u>8,976</u>	-
OTHER ASSETS				
Nonoperating properties, net (Notes 2, 10, 11 and 21)	513,381	1	697,857	1
Deferred income taxes assets - noncurrent (Notes 2 and 16)	220,619	-	356,873	-
Farmland (Note 12)	276,661	-	276,661	-
Miscellaneous (Notes 2, 17 and 20)	<u>191,793</u>	-	<u>196,317</u>	-
Total other assets	<u>1,202,454</u>	<u>1</u>	<u>1,527,708</u>	<u>1</u>
TOTAL	<u>\$ 161,452,028</u>	<u>100</u>	<u>\$ 146,543,232</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated March 1, 2011)

LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term bank loans (Notes 13 and 21)	\$ 4,451,842	3	\$ 3,422,461	2
Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 14)	4,461	-	20,750	-
Notes payable	3,005	-	1,871	-
Accounts payable	3,777,023	2	2,550,406	2
Accounts payable to affiliates (Note 20)	1,290,014	1	703,179	1
Accrued expenses (Note 20)	3,162,837	2	2,578,141	2
Receipts in advance	299,679	-	270,576	-
Current portion of long-term liabilities (Notes 2, 14 and 21)	3,260,000	2	5,592,343	4
Other current liabilities	630,045	-	599,298	-
Total current liabilities	16,878,906	10	15,739,025	11
LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
Bonds payable (Notes 2, 14 and 21)	17,201,351	11	7,800,000	5
Long-term debts (Notes 14 and 21)	26,709,283	16	28,370,340	19
Total long-term liabilities	43,910,634	27	36,170,340	24
RESERVE FOR LAND VALUE INCREMENT TAX (Note 10)	1,018,899	1	1,018,899	1
OTHER LIABILITIES				
Accrued pension cost (Notes 2 and 19)	1,038,860	1	1,050,392	1
Deferred income (Notes 2, 9 and 20)	55,503	-	52,773	-
Guarantee deposits received	615	-	615	-
Total other liabilities	1,094,978	1	1,103,780	1
Total liabilities	62,903,417	39	54,032,044	37
STOCKHOLDERS' EQUITY				
Capital stock - NT\$10.00 par value				
Authorized - 4,950,000 thousand shares; issued and outstanding - 4,754,580 thousand shares in 2010 and 4,661,353 thousand shares in 2009	47,545,799	30	46,613,529	32
Capital surplus				
Premium on capital stock	932,814	-	932,814	1
Equity in capital surplus reported by investees	9,287,645	6	9,240,917	6
Others	7,672	-	7,672	-
Total capital surplus	10,228,131	6	10,181,403	7
Retained earnings				
Legal reserve	9,413,371	6	8,602,110	6
Special reserve	3,034,766	2	3,034,766	2
Unappropriated earnings	14,842,096	9	9,672,105	6
Total retained earnings	27,290,233	17	21,308,981	14
Other stockholders' equity				
Unrealized gain on financial instruments	5,370,206	3	3,276,309	2
Cumulative translation adjustments	(492,626)	-	2,490,010	2
Unrealized revaluation increment	8,705,127	5	8,721,219	6
Unrecognized loss on pension cost	(98,259)	-	(80,263)	-
Total other stockholders' equity	13,484,448	8	14,407,275	10
Net stockholders' equity	98,548,611	61	92,511,188	63
TOTAL	\$ 161,452,028	100	\$ 146,543,232	100

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

(Formerly Far Eastern Textile Ltd.)

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2010 AND 2009

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

	2010		2009	
	Amount	%	Amount	%
REVENUES				
Sales (Notes 2 and 20)	\$ 54,402,076	101	\$ 42,509,515	101
Less: Sales returns and allowances	<u>666,542</u>	<u>1</u>	<u>581,061</u>	<u>1</u>
Net sales	53,735,534	100	41,928,454	100
Processing service income	<u>23,345</u>	<u>-</u>	<u>11,624</u>	<u>-</u>
Total revenues	<u>53,758,879</u>	<u>100</u>	<u>41,940,078</u>	<u>100</u>
COST OF REVENUES				
Cost of sales (Notes 3, 6, 17 and 20)	47,739,251	89	38,479,133	92
Cost of processing services	<u>20,433</u>	<u>-</u>	<u>11,277</u>	<u>-</u>
Total costs of revenues	<u>47,759,684</u>	<u>89</u>	<u>38,490,410</u>	<u>92</u>
GROSS PROFIT	<u>5,999,195</u>	<u>11</u>	<u>3,449,668</u>	<u>8</u>
OPERATING EXPENSES (Notes 3, 17 and 20)				
Selling expenses	3,300,566	6	2,538,187	6
General and administrative expenses	1,335,263	3	1,176,875	3
Research and development expenses	<u>588,513</u>	<u>1</u>	<u>567,390</u>	<u>1</u>
Total operating expenses	<u>5,224,342</u>	<u>10</u>	<u>4,282,452</u>	<u>10</u>
OPERATING (LOSS) GAIN	<u>774,853</u>	<u>1</u>	<u>(832,784)</u>	<u>(2)</u>
NONOPERATING INCOME AND GAINS				
Interest income (Note 20)	6,665	-	16,019	-
Investment income from equity method investees (Notes 2 and 9)	13,347,228	25	9,211,453	22
Dividend income	7,394	-	-	-
Gain on disposal of properties, net	16,007	-	1,924	-
Gain on sale of investments, net (Note 9)	2,926	-	854,467	2
Rental revenue (Note 20)	10,373	-	11,452	-
Valuation gain on financial assets, net (Notes 2 and 5)	113,291	-	53,353	-
Valuation gain on financial liabilities, net (Notes 2 and 5)	19,190	-	93,123	-
Miscellaneous gain (Note 20)	<u>252,213</u>	<u>1</u>	<u>154,284</u>	<u>1</u>
Total nonoperating income and gains	<u>13,775,287</u>	<u>26</u>	<u>10,396,075</u>	<u>25</u>
NONOPERATING EXPENSES AND LOSSES				

FAR EASTERN NEW CENTURY CORPORATION**(Formerly Far Eastern Textile Ltd.)****STATEMENTS OF INCOME****YEARS ENDED DECEMBER 31, 2010 AND 2009****(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2010		2009	
	Amount	%	Amount	%
Interest expense (Note 10)	589,506	1	599,907	2
Exchange loss, net (Note 2)	415,683	1	216,950	1
Impairment loss on assets (Note 2)	263,190	-	131,833	-
Miscellaneous expenses (Notes 11 and 20)	<u>272,561</u>	<u>1</u>	<u>478,894</u>	<u>1</u>
Total nonoperating expenses and losses	<u>1,540,940</u>	<u>3</u>	<u>1,427,584</u>	<u>4</u>
INCOME BEFORE INCOME TAX	13,009,200	24	8,135,707	19
INCOME TAX EXPENSE (Notes 2 and 16)	<u>159,030</u>	<u>-</u>	<u>47,011</u>	<u>-</u>
NET INCOME	<u>\$ 12,850,170</u>	<u>24</u>	<u>\$ 8,088,696</u>	<u>19</u>
	2010		2009	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
EARNINGS PER SHARE (Notes 3 and 18)				
Basic	<u>\$ 2.74</u>	<u>\$ 2.70</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Diluted	<u>\$ 2.73</u>	<u>\$ 2.69</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>

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

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

Financial Information

FAR EASTERN NEW CENTURY CORPORATION

(Formerly Far Eastern Textile Ltd.)

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

	Capital Stock Issued and Outstanding (Note 15)		Capital Surplus (Notes 2 and 15)	Retained Earnings	
	Shares in Thousands	Amount		Legal Reserve	Special Reserve
BALANCE, JANUARY 1, 2009	4,569,954	\$ 45,699,538	\$ 10,060,658	\$ 8,196,285	\$ 3,034,766
Appropriation of the 2008 earnings					
Legal reserve	-	-	-	405,825	-
Stock dividends - NT\$0.2 per share	91,399	913,991	-	-	-
Cash dividends - NT\$0.8 per share	-	-	-	-	-
	<u>4,661,353</u>	<u>46,613,529</u>	<u>10,060,658</u>	<u>8,602,110</u>	<u>3,034,766</u>
Net income in 2009	-	-	-	-	-
Adjustments due to changes in investees' equity in long-term investments	-	-	194,351	-	-
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-
Translation adjustments on foreign-currency equity-method investments	-	-	-	-	-
Reversal of net loss not recognized as pension cost	-	-	-	-	-
Change in unrealized gain (loss) on cash flow hedging financial instruments	-	-	-	-	-
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	(73,606)	-	-
BALANCE, DECEMBER 31, 2009	<u>4,661,353</u>	<u>46,613,529</u>	<u>10,181,403</u>	<u>8,602,110</u>	<u>3,034,766</u>
Appropriation of the 2009 earnings					
Legal reserve	-	-	-	811,261	-
Stock dividends - NT\$0.2 per share	93,227	932,270	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	-
	<u>4,754,580</u>	<u>47,545,799</u>	<u>10,181,403</u>	<u>9,413,371</u>	<u>3,034,766</u>
Net income in 2010	-	-	-	-	-
Adjustments due to changes in investees' equity in long-term investments	-	-	46,728	-	-
Translation adjustments on foreign-currency equity-method investments	-	-	-	-	-
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	-	-	-
BALANCE, DECEMBER 31, 2010	<u>4,754,580</u>	<u>\$ 47,545,799</u>	<u>\$ 10,228,131</u>	<u>\$ 9,413,371</u>	<u>\$ 3,034,766</u>

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

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

(Notes 2, 15 and 16)		Other Equity				
Unappropriated Earnings	Total	Unrealized Valuation Gain (Loss) on Financial Instruments (Note 2)	Cumulative Translation Adjustments (Note 2)	Unrealized Revaluation Increment on Properties (Notes 2 and 10)	Net Loss not Recognized as Pension Cost (Note 2)	Net Stockholders' Equity
\$ 6,535,276	\$ 17,766,327	\$ (866,020)	\$ 3,696,557	\$ 8,843,128	\$ (656,261)	\$ 84,543,927
(405,825)	-	-	-	-	-	-
(913,991)	(913,991)	-	-	-	-	-
<u>(3,655,963)</u>	<u>(3,655,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,655,963)</u>
1,559,497	13,196,373	(866,020)	3,696,557	8,843,128	(656,261)	80,887,964
8,088,696	8,088,696	-	-	-	-	8,088,696
18,862	18,862	4,000,948	(789,566)	(121,909)	(13,090)	3,289,596
-	-	146,473	-	-	-	146,473
-	-	-	(332,652)	-	-	(332,652)
-	-	-	-	-	585,239	585,239
-	-	7,656	-	-	-	7,656
<u>5,050</u>	<u>5,050</u>	<u>(12,748)</u>	<u>(84,329)</u>	<u>-</u>	<u>3,849</u>	<u>(161,784)</u>
9,672,105	21,308,981	3,276,309	2,490,010	8,721,219	(80,263)	92,511,188
(811,261)	-	-	-	-	-	-
(932,270)	(932,270)	-	-	-	-	-
<u>(6,059,759)</u>	<u>(6,059,759)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,059,759)</u>
1,868,815	14,316,952	3,276,309	2,490,010	8,721,219	(80,263)	86,451,429
12,850,170	12,850,170	-	-	-	-	12,850,170
123,111	123,111	1,895,558	(1,214,252)	(16,092)	(17,996)	817,057
-	-	-	(1,768,381)	-	-	(1,768,381)
-	-	198,365	-	-	-	198,365
<u>-</u>	<u>-</u>	<u>(26)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>(29)</u>
<u>\$ 14,842,096</u>	<u>\$ 27,290,233</u>	<u>\$ 5,370,206</u>	<u>\$ (492,626)</u>	<u>\$ 8,705,127</u>	<u>\$ (98,259)</u>	<u>\$ 98,548,611</u>

Financial Information

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

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

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 12,850,170	\$ 8,088,696
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,691,479	1,882,377
Amortization	49,054	62,467
Reversal of provision for loss on inventories	(91,512)	(482,902)
Amortization on discount of exchangeable bonds	52,459	58,332
Loss on redemption of exchangeable bonds	29,501	-
Investment net income recognized under the equity method	(13,347,228)	(9,211,453)
Cash dividends received from equity-method investments	6,312,125	5,092,054
Accrued pension cost	(11,532)	(231,998)
Gain on disposal of properties, net	(16,007)	(1,924)
Impairment loss on assets	263,190	131,833
Gain on sale of investments, net	(2,926)	(854,467)
Deferred income tax	188,463	107,960
Net changes in operating assets and liabilities		
Financial assets held for trading	35,812	26,213
Financial liabilities held for trading	12,959	(82,112)
Notes receivable	(221,857)	(69,431)
Accounts receivable	(961,001)	527,846
Notes receivable and accounts receivable from affiliates	(94,719)	(38,466)
Other receivables	59,756	(37,096)
Other receivables from affiliates	(64,008)	(82,782)
Inventories	(1,112,132)	1,672,418
Prepaid expenses	359,541	(384,999)
Other current assets	(60,745)	(45,549)
Notes payable	1,134	104
Accounts payable	1,226,617	687,520
Accounts payable to affiliates	586,835	592,312
Accrued expenses	584,696	401,547
Receipts in advance	29,103	35,350
Other current liabilities	31,010	(81,656)
Net cash provided by operating activities	<u>8,380,237</u>	<u>7,762,194</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of sale of investments accounted for by equity method	28,387	1,581,150
Acquisition of investments accounted for by equity method	(3,535,727)	(703,545)
Acquisition of properties	(2,827,279)	(1,169,063)
Proceeds of the disposal of properties	24,290	60,421
Increase in other intangible assets	(24,003)	11,953
Increase in other assets	(48,104)	(51,788)
Net cash used in investing activities	<u>(6,382,436)</u>	<u>(270,872)</u>

(Continued)

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

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

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	1,029,381	(3,186,342)
Payments of cash dividends, remuneration to directors and supervisors and bonus to employees	(6,059,723)	(3,777,029)
Decrease in long-term liabilities	(2,111,057)	(1,375,150)
Cash received from issuing of bonds	<u>7,407,800</u>	<u>1,500,000</u>
Net cash provided by (used in) financing activities	<u>266,401</u>	<u>(6,838,521)</u>
NET INCREASE IN CASH	2,264,202	652,801
CASH, BEGINNING OF YEAR	<u>5,928,545</u>	<u>5,275,744</u>
CASH, END OF YEAR	<u>\$ 8,192,747</u>	<u>\$ 5,928,545</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 484,261	\$ 605,693
Deduct: Capitalized interest	<u>22,750</u>	<u>21,725</u>
Interest paid (excluding capitalized interest)	<u>\$ 461,511</u>	<u>\$ 583,968</u>
Income tax paid	<u>\$ 632</u>	<u>\$ 1,549</u>
CASH PAID FOR ACQUISITION OF PROPERTIES		
Increase in properties	\$ 1,219,965	\$ 1,522,086
Add:		
Payables for acquisition of properties, beginning of year	383	32,322
Advances to suppliers of machine and equipment, end of year	218,769	165,639
Constructions in progress, end of year	2,560,702	1,006,817
Deduct:		
Advances to suppliers of machine and equipment, beginning of year	(165,639)	(173,994)
Constructions in progress, beginning of year	(1,006,817)	(1,383,424)
Payables for acquisition of properties, end of year	<u>(84)</u>	<u>(383)</u>
Cash paid for acquisition of properties	<u>\$ 2,827,279</u>	<u>\$ 1,169,063</u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 3,260,000</u>	<u>\$ 5,592,343</u>

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

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

(Concluded)

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

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

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

FENC had 4,630 and 4,445 employees as of December 31, 2010 and 2009, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law, Guidelines Governing Business Accounting, and accounting principles generally accepted in the Republic of China (“ROC”). Under these guidelines, law and principles, certain estimates and assumptions have been used for the allowance for doubtful accounts, allowance for loss on inventories, depreciation of property, plant and equipment, income tax, pension cost, bonuses to employees, directors and supervisors, etc. Actual results may differ from these estimates.

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

Significant accounting policies are summarized as follows:

Current and Noncurrent Assets and Liabilities

Current assets include cash, and those assets held primarily for trading purposes or to be realized, sold or consumed within one year from the balance sheet date. All other assets such as property, plant and equipment and intangible assets are classified as noncurrent. Current liabilities are obligations incurred for trading purposes or to be settled within one year from the balance sheet date. All other liabilities are classified as noncurrent.

Financial Instruments at Fair Value through Profit or Loss

Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss (“FVTPL”) include financial assets or financial liabilities held for trading and those designated as at FVTPL on initial recognition. The Company recognizes a financial asset or a financial liability on its balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognized when the Company has lost control of its contractual rights over the financial asset. A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

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

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

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 without quoted prices in an active market - at values determined using valuation techniques.

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

Sales are recognized when titles to products and risks of ownership are transferred to customers, primarily upon shipment. 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.

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

An allowance for doubtful accounts is provided on the basis of the review of the collectibility of accounts receivable.

Inventories

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

Available-for-sale Financial Assets

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

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

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

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

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. Cash dividends are recognized upon the shareholders' resolutions, except for dividends distributed from the pre-acquisition profit, which are treated as a reduction of investment cost. Stock dividends are not recognized as investment income but are recorded as an increase in the number of shares. The total number of shares subsequent to the increase is used for recalculation of cost per share. An impairment loss is recognized when there is objective evidence that the asset is impaired. A reversal of this impairment loss is disallowed.

Investments Accounted for by the Equity Method

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

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

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Company's percentage of ownership in the investee; however, if the Company 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 Company's percentage of ownership in the investee.

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

The Company'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.

Properties and Rental Assets

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

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

Depreciation expenses for properties and rental assets are calculated by the Company using the fixed-percentage-of-declining-balance method.

Depreciation expenses are computed over service lives originally estimated as follows: buildings and equipment, 3 to 55 years; machinery and equipment, 5 to 15 years and furniture and miscellaneous equipment, 3 to 15 years. Depreciation on appreciation is computed over the remaining service lives of the assets on the revaluation date. When properties and rental assets reach their residual value and are still being used, they are further depreciated over their newly estimated service lives.

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

Intangible Assets

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

Idle Assets

Properties not currently used or planned to be used in operations are transferred to other assets at the lower of net book value or net realizable value. However, starting on January 1, 2006, based on related regulations, depreciation is calculated using the fixed-percentage-of-declining-balance method over the estimated useful lives of the properties.

Deferred Charges

Deferred charges mainly are amortized using the straight-line method over 5 to 7 years.

Impairment Loss

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

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

Deferred Income

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

Exchangeable Bonds

If bondholders have the right to exchange bonds with the Company's shares within an agreed-upon target at a fixed price 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 (or the straight-line method if the difference between using the effective interest method or 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 bonds should be adjusted with their liability components. The Company uses the aggregate carrying amount of the liability and equity components of the bonds at the time of conversion as a basis to record the number of shares exchanged. If the bonds are redeemed at the maturity date, the Company should recognize the fair value of embedded derivatives as gain of the current year.

Pension Costs

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

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

Income Tax

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

Tax credits for certain purchases of 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 liabilities are added to or deducted from the current period's income tax provision.

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.

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

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

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

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 stockholders' equity.

Reclassifications

Certain accounts in the financial statements as of and for the year ended December 31, 2009 have been reclassified to be consistent with the presentation of the financial statements as of and for the year ended December 31, 2010.

3. CHANGE IN ACCOUNTING PRINCIPLES

Accounting for Inventories

On January 1, 2009, the Company adopted the newly revised Statement of Financial Accounting Standards ("SFAS") No. 10 - "Accounting for Inventories". The main revisions are (1) inventories are stated at the lower of cost or net realizable value, and inventories are written down to net realizable value item-by-item except when the grouping of similar or related items is appropriate; (2) unallocated overheads are recognized as expenses in the period in which they are incurred; and (3) abnormal costs, write-downs of inventories and any reversal of write-downs are recorded as cost of goods sold for the period. The adoption resulted in a decrease of NT\$110,756 thousand in net income and a decrease of NT\$0.02 in after income tax basic earnings per share for the year ended December 31, 2009.

4. CASH

	December 31	
	2010	2009
Cash on hand	\$ 6,927	\$ 6,105
Checking accounts	1,022,601	18,683
Savings accounts	1,981,201	4,334,231
Time deposits - 0.35%-0.69% interest in 2010 and 0.2%-0.4% interest in 2009	<u>5,182,018</u>	<u>1,569,526</u>
	<u>\$ 8,192,747</u>	<u>\$ 5,928,545</u>

As of December 31, 2010 and 2009, the demand deposits in banks in the U.S.A. (New York) were NT\$101 thousand (US\$3 thousand) and NT\$623 thousand (US\$19 thousand), respectively.

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

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

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
<u>Financial assets held for trading</u>		
Cotton futures contracts	\$ 15,251	\$ 32,768
Exchangeable bonds collection rights	-	9,000
Forward exchange contracts	<u>2,165</u>	<u>11,460</u>
	<u>\$ 17,416</u>	<u>\$ 53,228</u>
	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
<u>Financial liabilities held for trading</u>		
Exchangeable bonds exchange rights	\$ 4,461	\$ -
Exchangeable bonds redemption rights	<u>-</u>	<u>20,750</u>
	<u>\$ 4,461</u>	<u>\$ 20,750</u>

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

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

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

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

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

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2010</u>			
Sell	EUR/USD	2011/1/28-2011/2/25	EUR8,000/US\$10,437
Sell	USD/NTD	2011/1/11-2011/3/29	US\$21,400/NT\$640,505

(Continued)

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2009</u>			
Sell	EUR/USD	2010/3/29-2010/4/29	EUR2,000/US\$2,857
Sell	USD/NTD	2010/1/15-2010/3/25	US\$78,000/NT\$2,512,528
			(Concluded)

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.

The Company's net gains on financial assets were NT\$113,291 thousand in 2010 and NT\$53,353 thousand in 2009. The net gains on financial liabilities were NT\$19,190 thousand in 2010 and NT\$93,123 thousand in 2009.

6. INVENTORIES, NET

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Finished goods	\$ 1,190,891	\$ 1,137,856
Work in process	1,579,395	978,366
Materials in transit	460,863	272,755
Raw materials	2,057,150	1,867,062
Supplies in transit	7,872	5,573
Supplies	<u>343,997</u>	<u>174,912</u>
	<u>\$ 5,640,168</u>	<u>\$ 4,436,524</u>

As of December 31, 2010 and 2009, the allowance for inventory devaluation was NT\$228,660 thousand and NT\$320,172 thousand, respectively.

The cost of inventories recognized as cost of goods sold in the years ended December 31, 2010 and 2009 was NT\$47,739,251 thousand and NT\$38,479,133 thousand, respectively. The cost of inventories recognized as cost of goods sold in the years ended December 31, 2010 and 2009 included NT\$91,512 thousand and NT\$482,902 thousand, respectively, which was due to the reversal of write-downs of inventories. Previous write-downs had been reversed as a result of increased selling prices in certain markets.

7. AVAILABLE- FOR-SALE FINANCIAL ASSET

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Domestic quoted stock		
Far Eastern International Bank (Note 9)	<u>\$ 919,563</u>	<u>\$ 722,890</u>

8. FINANCIAL ASSET CARRIED AT COST - NONCURRENT

	December 31			
	2010		2009	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Domestic unquoted stock				
Hantech Venture Capital Corp.	\$ <u>53,667</u>	3.73	\$ <u>53,667</u>	3.73

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

9. EQUITY-METHOD INVESTMENTS

	December 31			
	2010		2009	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed companies				
Asia Cement Corp.	\$ 12,740,990	22.33	\$ 12,500,165	22.33
Far Eastern Department Stores Co., Ltd.	4,168,670	16.80	3,877,699	16.80
Oriental Union Chemical Corp.	1,229,666	9.17	1,155,372	9.17
Everest Textile Co., Ltd.	<u>1,112</u>	0.03	<u>1,540</u>	0.03
	<u>18,140,438</u>		<u>17,534,776</u>	
Unlisted companies				
Yuan Ding Investment Co., Ltd.	36,135,804	99.70	36,155,036	99.70
Far Eastern Resources Development Co.	16,626,087	100.00	15,693,512	100.00
Yuan Tong Investment Co., Ltd.	6,992,662	100.00	7,296,064	100.00
Far Eastern Polychem Industries Ltd.	5,866,919	67.15	4,185,668	59.81
Oriental Petrochemical (Taiwan) Co., Ltd.	5,263,384	75.56	3,875,245	75.56
Far Eastern Investment (Holding) Ltd.	5,188,276	100.00	5,238,743	100.00
Kai Yuan International Investment Co., Ltd.	4,524,100	100.00	4,366,102	100.00
PET Far Eastern (Holding) Ltd.	4,514,131	85.28	1,996,083	49.42
Far Eastern Polytex (Holding) Ltd.	3,609,797	100.00	3,323,320	100.00
Yuan Ding Co., Ltd.	3,387,234	37.13	3,180,506	37.13
Far Eastern Construction Co., Ltd.	3,126,343	65.11	2,078,321	65.11
Ding Yuan International Investment Co.	2,601,135	100.00	2,412,433	100.00
Oriental Securities Co., Ltd.	2,050,470	19.65	2,066,710	19.65
An Ho Garment Co., Ltd.	1,595,014	100.00	1,537,449	100.00
Pacific Liu Tong Investment Corporation	1,383,864	16.83	1,165,944	16.83
FEDP (Holding) Ltd.	721,679	50.43	-	-
Fu Kwork Garment Manufacturing Co., Ltd.	129,833	99.99	128,923	99.99
Ding Ding Hotel Co., Ltd.	31,143	19.00	28,962	19.00
New Century InfoComm Tech Co., Ltd.	-	-	<u>26,078</u>	0.10
	<u>103,747,875</u>		<u>94,755,099</u>	
	<u>\$ 121,888,313</u>		<u>\$ 112,289,875</u>	

The combined equity of the Company and subsidiaries in some investee companies - Oriental Union Chemical Corp. ("OUCC"), Everest Textile Co., Ltd. ("Everest Textile"), Oriental Securities Co., Ltd., Pacific Liu Tong Investment Co. ("PLT"), and New Century InfoComm Tech Co., Ltd. ("NCIC") - in 2010 and 2009 exceeded 20% of their respective outstanding common shares. Thus, related investments were accounted for by the equity method.

In addition, investments in Far Eastern Department Stores Co., Ltd. ("FEDS") and Ding Ding Hotel Co., Ltd. in 2010 and 2009 were accounted for by the equity method since the Company exercised a significant influence over them even though the Company and its subsidiaries owned less than 20% of each investee's voting stock.

The carrying value of the equity-method stocks was based on audited financial statements.

On June 10, 2009, the stockholders of Far Eastern International Bank ("FEIB") decided to offset a deficit of NT\$4,075,208 thousand through capital reduction on June 30, 2009, which is the record date of the capital reduction. Thus, the Company's holding in FEIB decreased by 12,695 thousand shares.

On June 10, 2009, FEIB elected its board of directors and supervisors. In this election, the Company and its subsidiary lost their three seats on the board. When the change in board membership took effect on June 27, 2009, the Company ceased to have significant influence over FEIB. Thus, the book value of the shares bought by the Company was reclassified as an available-for-sale financial asset - noncurrent.

In April 2009, the Company sold 50,000 thousand shares of Asia Cement Corporation ("ACC") for NT\$1,581,150 thousand; thus, the Company's equity interest in ACC decreased from 24.05% to 22.33%.

In June 5, 2009, the board of NCIC decided to decrease its capital to recover the loss of NT\$14,005,510 thousand; thus, the Company's equity in NCIC proportionally decreased by 1,403 thousand shares on August 1, 2009.

In October and December 2010, the Company bought 48.96 thousand and 195.52 thousand common shares of FEDP (Holding) Ltd. ("FEDP") from Far Eastern Polytex (Holding) Ltd. ("Polytex") and Yuan Tong Investment Co., Ltd. ("Yuan Tong"), respectively, for NT\$142,011 thousand and NT\$534,304 thousand, respectively.

In July 2009, the Company bought 5 thousand common shares of Far Eastern Polychem Industries Ltd. ("FEPI") for NT\$330,150 thousand at US\$2,000 per share.

In September 2009, the Company bought 42,155 thousand common shares, with par value of US\$0.27 and newly issued by FEPI, for NT\$373,364 thousand; thus, the Company's equity interest in FEPI increased from 57.65% to 59.81%.

In September and October 2010, the Company bought 184,574 thousand common shares, with par value of US\$0.27 and newly issued by FEPI, for NT\$1,540,567 thousand; thus, the Company's equity interest in FEPI increased from 59.81% to 67.15%.

In February 2010, the Company bought 42,347 thousand common shares of PET Far Eastern (Holding) Ltd. ("PETH") from OUCC and Ding-Yuan International Investment Co. ("Ding Yuan") for NT\$659,422.5 thousand each; thus the Company's equity in PETH increased from 49.42% to 85.28%.

On August 16, 2010, Yuan Cing Infocomm Tech Co., Ltd. ("YCIC") engaged in a tender offer to buy from the Company the common shares of NCIC at NT\$10.93 per share. Thus, the Company sold 2,605 thousand common shares of NCIC to YCIC for NT\$28,387 thousand. Because the share sale was a downstream transaction, the NT\$2,624-thousand gain on disposal was deferred. After the completion of the tender offer, NCIC became a 100% subsidiary of Far Eastone.

The market values of equity-method investment in listed companies were NT\$35,097,509 thousand and NT\$32,430,736 thousand as of December 31, 2010 and 2009, respectively.

The difference between the cost of an investment and the amount of the underlying equity in net assets of equity-method investees is recognized as goodwill. As of January 1, 2010 and 2009, the balances of the difference for both dates were each NT\$99,821 thousand, and this amount remained the same in 2010 and 2009.

To simplify the Company's investment structure, integrate investment resources and management, and control the subsidiaries in China, the board of directors of the Company passed a resolution on December 21, 2007 to acquire the shares of offshore investment companies through subsidiaries and OUCC. The related proposal is as follows:

- a. Acquire 63 thousand shares of Far Eastern Apparel (Holding) Ltd. from Yuan Ding Investment Co., Ltd. ("YDI") for US\$34,513 thousand, with each share priced at US\$546.09;
- b. Acquire 487 thousand shares of FEDP for US\$49,961 thousand from Yuan Tong, FEPI and Polytex , with each share priced at US\$102.65;
- c. Acquire 119 thousand shares of PETH for US\$50,945 thousand from Ding Yuan, FEPI, and affiliate OUCC, with each share priced at US\$426.60.

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

The above equity-method investments in which the Company directly or indirectly had more than 50% equity or could exercise control over the investees were included in the Company's consolidated financial statements as of and for the years ended December 31, 2010 and 2009. The consolidated investees were YDI, FERD, Yuan Tong, Far Eastern Investment (Holding) Ltd. ("FEIH"), FEPI, Kai Yuan International Investment Co., Ltd. ("Kai Yuan"), Oriental Petrochemical (Taiwan) Co., Ltd. ("OPTC"), Polytex, FEDP, Far Eastern Construction Co., Ltd., Ding Yuan, PETH, An Ho Garment Co., Ltd. and Fu Kwok Garment Manufacturing Co., Ltd.

10. PROPERTIES

a.

	December 31	
	2010	2009
Cost	<u>\$ 50,826,074</u>	<u>\$ 49,724,071</u>
Appreciation		
Land	2,647,082	2,647,082
Buildings and equipment	198,964	198,966
Machinery and equipment	165,452	165,811
Furniture and miscellaneous equipment	<u>4,985</u>	<u>4,985</u>
	<u>3,016,483</u>	<u>3,016,844</u>
Total cost and appreciation	<u>53,842,557</u>	<u>52,740,915</u>

(Continued)

	December 31	
	2010	2009
Accumulated depreciation		
Cost		
Buildings and equipment	\$ 3,627,710	\$ 3,441,302
Machinery and equipment	35,785,292	34,619,743
Furniture and miscellaneous equipment	<u>2,311,568</u>	<u>2,178,355</u>
	<u>41,724,570</u>	<u>40,239,400</u>
Appreciation		
Buildings and equipment	144,468	140,359
Machinery and equipment	165,293	165,648
Furniture and miscellaneous equipment	<u>4,985</u>	<u>4,985</u>
	<u>314,746</u>	<u>310,992</u>
Total accumulated depreciation	<u>42,039,316</u>	<u>40,550,392</u>
Accumulated impairment losses		
Cost		
Machinery and equipment	159,244	1,364
Furniture and miscellaneous equipment	<u>486</u>	<u>251</u>
Total accumulated impairment losses	<u>159,730</u>	<u>1,615</u>
	11,643,511	12,188,908
Construction in progress	2,560,702	1,006,817
Prepayments for equipment	<u>218,769</u>	<u>165,639</u>
Net properties	<u>\$ 14,422,982</u>	<u>\$ 13,361,364</u> (Concluded)

Under government regulations, the Company revalued its properties (excluding land) in 1983 and lands (Note 11) in 1994. The resulting appreciation was accounted for as an increase in the carrying value of the properties and properties leased to others. A reserve for land value increment tax was also recognized, and the net appreciation was credited to unrealized revaluation increment on properties.

Depreciation expenses were NT\$1,596,130 thousand in 2010 and NT\$1,751,063 thousand in 2009.

b. Capitalized interest on properties was as follows:

	2010	2009
Total interest expense	\$ 612,256	\$ 621,632
Interest capitalized (included in construction in progress)	22,750	21,725
Interest rate	1.20-1.48%	1.08-1.93%

11. NONOPERATING PROPERTIES, NET

December 31, 2010						
	Cost	Appreciation (Note 10)	Accumulated Depreciation		Accumulated Impairment Loss	Carrying Amount
			Cost	Appreciation (Note 10)		
<u>Properties leased to others</u>						
Land	\$ 5,335	\$ 26,736	\$ -	\$ -	\$ -	\$ 32,071
Building and equipment	88,249	-	38,382	-	-	49,867
Machinery and equipment	38,551	-	38,454	-	-	97
Furniture and miscellaneous equipment	3,984	-	3,910	-	-	74
	<u>136,119</u>	<u>26,736</u>	<u>80,746</u>	<u>-</u>	<u>-</u>	<u>82,109</u>
<u>Idle properties</u>						
Land	938	38,378	-	-	-	39,316
Building and equipment	1,169,482	81,602	852,856	63,673	22,709	311,846
Machinery and equipment	6,450,401	3,496	6,031,572	3,496	338,719	80,110
Furniture and miscellaneous equipment	44,517	1,431	44,199	1,431	318	-
	<u>7,665,338</u>	<u>124,907</u>	<u>6,928,627</u>	<u>68,600</u>	<u>361,746</u>	<u>431,272</u>
	<u>\$ 7,801,457</u>	<u>\$ 151,643</u>	<u>\$ 7,009,373</u>	<u>\$ 68,600</u>	<u>\$ 361,746</u>	<u>\$ 513,381</u>
December 31, 2009						
	Cost	Appreciation (Note 10)	Accumulated Depreciation		Accumulated Impairment Loss	Carrying Amount
			Cost	Appreciation (Note 10)		
<u>Properties leased to others</u>						
Land	\$ 5,335	\$ 26,736	\$ -	\$ -	\$ -	\$ 32,071
Building and equipment	96,191	3,283	42,395	2,279	-	54,800
Machinery and equipment	41,756	229	41,635	229	-	121
Furniture and miscellaneous equipment	8,770	959	8,473	959	-	297
	<u>152,052</u>	<u>31,207</u>	<u>92,503</u>	<u>3,467</u>	<u>-</u>	<u>87,289</u>
<u>Idle properties</u>						
Land	938	38,378	-	-	-	39,316
Building and equipment	1,181,269	83,735	849,071	64,179	22,709	329,045
Machinery and equipment	6,945,047	5,167	6,453,241	5,167	249,599	242,207
Furniture and miscellaneous equipment	74,864	1,485	74,311	1,485	553	-
	<u>8,202,118</u>	<u>128,765</u>	<u>7,376,623</u>	<u>70,831</u>	<u>272,861</u>	<u>610,568</u>
	<u>\$ 8,354,170</u>	<u>\$ 159,972</u>	<u>\$ 7,469,126</u>	<u>\$ 74,298</u>	<u>\$ 272,861</u>	<u>\$ 697,857</u>

Depreciation on properties leased to others amounted to NT\$3,221 thousand in 2010 and NT\$3,542 thousand in 2009. Depreciation on idle properties amounted to NT\$83,048 thousand in 2010 and NT\$123,353 thousand in 2009.

12. FARMLAND

	December 31	
	2010	2009
Cost	\$ 232,121	\$ 232,121
Appreciation	<u>44,540</u>	<u>44,540</u>
Total cost and appreciation	<u>\$ 276,661</u>	<u>\$ 276,661</u>

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

13. SHORT-TERM BANK LOANS

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Unsecured loans: Interest - 0.7073%-1.5856% and the balance included US\$148,848 thousand in 2010; interest - 0.6794%-1.61% and the balance included US\$102,156 thousand in 2009.	\$ 4,351,604	\$ 3,290,431
Secured loans: Interest - 1.06%-1.16% and the balance included US\$3,429 thousand in 2010; interest - 1.12%-1.23% and the balance included US\$4,099 thousand in 2009.	<u>100,238</u>	<u>132,030</u>
	<u>\$ 4,451,842</u>	<u>\$ 3,422,461</u>

14. LONG-TERM LIABILITIES

	Current	Long-term	Total
<u>December 31, 2010</u>			
Long-term debts			
Bank loans	\$ -	\$ 26,210,536	\$ 26,210,536
Commercial paper	-	<u>498,747</u>	<u>498,747</u>
	<u>-</u>	<u>26,709,283</u>	<u>26,709,283</u>
Bonds			
Nonconvertible bonds	3,260,000	16,040,000	19,300,000
Nonconvertible bonds discount	-	<u>(28,699)</u>	<u>(28,699)</u>
	<u>3,260,000</u>	16,011,301	19,271,301
Exchangeable bonds	-	1,239,300	1,239,300
Exchangeable bonds discount	-	<u>(49,250)</u>	<u>(49,250)</u>
	<u>-</u>	<u>1,190,050</u>	<u>1,190,050</u>
	<u>3,260,000</u>	<u>17,201,351</u>	<u>20,461,351</u>
	<u>\$ 3,260,000</u>	<u>\$ 43,910,634</u>	<u>\$ 47,170,634</u>
<u>December 31, 2009</u>			
Long-term debts:			
Bank loans	\$ 450,000	\$ 27,870,912	\$ 28,320,912
Commercial paper	-	<u>499,428</u>	<u>499,428</u>
	<u>450,000</u>	<u>28,370,340</u>	<u>28,820,340</u>
Bonds:			
Nonconvertible bonds	<u>2,800,000</u>	<u>7,800,000</u>	<u>10,600,000</u>
Exchangeable bonds	2,500,000	-	2,500,000
Exchangeable bonds discount	<u>(157,657)</u>	<u>-</u>	<u>(157,657)</u>
	<u>2,342,343</u>	<u>-</u>	<u>2,342,343</u>
	<u>5,142,343</u>	<u>7,800,000</u>	<u>12,942,343</u>
	<u>\$ 5,592,343</u>	<u>\$ 36,170,340</u>	<u>\$ 41,762,683</u>

Bank Loans

The foregoing loans are repayable monthly or in lump sum on maturity in New Taiwan dollars. Under a revolving credit agreement, the Company was allowed to make loans within the credit line limit between February 2012 and December 2013. Bank interest rates were 0.65%-1.65% in 2010 and 0.50%-1.53% in 2009.

On September 12, 2008, the Company signed with banks led by Hua Nan Commercial Bank a medium-term syndicated loan agreement amounting to NT\$5,700,000 thousand. Under this agreement, the Company committed to keep its current ratio, debt ratio, tangible asset-equity ratio and interest cover within certain ranges.

The Company's stand-alone financial statements of 2010 and 2009 showed that the Company was in compliance with the above ratio requirements.

Commercial Paper

Commercial paper with one-year maturities had an annual discount rate of 1.988% as of December 31, 2010 and 2009. Under an agreement, the Company had been allowed to issue revolving commercial paper within the credit line limit till August 2012.

Bonds

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

To hedge against the risk on interest rate fluctuation of nonconvertible bonds (the 72nd tranche), the Company entered into interest rate swap contracts. The bonds were redeemed in August 2009.

The Company issued three-year unsecured bonds (the 1st tranche) on October 31, 2007. The bonds have an aggregate face value of NT\$800,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity. Interest was calculated and paid annually. NCIC and Digital United Inc. (merged with NCIC on March 16, 2009) bought the bonds amounting to NT\$600,000 thousand and NT\$200,000 thousand, respectively. In October 2010, the Company redeemed its bonds.

On November 22, 2007, the Company issued three-year unsecured bonds (the 2nd tranche). The bonds have an aggregate face value of NT\$2,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. The bonds are repayable in lump sum on maturity. Interest was calculated and paid annually. In November 2010, the Company redeemed its bonds.

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

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

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

On October 29, 2009, the Company issued unsecured bonds (the 1st tranche) amounting to NT\$3,000,000 thousand with face value of NT\$1,000 thousand. The five-year bonds will be repaid at 50% of the aggregate value at the end of the 4th and 5th year of bond issuance, and the simple interest of 1.85% is payable annually.

On May 27, 2010, the Company issued five-year unsecured bonds (the 1st tranche) amounting to NT\$5,500,000 thousand at a face value of NT\$1,000 thousand. The 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% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On September 16, 2010, FENC issued five-year unsecured bonds (the 2nd tranche) amounting to NT\$6,000,000 thousand at a face 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% interest rate. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is 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, with a 2.512% interest. Under SFAS No. 36 - "Financial Instruments: Disclosure and Presentation", the Company recognized the exchangeable, call and put options as separate assets and liabilities, respectively (Note 5).

Other bond issuance terms are as follows:

a. Exchangeable period:

The bondholders would exchange their bonds for ACC common shares at any time between October 15, 2007, the 31st day after the issuance date, and September 4, 2012, the 10th day before the maturity date, except for the period starting from (a) the third day before the ex-dividend 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-dividend date of new share issuance, or (d) the third day before the ex-dividend date of capital decrease to the effective date of dividend (or new share) distribution. In addition, bondholders are not allowed to convert the bonds into ACC's common shares in the period specified by the law.

b. Exchange price

- 1) The exchange price was NT\$57.88 per share on the issuance date.
- 2) After the issuance of the exchangeable bonds, except for the convertible or exchangeable securities issued by ACC, the exchange price of the issued bonds will be adjusted in any one of these situations: (a) the quantity of 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 depositary receipts); (b) ACC issues new convertible or exchangeable securities at a price lower than the market conversion price; (c) the quantity of ACC's common shares decreases because of capital reduction (excluding the cancellation of ACC's treasury shares); or (d) the ratio of cash dividends to the market value of the common stock is higher than 1.5%. The original exchange price of NT\$43.74 was unchanged as of December 31, 2010.

c. Call option:

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

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. As of September 14, 2010, the bondholders had exercised their put options amounting to NT\$1,260,700 thousand. The Company should redeem the bonds within five trading days after the bondholders' notifying the Company of their request for bond redemption. As of December 31, 2010, the put options of the bonds had expired.

e. As of December 31, 2010, the outstanding exchangeable bonds not yet converted into ACC's common shares amounted to NT\$1,239,000 thousand.

15. STOCKHOLDERS' EQUITY

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

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

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

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

The bonus to employees was NT\$470,346 thousand in 2010 and NT\$300,732 thousand in 2009, and the remuneration to directors and supervisors was NT\$352,759 thousand in 2010 and NT\$225,549 thousand in 2009. According to the Company's Articles of Incorporation, the bonus to employees and the remuneration to directors and supervisors are estimated at 4% and 3%, respectively, of the earnings expected to distribute. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares at the date preceding the stockholders' meeting.

Legal reserve should be appropriated until it has reached the Company's paid-in capital. This reserve may be used to offset a deficit. When the legal reserve has reached 50% of the Company's paid-in capital, up to 50%, thereof the rest part may be transferred to capital.

The appropriations of earnings for 2009 and 2008 approved at the stockholders' meetings on June 22, 2010 and June 26, 2009, respectively. The appropriations and dividends per share were as follows:

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

Of the appropriation and distribution of the 2009 earnings as stock dividends, a capital increase of NT\$932,270 thousand from retained earnings was approved by the Financial Supervisory Commission under the Executive Yuan on August 31, 2010. The effective date of this distribution of July 14, 2010 approved by the Company's board of directors and then registered on September 15, 2010.

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

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

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

Information on the bonus to employees, directors, and supervisors are available on the Market Observation Post System website of the Taiwan Stock Exchange Corporation (<http://mops.tse.com.tw>).

16. 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, spin-off 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, FERD, adopted the linked tax system for tax filing.

- a. A reconciliation of income tax expense based on income before income tax at statutory rate and income tax expense was as follows:

	2010	2009
Income tax expense at statutory rate (17% in 2010 and 25% in 2009)	\$ 2,211,564	\$ 2,033,927
Tax effect on adjusting items:		
Permanent differences	(1,787,201)	(2,337,187)
Temporary differences	(405,384)	241,517
Additional 10% income tax on unappropriated earnings	30,841	56,370
Additional tax effects on linked-tax system for filing with subsidiaries	29,433	62,037
Investment tax credits used	<u>(79,253)</u>	<u>(56,664)</u>
Current income tax expense	<u>\$ -</u>	<u>\$ -</u>
Income tax expense components:		
Current income tax expense	\$ -	\$ -
Effect of the linked tax system for tax filing	(29,433)	(62,037)
Adjustments for prior years' tax	-	1,088
Deferred income tax expense		
Income tax expense	<u>188,463</u>	<u>107,960</u>
	<u>\$ 159,030</u>	<u>\$ 47,011</u>

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

- 1) In May 2009, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduced a profit-seeking enterprise's income tax rate from 25% to 20%, effective January 1, 2010.
- 2) Under Article 10 of the Statute for Industrial Innovation (SII) passed by the Legislative Yuan in April 2010, a profit-seeking enterprise may deduct up to 15% of its research and development expenditures from its income tax payable for the fiscal year in which these expenditures are incurred, but this deduction should not exceed 30% of the income tax payable for that fiscal year. This incentive took effect from January 1, 2010 and is effective till December 31, 2019.
- 3) In May 2010, the Legislative Yuan passed the amendment of Article 5 of the Income Tax Law, which reduces a profit-seeking enterprise's income tax rate from 20% to 17%, effective January 1, 2010.

The Company recalculated deferred tax assets in accordance with the above amendments and recorded the resulting difference as a deferred income tax benefit.

b. Deferred income taxes:

	December 31	
	2010	2009
Current		
Deferred income tax assets		
Allowance for losses on inventories	\$ 38,872	\$ 64,034
Unrealized exchange loss	6,957	5,192
Investment tax credit	<u>67,209</u>	<u>139,600</u>
	113,038	208,826
Less: Valuation allowance	<u>67,209</u>	<u>110,788</u>
Deferred income tax assets - current, net	<u>\$ 45,829</u>	<u>\$ 98,038</u>
Noncurrent		
Deferred income tax assets		
Investment tax credits	\$ 159,427	\$ 174,678
Accrued pension cost	223,374	265,099
Equity in net loss of investees	-	89,151
Allowance for losses on properties	199,485	182,066
Realized losses on long-term investments	<u>33,828</u>	<u>39,797</u>
	616,114	750,791
Less: Valuation allowance	<u>36,133</u>	<u>393,918</u>
	579,981	356,873
Deferred income tax liabilities		
Investment income recognized on equity-method investments	<u>359,362</u>	-
Deferred income tax assets - noncurrent, net	<u>\$ 220,619</u>	<u>\$ 356,873</u>

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

Laws and Statute	Tax Credit Source	Total Deductible Amount	Remaining Deductible Amount	Expiry Period
Statute for Upgrading Industries	Automated equipment	\$ 16,025	\$ 16,025	2011-2013
	Research development	202,742	202,742	2011-2013
	Personnel training	<u>7,869</u>	<u>7,869</u>	2011-2013
		<u>\$ 226,636</u>	<u>\$ 226,636</u>	

The tax returns through 2006 have been assessed by the tax authorities.

d. Information about integrated income tax was as follows:

	Year Ended Balance of Imputation Credit Account
December 31, 2010	<u>\$ 362,953</u>
December 31, 2009	<u>\$ 475,496</u>

The expected ratio of imputation tax credits to undistributed earnings as of December 31, 2010 and the actual ratio of imputation credits as of December 31, 2009 were 2.49% and 21.41% respectively.

Based on the Income Tax Law, the imputation tax credits distributed to each stockholder are based on the imputation credit account (“ICA”) balance as of the date of dividend distribution. Thus, the estimated creditable ratios for the 2010 earnings appropriation may be adjusted when the imputation credits are distributed. The ratio for the imputation credits allocated to shareholders of the Company is based on the balance of the ICA as of the date of dividend distribution. The expected creditable ratio for the 2010 earnings may be adjusted, depending on the ICA balance on the date of dividend distribution.

e. Information on unappropriated earnings:

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Unappropriated earnings generated before January 1, 1998	\$ 236,793	\$ 236,793
Unappropriated earnings generated on and after January 1, 1998	<u>14,605,303</u>	<u>9,435,312</u>
	<u>\$ 14,842,096</u>	<u>\$ 9,672,105</u>

17. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	<u>2010</u>			<u>2009</u>		
	<u>Operating Cost</u>	<u>Operating Expense</u>	<u>Total</u>	<u>Operating Cost</u>	<u>Operating Expense</u>	<u>Total</u>
Employee expenses						
Salaries	\$ 2,680,180	\$ 1,161,651	\$ 3,841,831	\$ 2,261,037	\$ 1,019,542	\$ 3,280,579
Insurance	185,029	57,331	242,360	170,658	52,940	223,598
Pension	105,879	51,025	156,904	252,916	71,044	323,960
Miscellaneous	<u>90,644</u>	<u>402,662</u>	<u>493,306</u>	<u>89,984</u>	<u>272,188</u>	<u>362,172</u>
	<u>\$ 3,061,732</u>	<u>\$ 1,672,669</u>	<u>\$ 4,734,401</u>	<u>\$ 2,774,595</u>	<u>\$ 1,415,714</u>	<u>\$ 4,190,309</u>
Depreciation	<u>\$ 1,467,428</u>	<u>\$ 128,702</u>	<u>\$ 1,596,130</u>	<u>\$ 1,607,881</u>	<u>\$ 143,182</u>	<u>\$ 1,751,063</u>
Amortization	<u>\$ 43,687</u>	<u>\$ 5,367</u>	<u>\$ 49,054</u>	<u>\$ 56,025</u>	<u>\$ 6,442</u>	<u>\$ 62,467</u>

18. EARNINGS PER SHARE

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

	<u>New Taiwan Dollars</u>					
	<u>Amounts (Numerator)</u>			<u>Shares in Thousands (Denominator)</u>	<u>Earnings Per Share</u>	
	<u>Before Income Tax</u>	<u>After Income Tax</u>	<u>Before Income Tax</u>		<u>After Income Tax</u>	
<u>2010</u>						
Basic EPS						
Income for the year	\$ 13,009,200	\$ 12,850,170	4,754,580	<u>\$ 2.74</u>	<u>\$ 2.70</u>	
Add: Effect of dilutive potential common stock - bonus to employees	<u>-</u>	<u>-</u>	<u>18,568</u>			
Diluted EPS						
Income for the year attributable to common stockholders plus effect of potential dilutive common stock	<u>\$ 13,009,200</u>	<u>\$ 12,850,170</u>	<u>4,773,148</u>	<u>\$ 2.73</u>	<u>\$ 2.69</u>	

(Continued)

	New Taiwan Dollars				
	Amounts (Numerator)			Earnings Per Share	
	Before Income Tax	After Income Tax	Shares in Thousands (Denominator)	Before Income Tax	After Income Tax
<u>2009</u>					
Basic EPS					
Income for the year	\$ 8,135,707	\$ 8,088,696	4,754,580	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Add: Effect of dilutive potential common stock - bonus to employees	-	-	<u>12,884</u>		
Diluted EPS					
Income for the year attributable to common stockholders plus effect of potential dilutive common stock	<u>\$ 8,135,707</u>	<u>\$ 8,088,696</u>	<u>4,767,464</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>

(Concluded)

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

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance stock dividends. This adjustment caused the basic before and after income tax EPS for the year ended December 31, 2009 to decrease from NT\$1.74 to NT\$1.73 and NT\$1.70 to NT\$1.70, respectively.

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance of employee stock bonuses distributed out of earnings for the year ended December 31, 2009 and stock dividends. This adjustment caused the basic and diluted after income tax EPS for the years ended December 31, 2009 to decrease from NT\$1.74 to NT\$1.70 and NT\$1.73 to NT\$1.70, respectively.

19. PENSION PLAN

- a. The pension plan under the Labor Pension Act (the "LPA") is a defined contribution plan. Based on the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Such pension costs were NT\$70,292 thousand and NT\$50,887 thousand for the years ended December 31, 2010 and 2009, respectively.
- b. The Company has a defined benefit pension plan for all regular employees under the Labor Standards Law. Under this pension plan, employees can accumulate two base points for every service year within the first 15 service years and one base point for every service year thereafter. Employees can accumulate up to 45 base points. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. The pension fund is deposited in the Bank of Taiwan in the committee's name. In addition, the Company paid pension expense of NT\$2,038 thousand in 2009.

Information about the defined benefit plan was as follows:

a. Components of net periodic pension cost

	2010	2009
Service cost	\$ 94,822	\$ 112,392
Interest cost	100,326	112,712
Projected return on plan assets	(207,753)	(128,438)
Amortization	<u>99,732</u>	<u>175,230</u>
Net periodic pension cost	<u>\$ 87,127</u>	<u>\$ 271,896</u>

The net periodic pension costs charged to the related parties were NT\$515 thousand in 2010 and NT\$861 thousand in 2009.

b. Reconciliation of funded status of the plan and accrued pension cost

	December 31	
	2010	2009
Benefit obligation:		
Vested benefit obligation	\$ 2,429,660	\$ 2,232,105
Non-vested benefit obligation	<u>1,627,982</u>	<u>1,485,556</u>
Accumulated benefit obligation	4,057,642	3,717,661
Additional benefits based on future salaries	<u>873,430</u>	<u>852,431</u>
Projected benefit obligation	4,931,072	4,570,092
Fair value of plan assets	<u>(4,179,436)</u>	<u>(3,465,176)</u>
Funded status	751,636	1,104,916
Unrecognized net transition obligation	(122,175)	(244,356)
Unamortized balance in prior service costs	255,353	277,802
Unrecognized pension gains	154,046	(87,970)
Additional liability	<u>-</u>	<u>-</u>
Accrued pension cost	<u>\$ 1,038,860</u>	<u>\$ 1,050,392</u>

	December 31	
	2010	2009
c. Vested benefit	<u>\$ 3,133,831</u>	<u>\$ 2,921,130</u>

	2010	2009
--	-------------	-------------

d. Actuarial assumptions

Discount rate used in determining present value	2.25%	2.25%
Future salary increasing rate	2.00%	2.00%
Expected rate of return on plan assets	6.00%	6.00%

e. Changes in pension fund

Contributions	<u>\$ 98,659</u>	<u>\$ 503,894</u>
Payments	<u>\$ 76,564</u>	<u>\$ 507,167</u>

20. RELATED PARTY TRANSACTIONS

The Company had significant transactions with related parties. These transactions in 2010 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules A, B, and C.

21. MORTGAGED OR PLEDGED ASSETS

The following assets had been pledged or mortgaged as collateral for the Company's short-term loans and long-term liabilities:

	<u>December 31</u>	
	<u>2010</u>	<u>2009</u>
Mutual funds and investments	\$ 369,260	\$ 1,007,247
Properties, net	5,566,147	5,424,401
Nonoperating properties, net	<u>86,938</u>	<u>93,904</u>
	<u>\$ 6,022,345</u>	<u>\$ 6,525,552</u>

22. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Company as of December 31, 2010 were as follows:

- a. Issued but unused letters of credit totaling approximately NT\$1,426,650 thousand;
- b. Unpaid building construction and equipment installation contracts amounting to approximately NT\$408,286 thousand;
- c. Undelivered cotton contracts amounting to NT\$1,107,404 thousand;
- d. Endorsement and guarantees provided to the related parties, as shown in Schedule E (attached).
- e. 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 on October 13, 2004, totaling NT\$252,442 thousand, because the authorities believed that this land, which the Company registered as a property for manufacturing purposes, was being used for general purposes instead and that the Company 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 but lost the lawsuit. Thus, the Company already accrued the losses for this case in 2005. On January 18, 2006, the Company filed an appeal with the Taipei High Administrative Court but still lost the lawsuit. The Company appealed to the Supreme Administrative Court ("SAC") on January 3, 2007. The SAC rejected this appeal on May 31, 2007. On August 30, 2007, the Company paid the required land tax. Despite this payment, the Company again applied with SAC for reexamination on July 13, 2007. On May 27, 2009, the SAC rejected the appeal for a reexamination. Nevertheless, the Company is continuing to look for other ways to assert its rights.

- f. 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”), in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT is the successor company after the merger. Under the resolution of TYIT’s board, the Company received NT\$167,863 thousand from Mobitai in exchange for Mobitai’s 11,469 thousand common shares (NT\$14.68 per share) held by the Company. The Company disposed the investment in Mobitai and recognized a disposal gain of NT\$31,814 thousand. However, the Company regarded Mobitai’s purchase price was too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of the report date, the lawsuit was still in the procedure at the Taipei district court.
- g. Ming-chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co.). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of PLT held by FEDS, FEDS’s subsidiaries, the Company and its subsidiaries was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. In March 25, 2010 the judgment was abandoned by the Supreme Court and returned the case to the Taiwan High Court for reexamination.
- h. The registered capital of PLT, an investee of the Company, was originally NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office, the MOEA decided to nullify the registrations of several tranches of capital increases given to PLT, the registrations of amendments of Articles of Incorporation, the registrations of elected and appointed representatives of Board of Directors and Supervisors on November 13, 2002, May 1, 2003, August 8, 2005, August 3, 2006, June 6, 2007 and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1 million common shares.

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

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

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

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

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

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

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

23. SUBSEQUENT EVENT

Under an approval based on Rule No. 1000001624 issued by the Financial Supervisory Commission under the Executive Yuan on January 20, 2011, the Company changed, effective January 1, 2011, its method of calculating depreciation expenses from the fixed-percentage-of-declining method to straight-line method, using fixed asset service lives of 15 years.

24. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments

	December 31			
	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<u>Nonderivative financial instruments</u>				
Financial assets				
Cash	\$ 8,192,747	\$ 8,192,747	\$ 5,928,545	\$ 5,928,545
Notes receivable	702,541	702,541	480,684	480,684
Accounts receivable, net	6,972,796	6,972,796	6,011,795	6,011,795
Notes and accounts receivable from affiliates	321,825	321,825	227,106	227,106
Other receivables	200,796	200,796	260,552	260,552
Other receivables from affiliates	291,486	291,486	227,478	227,478
Available-for-sale financial assets - noncurrent	919,563	919,563	722,890	722,890
Financial assets carried at cost - noncurrent	53,667	-	53,667	-
Refundable deposits (under "other assets - others")	58,306	58,306	50,637	50,637

(Continued)

	December 31			
	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities				
Short-term bank loans	\$ 4,451,842	\$ 4,451,842	\$ 3,422,461	\$ 3,422,461
Notes payable	3,005	3,005	1,871	1,871
Accounts payable	3,777,023	3,777,023	2,550,406	2,550,406
Accounts payable to affiliates	1,290,014	1,290,014	703,179	703,179
Accrued expense	3,162,837	3,162,837	2,578,141	2,578,141
Long-term loans (including current portion)	26,210,536	26,210,536	28,320,912	28,320,912
Long-term commercial paper	498,747	498,747	499,428	499,428
Bonds payable (including current portion)	20,461,351	20,663,862	12,942,343	13,126,717
Guarantee deposits received	615	615	615	615
<u>Derivative financial instruments</u>				
Cotton futures contracts	15,251	15,251	32,768	32,768
Exchangeable bonds - collection rights	-	-	9,000	9,000
Forward exchange contracts	2,165	2,165	11,460	11,460
Exchangeable bonds - exchange rights	(4,461)	(4,461)	-	-
Exchangeable bonds - redemption rights	-	-	(20,750)	(20,750)
				(Concluded)

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

- 1) The carrying amounts of the short-term financial instruments approximate their fair values because of their short maturities
- 2) Fair values of derivatives are based on their quoted prices in an active market or . For those derivatives with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.
- 3) Available-for-sale financial assets are based on their quoted prices in an active market. Financial assets carried at cost are investments in unquoted shares, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, no fair value is presented.
- 4) Fair values of long-term loans (all including current portion) is estimated using the present value of future cash flows discounted by the interest rates the Company may obtain for similar loans (e.g., similar maturities). The fair values of publicly traded bonds are measured at trading prices.
- 5) Refundable deposits and guarantee deposits received are measured at their carrying values because the fair value approximates the carrying value.

- c. Fair values of financial assets and liabilities using based on quoted market prices or valuation techniques were as follows:

	Quoted Price		Estimated Price	
	December 31		December 31	
	2010	2009	2010	2009
<u>Derivative financial instruments</u>				
Assets				
Cotton future contracts				
- FENC	\$ -	\$ -	\$ 15,251	\$ 32,768
Exchangeable bonds - collection rights				
- FENC	-	-	-	9,000
Forward exchange contract				
- FENC	-	-	2,165	11,460
Cross-currency swap contract				
- KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010)	-	-	-	2,750
- FET	-	-	13,820	-
Forward exchange contract				
- NCIC	-	-	64,850	-
Liabilities				
Exchangeable bonds - exchange rights				
- FENC	-	-	(4,461)	-
Exchangeable bonds - redemption rights				
- FENC	-	-	-	(20,750)

- d. As of December 31, 2010 and 2009, financial assets exposed to fair value interest rate risk amounted to NT\$5,182,018 thousand and NT\$1,620,163 thousand, respectively, financial liabilities exposed to fair value interest rate risk amounted to NT\$48,545,680 thousand and NT\$42,912,358 thousand, respectively, financial assets exposed to cash flow interest rate risk amounted to NT\$1,981,200 thousand and NT\$4,334,231 thousand, respectively, and financial liabilities exposed to cash flow interest rate risk amounted to NT\$3,067,796 thousand and NT\$2,273,401, respectively.
- e. As of December 31, 2010 and 2009, on financial assets or liabilities other than those at FVTPL, total interest revenues were NT\$6,665 thousand and NT\$16,019 thousand, respectively, and interest expenses were NT\$589,506 thousand and NT\$599,907 thousand, respectively.
- f. Financial risks

1) Market risk

Forward exchange contracts and currency option contracts

The Company entered into forward exchange contracts and currency option contracts to hedge against the effect of adverse exchange rate fluctuations on foreign currency-denominated assets or liabilities.

The Company had no outstanding currency option contracts as of December 31, 2010 and 2009. For the outstanding forward contracts as of December 31, 2010 and 2009, please refer to Note 5.

A subsidiary, FEIH, entered into forward contracts to hedge against the effect of adverse exchange rate fluctuations on liability evaluated by foreign currencies in 2010 and 2009.

In 2010 and 2009, Wuhan Far Eastern New Material Ltd. authorized FEIH to use certain derivative financial instruments to hedge against adverse fluctuations on exchange rates for foreign investments.

FEIH had no outstanding forward contracts as of December 31, 2010 and 2009.

On its derivative financial transactions, FEIH had net gains of NT\$30,396 thousand in 2010 and NT\$14,892 thousand in 2009.

A subsidiary, OPTC, used forward exchange transactions in 2010 and 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2010 and 2009.

On its derivative financial transactions, OPTC had a net gain of NT\$7,835 thousand in 2010 and a net loss of NT\$17,368 thousand in 2009.

A subsidiary, Far Eastern Fibertech Co., Ltd. ("FEFC"), had forward exchange transactions in 2010 and 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2010 and 2009.

On its derivative financial transactions, FEFC had net losses of NT\$283 thousand in 2010 and NT\$1,691 thousand in 2009.

A subsidiary, Yuan Tong, had forward exchange transactions in 2010 and 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009 and of 2008.

On its derivative financial transactions, a subsidiary, Yuan Tung, had a net gain of NT\$371 thousand in 2009.

A subsidiary, Polytex, had forward exchange transactions in 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2009.

On its derivative financial transactions, Polytex had a net gain of NT\$284 thousand in 2009.

In 2010 and 2009, A subsidiary, NCIC, used foreign exchange swap contract to hedge against the effect of exchange rate fluctuations. The gains or losses on the changes in fair values on these contracts will offset the results of the exchange rate fluctuations of the hedged items. Thus, market risk is expected to be immaterial.

Interest rate swap contracts

The Company used interest rate swap contracts to hedge against adverse fluctuations of interest rates of corporate bonds 72nd tranche. The Company had redeemed the entire 72nd tranche as of December 31, 2009.

YDI, a Company subsidiary, entered into interest rate swap contracts to hedge against adverse interest rate fluctuations of corporate bonds - ninth issue. YDI used interest rate swap contracts to hedge the risks on its obligations with floating interest rates and the contracts were settled at net amounts. Thus, the market risk was not material. YDI had redeemed the entire ninth issue as of December 31, 2009.

Cotton futures contracts

The Company entered into cotton futures contracts to hedge fluctuations of cotton prices (Note 5).

Cross-currency swap contracts

An FENC subsidiary, KG Telecom (dissolved on its merger with Far Eastone on January 1, 2010), entered into cross-currency swap contracts to hedge against the adverse effects of exchange rate fluctuations on foreign currency-denominated assets in 2010 and 2009. The gains or losses on the changes in fair values on these contracts are expected to offset the results of the exchange rate fluctuations of the hedged items. Thus, market risk is expected to be immaterial.

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 Company and subsidiaries.

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Company and its subsidiaries if the counter-parties breached 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. Management does not expect the Company and its subsidiaries' exposure to default by those parties to be material.

3) Liquidity risk

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

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

On February 26, 2009, an FENC subsidiary, Yuan Tong bought convertible bonds issued by Bockhold N.V. The purchase amount was recognized as investment in an inactive market - bonds, and the conversion right was recognized as financial asset carried at cost because it has no quoted price in active market. Thus, material liquidity risk on this investment is expected to be high.

The Company 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 funds with no quoted prices in an active market; thus, this investment was expected to have material liquidity risks.

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

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

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

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

4) Cash-flow risk from interest rate fluctuations

The Company and its subsidiaries had bank deposits and short-term and long-term debts with floating interest rates. As a result, the effective interest rates on these loans will change as the market interest rates change.

g. Cash flow hedge

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

The Company's 72nd tranche of secured nonconvertible bonds and YDI's 9th tranche of secured nonconvertible bonds had been redeemed as of the end of 2009.

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

A subsidiary, NCIC, used forward exchange contracts to hedge against adverse cash flow fluctuations on it foreign-denominated assets.

Hedged Items	Instruments	Designated Hedging Instruments		Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses
		Fair Value			
		2010	2009		
Foreign-currency denominated assets	Cross-currency swap				
	- FET	\$ 13,820	\$ -	2011	2011
	- KG Telecom (dissolved on the merger with Far EasTone on January 1, 2010)		2,750	2010	2010
	Forward exchange contract				
	- NCIC	64,850	-	2011	2011

25. OTHER

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

(In Thousands, Except Exchange Rate)

	December 31					
	2010			2009		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 196,807	29.135	\$ 5,733,972	\$ 232,938	32.11	\$ 7,479,639
EUR	20,248	38.616	781,897	12,845	46.021	591,140
JPY	881,736	0.356	313,898	420,032	0.346	145,331
Equity-method investments						
USD	480,859	29.185	14,033,883	330,045	31.99	10,558,146
HKD	1,564,095	3.751	5,866,919	1,014,461	4.126	4,185,668
<u>Monetary liabilities</u>						
Monetary items						
USD	205,751	29.235	6,015,130	133,054	32.21	4,285,669
EUR	156	39.016	6,086	237	46.421	11,002
JPY	35,383	0.356	12,596	24,133	0.35	8,447

26. ADDITIONAL DISCLOSURES

a. Important transactions and b. information on the Company's investees.

- 1) Financing provided: Schedule D (attached).
- 2) Endorsement/guarantee provided: Schedule E (attached).
- 3) Marketable securities and investments in share of stock held: Schedule F (attached).
- 4) Securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the capital stock: Schedule G (attached).
- 5) Real states acquired amounting to at least NT\$100 million or 20% of the capital stock: Schedule H (attached).
- 6) Real states sold amounting to at least NT\$100 million or 20% of the capital stock: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule I (attached).
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule J (attached).
- 9) Names, locations, and related information of investees on which the Company exercises significant influence: Schedule K (attached).
- 10) Derivative financial transactions: Note 24.

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 L and L-1 (attached).
- 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 20 and Schedule I and J (attached).
- 3) Endorsements, guarantees or collateral directly or indirectly provided to the investees: Schedule E
- 4) Financings directly or indirectly provided to the investees: Schedule D
- 5) Other transactions that significantly impacted current year's profit or loss or financial position: None

27. SEGMENT INFORMATION

a. Industry segment information

Summarized segment information is shown in Schedule M.

b. Geographic information

The Company had no revenue-generating unit outside Taiwan as of December 31, 2010.

c. Export sales

Territory	2010	2009
Asia	\$ 16,887,730	\$ 13,066,083
America	13,854,672	11,109,316
Europe	5,770,201	4,329,947
Other	<u>2,429,307</u>	<u>2,332,115</u>
	<u>\$ 38,941,910</u>	<u>\$ 30,837,461</u>

d. Major customers

There were no major customer in 2010 and 2009.

SCHEDULE A**FAR EASTERN NEW CENTURY CORPORATION**
(Formerly Far Eastern Textile Ltd.)**RELATED PARTIES**
DECEMBER 31, 2010

No.	Related Party	Relationship with Far Eastern New Century Corporation (the "Company")
1	Yuan Ding Investment Co., Ltd.	a
2	Far Eastern Resources Development Co.	a
3	An Ho Garment Co., Ltd.	a
4	Far Eastern Apparel Co., Ltd.	a
5	Yuan Cheng Human Resources Consultant Corp.	a
6	Far Eastern Construction Co., Ltd.	a
7	Far Eastern General Contractor Inc.	a
8	Far Eastern Electronic Toll Collection Co., Ltd.	a
9	Fu Kwok Garment Manufacturing Co., Ltd.	a
10	Oriental Resources Development Ltd.	a
11	Pet Far Eastern (M) Sdn. Bhd.	a
12	F.E.D.P. (Holding) Ltd.	a
13	Far Eastern New Century (China) Investment Ltd.	a
14	FETG Investment Antilles N.V.	a
15	Ming Ding Co., Ltd.	a
16	Oriental Industries (Suzhou) Ltd.	a
17	Sino Belgium Beer (Suzhou) Ltd.	a
18	Oriental Petrochemical (Shanghai) Corp.	a
19	Far Eastern Industries (Shanghai) Ltd.	a
20	Far Eastern Polychem Industries Co., Ltd.	a
21	Far Eastern Industries (Suzhou) Ltd.	a
22	Shanghai Yuan Hua Logistic Corporation	a
23	Shanghai Far Eastern IT Corp.	a
24	Suzhou An He Apparel Ltd.	a
25	Wuhan Far Eastern New Material Ltd.	a
26	Waldorf Services B.V.	a
27	Yuan Cing Co., Ltd.	a
28	E. World (Holdings) Ltd.	a
29	Far Eastern Info Service (Holding) Ltd.	a
30	Far EasTone Telecommunications Co., Ltd.	a
31	Arcoa Communication Co., Ltd.	a
32	Far Eastern Tech-Info (Shanghai) Ltd.	a
33	KGEx.com Co., Ltd.	a
34	ADCast Interactive Marketing Co., Ltd.	a
35	Far EasTron (Holding) Ltd.	a
36	Q-Ware Communication Corp.	a
37	Yuan Cing Infocomm Tech Co., Ltd.	a
38	New Century InfoComm Tech Co., Ltd.	a

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (the “Company”)
39	Digital United (Cayman) Ltd.	a
40	Information Security Service Digital United Inc.	a
41	Simple InfoComm Co., Ltd.	a
42	New Diligent Co., Ltd.	a
43	Digital United Information Technology Co., Ltd. (Shanghai)	a
44	Sino Lead Enterprise Limited	a
45	New Diligence Corporation (Shanghai)	a
46	Data Express Infotech Co., Ltd.	a
47	Linkwell Tech. Co., Ltd.	a
48	O-Music Co., Ltd.	a
49	Oriental Textile (Holding) Ltd.	a
50	Far Eastern Apparel (Suzhou) Ltd.	a
51	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	a
52	Far Eastern Industries (Wuxi) Ltd.	a
53	Yuan Tong Investment Co., Ltd.	a
54	Kai Yuan International Investment Co., Ltd.	a
55	Ding Yuan International Investment Corp.	a
56	Far Eastern Polytex (Holding) Limited	a
57	Far Eastern Investment (Holding) Ltd.	a
58	Far Eastern Fibertech Co., Ltd.	a
59	Oriental Petrochemical (Taiwan) Co., Ltd.	a
60	Far Eastern Apparel (Vietnam) Ltd.	a
61	Yuan Faun Ltd.	a
62	Far Eastern Apparel (Holding) Ltd.	a
63	Sino Belgium (Holding) Limited	a
64	PET Far Eastern (Holding) Ltd.	a
65	Martens Beers Trading (Shanghai) Co.	a
66	Oriental Securities Corp.	b
67	Everest Textile Co., Ltd.	b
68	Pacific Liu Tung Investment Co.	b
69	Yuan Ding Co., Ltd.	b and c
70	Asia Cement Corporation	b and c
71	Far Eastern Department Stores, Ltd.	b and c
72	Ding Ding Hotel Co., Ltd.	b and c
73	Oriental Union Chemical Corporation	b and c
74	Chiahui Power Corporation	c
75	Ding Ding Integrated Marketing Service Co., Ltd.	c
76	Tranquil Enterprise Co., Ltd.	c
77	Yuan Ze University	c
78	Oriental Institute of Technology	c
79	Far Eastern Memorial Hospital	c
80	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	c
81	U-Ming Marine Transport Corporation	c
82	Ya Tung Ready Mixed Concrete Co., Ltd.	d
83	Fu Ming Transportation Co., Ltd.	d
84	Pacific SOGO Department Stores Co., Ltd.	e

(Continued)

No.	Related Party	Relationship with Far Eastern New Century Corporation (the "Company")
85	Air Liquide Far Eastern Co., Ltd.	f
86	Malaysia Garment Manufactures PTE Ltd.	f
87	Freudenberg Far Eastern Spunweb Co., Ltd.	f
88	Yue Ding Industry Co., Ltd.	f
89	Far Eastern International Leasing Co.	f
90	Da Ju Fiber Co., Ltd.	f
91	The Affiliated Golf Club of Employees Welfare Committee of Far Eastern New Century Corporation	g
92	Employees Welfare Committee of Far Eastern New Century Corporation	g
93	Everest Textile (Shanghai) Ltd.	h
94	Everest Investment (Holding) Ltd.	h
95	FuDa Transport Co., Ltd.	i
96	Far Eastern International Bank	j
97	Far Eastern Grant Co., Ltd.	k
98	Ya Tung Department Stores Co., Ltd.	k
99	Far Eastern Citysuper Ltd.	k
100	Yu Chang Vocational School	l
101	TECO Electric & Machinery Co., Ltd.	m
102	Ding Ding Management Consulting Ltd.	n
103	Deutsche Far Eastern Asset Management Co., Ltd.	n
104	U-Ming Marine Transport (Singapore) Private Ltd.	o
105	Far Eastern Memorial Foundation	p

Note:

- a. Subsidiary.
- b. Investee accounted for by the equity method.
- c. Same chairman or general manager.
- d. Equity-method investee of Asia Cement Corporation.
- e. Subsidiary of Pacific Liu Tung Investment Co., Ltd.
- f. Equity-method investee of a subsidiary.
- g. The chairman of the organization is FENC's senior manager.
- h. Subsidiary of Everest Textile Co., Ltd.
- i. Subsidiary of U-Ming Marine Transport Corporation.
- j. The vice-chairman is the chairman of FENC.
- k. Subsidiary of Far Eastern Department Stores Ltd.
- l. Chairman is the Company chairman's relative.

(Continued)

- m. Corporate director of Far Eastern Electronic Toll Collection Co., Ltd.
- n. Chairman is the vice president of the Company.
- o. Subsidiary of U-Ming Marine Transport Corporation.
- p. Director of the foundation is the chairman of the Company.

(Concluded)

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

	Notes	2010		2009	
		Amount	%	Amount	%
Sales					
Frendenberg Far Eastern Spunweb Co., Ltd.		\$ 482,412	1	\$ 288,165	1
Others	b.	<u>790,498</u>	<u>1</u>	<u>480,972</u>	<u>1</u>
		<u>\$ 1,272,910</u>	<u>2</u>	<u>\$ 769,137</u>	<u>2</u>
Cost of goods sold and expenses					
Purchases					
Oriental Petrochemical (Taiwan) Co., Ltd.		\$ 9,537,895	25	\$ 8,250,881	29
Others	b.	<u>1,889,965</u>	<u>5</u>	<u>1,317,068</u>	<u>4</u>
		<u>\$ 11,427,860</u>	<u>30</u>	<u>\$ 9,567,949</u>	<u>33</u>
Manufacturing overhead - processing					
Far Eastern Apparel (Suzhou) Ltd.		\$ 683,787	28	\$ 910,245	52
Far Eastern Apparel (Vietnam) Ltd.		<u>286,223</u>	<u>12</u>	<u>161,386</u>	<u>9</u>
		<u>\$ 970,010</u>	<u>40</u>	<u>\$ 1,071,631</u>	<u>61</u>
Contract cost					
Ding Ding Management Consulting Ltd.		\$ 53,936	27	\$ 31,464	20
Others	b.	<u>33,999</u>	<u>11</u>	<u>14,717</u>	<u>8</u>
		<u>\$ 87,935</u>	<u>38</u>	<u>\$ 46,181</u>	<u>28</u>
Computer processing expenses					
Ding Ding Management Consulting Co.		\$ 51,569	54	\$ 43,593	44
Others	b.	<u>4,647</u>	<u>6</u>	<u>85</u>	<u>-</u>
		<u>\$ 56,216</u>	<u>60</u>	<u>\$ 43,678</u>	<u>44</u>
Rent expense					
Yuan Ding Co., Ltd.	f.	\$ 155,955	72	\$ 156,589	72
Far Eastern Resources Development Co.	f.	31,344	14	31,231	15
Others	b.	<u>17,378</u>	<u>8</u>	<u>16,212</u>	<u>7</u>
		<u>\$ 204,677</u>	<u>94</u>	<u>\$ 204,032</u>	<u>94</u>

(Continued)

	Notes	2010		2009	
		Amount	%	Amount	%
Nonoperating revenue					
Rent revenue					
Yuan Ze University	e.	\$ 3,382	33	\$ 4,132	36
Far EasTone Telecommunications Co., Ltd.	e.	3,286	32	3,275	29
Fu Ming Transport Co., Ltd.	e.	2,119	20	2,125	19
Oriental Resources Development Ltd.	e.	1,200	12	1,564	14
Others	b.	<u>131</u>	<u>1</u>	<u>246</u>	<u>1</u>
		<u>\$ 10,118</u>	<u>98</u>	<u>\$ 11,342</u>	<u>99</u>
Other revenue - endorsement guarantee revenue					
Yuan Ding Investment Co., Ltd.		\$ 9,446	4	\$ 12,793	8
Pacific Liu Tung Investment Co.		<u>-</u>	<u>-</u>	<u>918</u>	<u>1</u>
		<u>\$ 9,446</u>	<u>4</u>	<u>\$ 13,711</u>	<u>9</u>
Other revenue - commission revenue					
Oriental Petrochemical (Taiwan) Co., Ltd.		\$ 105,848	42	\$ -	-
Fu Kwork Garment Manufacturing Co., Ltd.		<u>21,927</u>	<u>9</u>	<u>29,739</u>	<u>19</u>
		<u>\$ 127,775</u>	<u>51</u>	<u>\$ 29,739</u>	<u>19</u>
Nonoperating expense					
Other expense					
Others	b., d.	\$ 7,808	3	\$ 18,983	4
Endorsement/guarantee expense					
Far Eastern Resources Development Co.		<u>17,166</u>	<u>6</u>	<u>23,037</u>	<u>5</u>
		<u>\$ 24,974</u>	<u>9</u>	<u>\$ 42,020</u>	<u>9</u>

Note:

- For the relationships between FENC and subsidiaries, please refer to schedule A.
- The transaction amount between related-parties was not over 5% of the total amount of the account.
- The terms of FENC's sales to and purchases from the related parties were based on agreement.
- FENC donated NT\$1,777 thousand and NT\$2,773 thousand to Yuan Ze University in 2010 and 2009, respectively; FENC also donated NT\$2,659 thousand and NT\$729 thousand to Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation in 2010 and 2009, respectively; FENC donated NT\$2,000 thousand to F.E. Memorial Foundation in 2010.
- FENC leased the lands, factories and equipment in Sinpu, Neili and Hukou to Yuan Ze University, Far EasTone Communication Co., Ltd., Fu-Ming Transportation Co., Ltd. and Oriental Resources Development Co., Ltd. and the rental revenues were collected monthly or quarterly. All the terms of the one-year renewable lease contracts had been agreed upon by the lessor and the tenants.

(Continued)

f. FENC rented the office buildings and factories from Yuan Ding Co. and Far Eastern Resources Development Co., Ltd. and the rent expenses were paid monthly or quarterly. All the terms of the one-year renewable lease contracts had been agreed upon by the lessor and the tenants.

g. Compensation of director, supervisors and executives:

	2010	2009
Salary and bonus (employees' bonus were included)	\$ 115,288	\$ 96,841
Remunerations of directors and supervisors	352,759	225,549
Operating fees - directors and supervisors	<u>2,664</u>	<u>2,736</u>
	<u>\$ 470,711</u>	<u>\$ 325,126</u>
		(Concluded)

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

	Notes	December 31			
		2010		2009	
		Amount	%	Amount	%
Notes receivable					
Everest Textile Co., Ltd.		\$ 50,435	16	\$ 21,792	10
Frendenberg Far Eastern Spunweb Co., Ltd.		41,325	13	-	-
Others	b.	<u>6,427</u>	<u>2</u>	<u>2,913</u>	<u>1</u>
		<u>\$ 98,187</u>	<u>31</u>	<u>\$ 24,705</u>	<u>11</u>
Accounts receivable					
Freudenberg Far Eastern Spunweb Co., Ltd.		\$ 81,453	25	\$ 80,580	35
Pet Far Eastern (M) Sdn. Bhd.		41,965	13	27,792	12
Far Eastern Industries (Shanghai) Ltd.		28,323	9	28,932	13
Far Eastern Apparel (Suzhou) Ltd.		22,113	7	26,778	12
Far Eastern Polychem Industries Ltd.		18,461	6	-	-
Everest Textile Co., Ltd.		8,013	2	16,061	7
Wuhan Far Eastern New Material Ltd.		5,848	2	11,512	5
Others	b.	<u>17,462</u>	<u>5</u>	<u>10,746</u>	<u>5</u>
		<u>\$ 223,638</u>	<u>69</u>	<u>\$ 202,401</u>	<u>89</u>
Other receivables					
Oriental Petrochemical (Taiwan) Co., Ltd.		\$ 107,267	37	\$ 724	-
Far EasTone Telecommunications Co., Ltd.		34,508	12	18,941	8
Far Eastern Resources Development Co.		32,440	11	64,209	28
Fu Kwork Garment Manufacturing Co., Ltd.		32,009	11	24,118	11
Far Eastern Department Stores Co., Ltd.		19,670	7	19,562	9
Asia Cement Corporation		12,738	4	16,972	7
U-Ming Marine Transport Corporation		10,132	3	12,138	5
Pet Far Eastern (M) Sdn. Bhd.	g.	-	-	32,208	14
Others	b.	<u>42,722</u>	<u>15</u>	<u>38,606</u>	<u>18</u>
		<u>\$ 291,486</u>	<u>100</u>	<u>\$ 227,478</u>	<u>100</u>
Prepayments (included in prepaid expense)					
Far Eastern Apparel (Suzhou) Ltd.		\$ 68,654	25	\$ 379,504	60

(Continued)

		December 31			
		2010		2009	
Notes		Amount	%	Amount	%
Refundable deposits (included in other assets - miscellaneous)					
	Yuan Ding Co., Ltd.	\$ 33,550	58	\$ 33,251	66
	Da Ju Fiber Co., Ltd.	8,000	14	8,000	16
	Others	<u>218</u>	-	<u>368</u>	<u>1</u>
		<u>\$ 41,768</u>	<u>72</u>	<u>\$ 41,619</u>	<u>83</u>
Accounts payable					
	Oriental Petrochemical (Taiwan) Co., Ltd.	\$ 996,636	77	\$ 572,155	81
	Oriental Union Chemical Corp.	112,425	9	94,962	14
	Asia Cement Corporation	95,728	7	21,866	3
	Others	<u>85,225</u>	<u>7</u>	<u>14,196</u>	<u>2</u>
		<u>\$ 1,290,014</u>	<u>100</u>	<u>\$ 703,179</u>	<u>100</u>
Accrued expense					
	Far Eastern Apparel (Suzhou) Ltd.	\$ 101,672	3	\$ 73,092	3
	Others	<u>65,816</u>	<u>2</u>	<u>67,357</u>	<u>2</u>
		<u>\$ 167,488</u>	<u>5</u>	<u>\$ 140,449</u>	<u>5</u>
Deferred income					
Sale of securities					
	Yuan Ding Investment Co., Ltd.	\$ 35,445	64	\$ 35,445	67
	Yuan Cing Infocomm Tech Co., Ltd.	2,730	5	-	-
	Yue Ding Industry Co., Ltd.	2,579	5	2,579	5
Sale of land					
	Far Eastern Construction Co., Ltd.	<u>14,749</u>	<u>26</u>	<u>14,749</u>	<u>28</u>
		<u>\$ 55,503</u>	<u>100</u>	<u>\$ 52,773</u>	<u>100</u>

Notes:

- a. For the relationships between FENC and subsidiaries, please refer to schedule A.
- b. The transaction amount between related-parties was not over 5% of the total amount of the account.
- c. In 1994, the Company sold the following shares to YDI and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd. shares for NT\$30,256 thousand; Nan Shan Life Insurance Co., Ltd. shares for NT\$216 thousand; and Hantech Venture Capital Co., Ltd., shares for NT\$4,973 thousand.
- d. The deferred income was made by selling the stock of NCIC to YCIC in 2010.
- e. The deferred income was made by selling the stocks of OPTC to Yue Ding Industry Co., Ltd. in March 2008.
- f. The deferred income was from the sale of land in the Hsin-Ya Section of Banchiao to Far Eastern Construction Co., Ltd. in 1988.

(Continued)

- g. Machinery and equipment were sold to Pet Far Eastern (M) Sdn. Bhd., Far Eastern Fibertech Co., Ltd. and Oriental Resources Development Ltd. ("ORDL") for NT\$52,517 thousand, NT\$171 thousand and NT\$18 thousand, respectively, in 2009. The Company purchased machinery and equipment for Pet Far Eastern (M) Sdn. Bhd. for NT\$32,208 thousand .
- h. The land was sold to FERD for NT\$5,763 thousand with gains NT\$1,212 thousand; the machinery and equipment were sold to Everest Textile and ORDL for NT\$48 thousand and NT\$76 thousand with gains NT\$48 thousand and NT\$3 thousand, respectively, in 2010. As of December 31, 2010, receivables from above transactions was received.
- i FENC bought machinery and equipment from Pet Far Eastern (M) Sdn. Bhd. for NT\$22,742 thousand in 2010. As of December 31, 2010, payables due to foregoing transaction was paid. FENC bought machinery and equipment from Ding Ding Management Consultants Co., Ltd. for NT\$100 thousand in 2010 and \$1,750 thousand in 2009. As of December 31, 2010 and 2009, payables due to foregoing transactions was paid.
- j NCIC and Digital United Inc. (dissolved due to the merged with NCIC on March 16, 2009) respectively purchased the unsecured bonds (the 1st tranche) at NT\$600,000 thousand and NT\$200,000 thousand issued by the Company. The companies presented above recognized the bond interest expenses of NT\$17,457 thousand and NT\$20,960 thousand for the years ended December 31, 2010 and 2009. The bonds had been fully redeemed as of December 31, 2010.
- k. The terms of sales to and purchases from the related parties were based on agreement.

(Concluded)

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

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

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
											Item	Value		
Far Eastern New Century Corporation	An Ho Garment Co., Ltd.	Receivables from related parties	\$ 400,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 49,274,306 (Note E)	
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
	Yuan Ding Investment Co., Ltd.	"	1,800,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
Yuan Ding Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	"	180,000	180,000	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Far Eastern Resources Development Co.	"	650,000	650,000	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	An Ho Garment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
Far Eastern Investment (Holding) Ltd.	Da Ju Fiber Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Oriental Petrochemical (Shanghai) Co., Ltd.	Receivables from affiliates	US\$ 30,000	US\$ 30,000	-	1%	2	-	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Flying Dutchman Ltd.	Other receivables	US\$ 5,000	US\$ 5,000	-	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
Far Eastern Investment (Holding) Ltd.	Waldorf Services B.V.	Receivables from affiliates	US\$ 10,000	US\$ 10,000	US\$ 800	-	2	US\$ 800	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	F.E.T.G. Investment Antilles N.V.	"	US\$ 15,000	US\$ 15,000	US\$ 236	1.44571%-1.75%	2	US\$ 236	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 68,600	1.44571%-1.75%	2	US\$ 68,600	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Per Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,500	1.44571%-1.75%	2	US\$ 2,500	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,786	0%-1.44571%	2	US\$ 3,786	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 20,000	US\$ 20,000	MYR 19,206	1.44571%-1.75%	2	MYR 19,206	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,000	1.44571%-1.75%	2	US\$ 2,000	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 5,000	US\$ 5,000	US\$ 2,500	-	2	US\$ 2,500	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 30,800	1.44571%-1.75%	2	US\$ 30,800	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 1,900	1.44571%-1.75%	2	US\$ 1,900	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	

(Continued)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
											Item	Value		
Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	\$ 90,000	\$ -	\$ -	1.57%-1.71%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	1,300,538 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	90,000	90,000	87,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	An He Garment Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	Da Ju Fiber Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	Yue Ding Industry Co., Ltd.	"	90,000	90,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	US\$ 98,000	US\$ 98,000	US\$ 98,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Industries (Shanghai) Ltd.	"	66,000	US\$ 66,000	US\$ 30,000	-	1	HK\$ 1,191,416	-	-	Promissory note	-	4,469,001 (Note H)	
	Far Eastern Industries (Suzhou) Ltd.	"	10,000	US\$ 10,000	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Petrochemical (Shanghai) Corp.	"	4,000	US\$ 4,000	-	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	"	25,000	US\$ 25,000	US\$ 18,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Apparel (Suzhou) Ltd.	"	30,000	US\$ 30,000	US\$ 11,900	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Investment (Holding) Ltd.	"	20,000	US\$ 20,000	-	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	"	15,000	US\$ 15,000	US\$ 340	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Yuan Tong Investment Co., Ltd.	An He Garment Co., Ltd.	Receivables from related parties	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
	Yuan Ding Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to affiliates	60,000	RMB 60,000	RMB 60,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	"	40,000	RMB 40,000	RMB 30,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Industries (Suzhou) Ltd.	"	40,000	RMB 40,000	RMB 40,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Industries (Suzhou) Ltd.	"	20,000	RMB 20,000	-	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Sino Belgium (Suzhou) Ltd.	"	10,000	RMB 10,000	-	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	5,000	US\$ 5,000	US\$ 4,600	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Chuang Yuan Co., Ltd.	Other receivables	10,000	US\$ 10,000	US\$ 6,380	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	64,900	US\$ 64,900	US\$ 48,800	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Industries (Suzhou) Ltd.	"	138,000	US\$ 138,000	US\$ 70,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	

(Continued)

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

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.
- B. The upper limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- C. The upper limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- D. The upper limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- E. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- F. The upper limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- G. The upper limit is equal to 25% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- H. The upper limit is the lower amount of 50% of the net value of FENC (based on audited financial statements) or business transaction amount between both parties as of December 31, 2010.
- I. The upper limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- J. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010.

(Concluded)

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

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 2010

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

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

(Continued)

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

Notes: A. The subsidiary whose more than 50% of the common shares holding is directly or indirectly owned by the parent company.

B. Equity-method investees.

C. Business relationship.

D. Parent company of the investee.

E. The subsidiary has the same ultimate parent company.

F. The amount of the collateral/guarantee is equal to 200% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

G. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

H. Limit is calculated using the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

I. Limit is computed using the net value of parent company (based on audited financial statements) as of December 31, 2010.

J. The amount of the collateral/guarantee is equal to 20% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

K. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010.

L. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

M. The amount of the collateral/guarantee is equal to the net value of FENC (based on audited financial statements) as of December 31, 2010

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

O. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010..

(Concluded)

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

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Equity method investments	686,631	\$ 12,740,990	22.33	\$ 22,143,872	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	208,750	4,168,670	16.80	10,176,534	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,229,666	9.17	2,776,107	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,112	0.03	996	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	36,135,804	99.70	36,522,355	-
	Far Eastern Resources Development Co.	(Note A)	Equity method investments	487,279	16,626,087	100.00	17,583,860	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	6,992,662	100.00	7,299,449	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	1,700	5,188,276	100.00	5,188,276	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	678,205	5,866,919	67.15	5,866,919	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	302,844	4,524,100	100.00	4,524,069	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	385,760	5,263,384	75.56	5,201,170	-
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity method investments	46	3,609,797	100.00	3,598,247	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	186,926	3,387,234	37.13	3,461,684	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	154,372	3,126,343	65.11	3,181,981	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,601,135	100.00	2,601,075	-
	Oriental Securities Corp.	(Note A)	Equity method investments	140,278	2,050,470	19.65	2,043,996	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	202	4,514,131	85.28	4,587,800	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,595,014	100.00	1,663,991	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	67,500	1,383,864	16.83	1,291,775	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	3,999	129,833	99.99	132,993	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	5,386	31,143	19.00	31,145	-
FEDP (Holding) Ltd.	(Note A)	Equity method investments	244	721,679	50.43	721,680	-	
Haitech Venture Capital Corp.	(Note A)	Financial assets carried at cost	4,939	53,667	3.73	64,732	-	
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	62,343	919,563	3.11	919,563	-	
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,454	1,206,374	9.12	2,761,880	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	796,141	25.23	916,482	-
	Asia Cement Corporation	(Note A)	Equity method investments	5,358	103,986	0.17	172,783	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,926	139,451	0.40	240,131	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	23,285,632	32.73	45,119,617	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	86	5,205,641	100.00	5,205,641	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	331,717	2,870,116	32.85	2,870,116	-
	Oriental Securities Corp.	(Note A)	Equity method investments	185,247	2,813,063	25.96	2,699,878	105,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	111	2,203,064	100.00	2,203,064	-
	Air Liquide Far Eastern Ltd.	(Note A)	Equity method investments	69,115	1,214,109	35.00	1,211,046	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	64,759	1,170,931	12.86	1,198,957	43,500 thousand shares pledged or mortgaged as collaterals for loans
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	59,827	1,140,123	14.92	1,145,127	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,026,282	16.87	1,037,815	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	818,300	100.00	808,336	-
	Yuan Ding Leasing Corp.	(Note A)	Equity method investments	36,706	376,448	46.20	378,085	-
Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	22,024	354,443	100.00	354,371	-	
Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	544,894	41.86	555,110	-	
Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	303,613	29.80	303,332	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Oriental Resources Development Ltd.	(Note A)	Equity method investments	21,322	\$ 131,326	70.32	\$ 135,249	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	26,528	354,636	5.20	364,824	-
	Yuan Fann Ltd.	(Note A)	Equity method investments	5,000	115,574	100.00	113,551	-
	Yue Ming Co., Ltd.	(Note A)	Equity method investments	1,280	93,904	45.50	95,933	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	1,270	17,980	1.00	16,691	-
	Yue Yuan Investment Co., Ltd.	(Note D)	Financial assets carried at cost	95,838	677,240	19.05	2,133,987	-
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost	2,985	81,405	5.27	113,791	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,688	56,019	3.54	61,450	-
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost	909	22,493	0.16	49,308	-
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost	1,400	14,000	1.16	15,285	-
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,000	10,000	1.11	9,047	-
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost	1,287	8,250	0.80	13,929	-
	Nan Shan Insurance Co., Ltd.	-	Financial assets carried at cost	5	221	-	1,030	-
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost	1	10	-	11	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	914	6,597	9.81	2,734	-
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost	2,165	30,669	0.50	32,056	-
	DPE DWS Global Multi-asset Income Plus FOF	-	Available-for-sale financial assets - noncurrent	5,000	55,050	0.83	55,050	-
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	2,994	190,119	0.35	190,119	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	15,771	232,625	0.79	232,625	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent (private)	69,044	683,536	3.44	683,536	-
	Under asset management contracts (Note E)	-	Financial assets at fair value through profit or loss - current	182	13,796	-	13,796	-
	Standard Foods Corporation	-	Financial assets at fair value through profit or loss - current	75	9,000	-	9,000	-
	China Steel Chemical Corporation	-	Financial assets at fair value through profit or loss - current	720	23,616	-	23,616	-
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	300	21,300	-	21,300	-
	Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss - current	360	24,300	-	24,300	-
	TSRC Corporation	-	Financial assets at fair value through profit or loss - current	420	21,042	-	21,042	-
	Ability Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss - current	369	19,446	-	19,446	-
	Phihong Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	120	6,204	-	6,204	-
	Cathay Financial Holdings	-	Financial assets at fair value through profit or loss - current	400	8,720	-	8,720	-
	Yuanta Financial Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss - current	100	9,500	-	9,500	-
	Dynapack Corporation	-	Financial assets at fair value through profit or loss - current	125	6,363	-	6,363	-
	Chipbond Technology Corporation	-	Financial assets at fair value through profit or loss - current	261	13,702	-	13,702	-
	ADLINK Technology Inc.	-	Financial assets at fair value through profit or loss - current	215	20,855	-	20,855	-
	Powertech Technology Inc.	-	Financial assets at fair value through profit or loss - current	540	13,716	-	13,716	-
	ACBEL Polytech Inc.	-	Financial assets at fair value through profit or loss - current	400	10,780	-	10,780	-
	Pou Chen Corporation	-	Financial assets at fair value through profit or loss - current	1,833	20,537	-	20,537	-
	DWS Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current					

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern Investment (Holding) Ltd.	F.E.T.G. Investment Antilles N.V.	(Note A)	Equity method investments	6	15,726	100.00	US\$ 15,726	-
	Filsyn Corporation	(Note A)	Equity method investments	45,066	-	21.85	US\$ 109,756	-
Ding Yuan International Investment Co., Ltd.	PET F.E. (M) Sdn. Bhd.	(Note A)	Equity method investments	Common stock: 5,000 Preferred stock: 3,000	6,818	50.00	US\$ 6,818	-
	Com2B	(Note A)	Equity method investments	9,000	884	20.00	US\$ 884	-
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity method investments	(Note H)	6,244	100.00	US\$ 6,244	-
	Opas Fund Segregated Portfolio Company	-	Financial assets carried at cost	-	51	34.00	US\$ 51	-
	Asia Cement Corporation	(Note A)	Equity method investments	12,096	382,665	0.39	390,096	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,526	111,815	0.36	220,643	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	8,523	48,985	1.81	65,712	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	10,045	222,374	1.25	377,692	-
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity method investments	920	40,444	0.03	38,916	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	9,683	199,579	13.20	116,564	-	
DWS Taiwan Bond Fund	(Note A)	Available-for-sale financial assets - current	19,659	220,254	-	220,254	-	
Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	63,024	929,607	3.14	929,607	7,682 thousand shares pledged or mortgaged as collaterals for loans	
Kai Yuan International Investment Co., Ltd.	Ya Li Transportation Co., Ltd.	-	Financial assets carried at cost	1,000	16,240	10.00	57,843	-
	Asia Cement Corporation	(Note A)	Equity method investments	16,096	375,174	0.52	519,087	-
Far Eastern Polychem Industries Ltd.	Far Eastone Telecommunications Co., Ltd.	(Note A)	Equity method investments	92,462	2,407,026	2.84	3,911,144	71,984 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	25,303	490,870	3.14	951,388	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	10,947	296,242	0.88	533,688	-
	Kowloon Cement Co., Ltd.	(Note A)	Equity method investments	1,127	348,189	49.00	376,334	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	74,970	1,026,984	16.80	1,033,552	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	DPE/DWS Taiwan Thematic	(Note J)	Available-for-sale financial assets - noncurrent	5,000	71,750	-	71,750	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	36,489	538,208	1.82	538,208	-
	Far Eastern International Bank (Private)	(Note J)	Available-for-sale financial assets - noncurrent	40,025	396,252	2.00	396,252	-
	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	1,698,003	87.64	RMB 1,425,207	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	35	210,439	14.72	US\$ 27,133	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	240	189,587	49.57	US\$ 24,306	-
Far Eastern Construction Co., Ltd.	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	16,941	10.00	JPY 277,572	-
	Stocks	(Note F)	Available-for-sale financial assets - current	1,590	100,952	0.19	100,952	-
Far Eastern Apparel (Holding) Ltd.	U-Ming Marine Transport Corporation	(Note A)	Equity method investments	125,639	1,606,386	98.95	1,651,562	-
	Far Eastern General Constructor Inc.	(Note A)	Equity method investments	16,217	416,558	0.53	523,005	-
Far Eastern Apparel Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	(Note H)	17,147	38.46	RMB 112,018	-
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	60,287	100.00	RMB 394,311	-
Far Eastern General Constructor Inc.	Ming Ding Co., Ltd.	(Note A)	Equity method investments	448	6,570	44.80	6,570	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	6	60	0.01	60	-
Far Eastern General Constructor Inc.	Mutual funds	-	Financial assets at fair value through profit or loss - current	2,407	37,007	-	37,007	-
	Invesco ROC Bond Fund	-	Financial assets at fair value through profit or loss - current	11,853	190,030	-	190,030	-
	UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss - current	11,239	167,004	-	167,004	-
	Shin Kong Chi-Shin Fund	-	Financial assets at fair value through profit or loss - current	760	130,003	-	130,003	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Capital Income Fund	-	Financial assets at fair value through profit or loss - current	8,407	\$ 130,003	-	\$ 130,003	-
	PAC Well Pool Fund	-	Financial assets at fair value through profit or loss - current	6,910	90,003	-	90,003	-
	TLG Solomon Bond Fund	-	Financial assets at fair value through profit or loss - current	6,610	80,016	-	80,016	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	3,347	49,025	-	49,025	-
	Stocks							
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	47,403	0.09	47,403	-
	Kaohsiung Rapid Transit Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	20,000	79,939	2.00	81,708	-
	Ya-Li Precast Prestressed Concrete Industries Corp.	(Note I)	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	18,648	-
	Far Eastern Technical Consultants Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	450	3,864	9.00	5,665	-
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity method investments	2	15,900	100.00	15,900	-
Waldorf Services B.V.	Centex Apparel Inc.	(Note A)	Other liabilities - other	90	(233)	50.00	(233)	-
	Malaysia Garment Manufactures Pe., Ltd.	(Note A)	Equity method investments	30	1,749	37.90	1,749	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(364)	41.00	(364)	-
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	-	3,444	25.00	21,897	-
	Filsyn Corporation	-	Financial assets carried at cost	20,513	-	9.94	(49,930)	-
An Ho Garment Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	80,172	1,936,940	2.46	3,391,276	40,829 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity method investments	2,843	107,153	0.09	91,687	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	11,494	138,663	15.66	138,365	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	4,841	94,508	1.21	92,660	-
	Oriental Securities Corp.	(Note A)	Equity method investments	5,000	79,061	0.70	72,872	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	5,502	152,568	0.30	109,907	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,694	231,486	0.78	231,486	-
Yuan Faun Ltd.	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	37,286	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	3,326	49,053	0.17	49,053	-
	Yuan Cheng Human Resources Consultant Co., Ltd.	(Note A)	Equity method investments	472	9,634	55.56	11,914	-
Fu Kwok Garment Manufacturing Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	520	19,574	0.02	21,030	-
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	104,216	2,838,098	3.20	4,408,337	78,374 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	35,048	32,995	9.15	37,836	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	7,094	202,452	0.57	345,833	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	439	9,977	0.05	16,506	-
	Asia Cement Corporation	(Note A)	Equity method investments	16,781	574,317	0.55	541,187	-
	Sino Belgium (Holding) Ltd.	(Note A)	Equity method investments	17	22,471	87.50	22,603	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	25,021	280,323	-	25,021	-
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	101,677	9,862	-	9,862	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,166	223,700	0.76	223,700	-
Boekhold N.V.	Boekhold N.V.	-	Financial assets carried at cost	1	223,533	12.51	75,319	-
Boekhold N.V.	Boekhold N.V.	-	Financial assets carried at cost	-	7,895	-	-	-
Boekhold N.V.	Boekhold N.V.	-	Bond investments with no active market	-	258,903	-	-	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note	
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
Far EasTone Telecommunications Co., Ltd.	Under asset management contracts (Note E)								
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	999	\$ 32,767	-	\$ 32,767	-	
	USI Corporation	-	Financial assets at fair value through profit or loss - current	540	15,768	-	15,768	-	
	Chung Hwa Pulp Corporation	-	Financial assets at fair value through profit or loss - current	1,242	19,437	-	19,437	-	
	Hsin Kuang Steel Co., Ltd.	-	Financial assets at fair value through profit or loss - current	423	13,705	-	13,705	-	
	CSBC Corp., Taiwan	-	Financial assets at fair value through profit or loss - current	108	2,970	-	2,970	-	
	Macromix International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,339	27,316	-	27,316	-	
	Aceton Technology Corporation	-	Financial assets at fair value through profit or loss - current	1,296	26,438	-	26,438	-	
	Stark Technology Inc.	-	Financial assets at fair value through profit or loss - current	410	12,587	-	12,587	-	
	EVA Airways Corporation	-	Financial assets at fair value through profit or loss - current	450	16,560	-	16,560	-	
	HannStar Touch Solution Incorporated	-	Financial assets at fair value through profit or loss - current	540	13,446	-	13,446	-	
	Green Energy Technology Inc.	-	Financial assets at fair value through profit or loss - current	288	24,192	-	24,192	-	
	Giga Solution Tech. Co.	-	Financial assets at fair value through profit or loss - current	207	4,606	-	4,606	-	
	Rechi Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	645	11,868	-	11,868	-	
	Gloria Material Technology Corporation	-	Financial assets at fair value through profit or loss - current	895	24,299	-	24,299	-	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	54	1,534	-	1,534	-	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	350	32,410	-	32,410	-	
	Taiwan Cooperative Bank	-	Financial assets at fair value through profit or loss - current	990	25,047	-	25,047	-	
	Wistron Neweb Corporation	-	Financial assets at fair value through profit or loss - current	533	37,257	-	37,257	-	
	Prime View International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	648	38,297	-	38,297	-	
	Wah Hong Industrial Corp.	-	Financial assets at fair value through profit or loss - current	107	7,629	-	7,629	-	
	Stocks								
	Yuan Cing Infocomm Tech Co., Ltd.	(Note A)	Equity method investments	1,500,100	15,076,670	100.00	15,076,670	-	
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	695,096	6,170,177	26.74	6,170,177	-	
	ARCOA Communication Co., Ltd.	(Note A)	Equity method investments	82,009	1,175,797	61.07	1,175,797	-	
	KGEX.com Co., Ltd.	(Note A)	Equity method investments	89,089	726,564	79.25	726,564	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	174,185	100.00	174,185	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	157,714	169,347	41.18	169,347	-	
	E-World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	77,979	85.92	77,979	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	4,725	34,346	15.00	34,346	-	
	Far East Iron Holding Ltd.	(Note A)	Equity method investments	4,487	26,920	100.00	26,920	-	
	iScreen Corporation	(Note A)	Equity method investments	4,000	24,247	40.00	24,247	-	
	O-music Co., Ltd.	(Note A)	Equity method investments	2,500	23,833	50.00	23,833	-	
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	387	3,834	8.56	3,834	-	
	TCC	(Note A)	Other liabilities - other	36,460	(14,466)	51.00	(14,466)	-	
	ACC	-	Available-for-sale financial assets - current	550	18,040	-	18,040	-	
		Available-for-sale financial assets - current	2,091	67,432	-	67,432	-		

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009			Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	
	DAIOKU	-	Available-for-sale financial assets - current	100	\$ 6,400	-	6,400
	TSRC	-	Available-for-sale financial assets - current	150	10,125	-	10,125
	WEC	-	Available-for-sale financial assets - current	900	7,749	-	7,749
	CHROMA	-	Available-for-sale financial assets - current	160	13,936	-	13,936
	LPI	-	Available-for-sale financial assets - current	1,310	32,357	-	32,357
	ARES	-	Available-for-sale financial assets - current	300	8,790	-	8,790
	STARK	-	Available-for-sale financial assets - current	415	12,741	-	12,741
	EVAAIR	-	Available-for-sale financial assets - current	275	10,120	-	10,120
	Yoanta Group	-	Available-for-sale financial assets - current	400	8,720	-	8,720
	NOVATEK	-	Available-for-sale financial assets - current	30	2,820	-	2,820
	Ardentec	-	Available-for-sale financial assets - current	300	9,075	-	9,075
	GPI	-	Available-for-sale financial assets - current	109	5,677	-	5,677
	GET	-	Available-for-sale financial assets - current	100	8,400	-	8,400
	Orisetech	-	Available-for-sale financial assets - current	108	6,858	-	6,858
	CS	-	Available-for-sale financial assets - current	655	14,574	-	14,574
	RECHI	-	Available-for-sale financial assets - current	300	5,520	-	5,520
	SWANCOR	-	Available-for-sale financial assets - current	200	11,220	-	11,220
	CHIPBOND	-	Available-for-sale financial assets - current	270	13,743	-	13,743
	SYSTEX	-	Available-for-sale financial assets - current	320	15,008	-	15,008
	SIGURD	-	Available-for-sale financial assets - current	300	8,340	-	8,340
	WNC	-	Available-for-sale financial assets - current	130	9,087	-	9,087
	PCHome online	-	Available-for-sale financial assets - current	51	9,027	-	9,027
	Phison	-	Available-for-sale financial assets - current	45	7,335	-	7,335
	Open-end mutual funds	-					
	GGI EM Trend ETF Fund of Funds	-	Available-for-sale financial assets - current	500	5,250	-	5,250
	PCA Global Green Solutions Fund	-	Available-for-sale financial assets - current	4,978	50,427	-	50,427
	Private funds	-					
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	147,438	-	147,438
	Bonds	-					
	Asia Cement Corporation 1st Unsecured Corporation Bond Issue in 2009	-	Held-to-maturity financial assets - noncurrent	-	199,666	-	203,931
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	350 2,143	0.17 100.00	318 3,481
PET Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	178,870	53.24	1,168,502
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuanzi Information Co., Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	3,700 2,180	3.63 100.00	6,789 2,168
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	93,875 91,216	100.00 100.00	613,260 595,885
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	40,467	100.00	264,360
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern (China) Investment Ltd.	(Note A) (Note A) (Note A)	Equity method investments Equity method investments Equity method investments	(Note H) (Note H) (Note H)	27,541 27,438 63,466	96.20 61.54 100.00	179,916 179,241 352,819
Arcoa Communication Co., Ltd.	Stock Data Express Infotech Co., Ltd. THH consultants VIBO Telecom Inc. Chunghua Int'l Communication Network Co., Ltd. Web Point Co., Ltd.	(Note A) - - - -	Equity method investments Financial assets carried at cost - noncurrent Financial assets carried at cost - noncurrent Financial assets carried at cost - noncurrent Financial assets carried at cost - noncurrent	6,143 1,214 840 2,087 161	142,401 13,729 8,400 6,714 1,618	70.00 18.32 0.04 3.98 0.63	142,401 13,729 8,400 6,714 1,618

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Open-end mutual funds							
	PCA Well Pool Money Market Fund Bond Fund	-	Available-for-sale financial assets - current	4,612	\$ 60,076	-	\$ 60,076	-
	Capital Income Fund	-	Available-for-sale financial assets - current	9,510	120,357	-	120,357	-
	Fuh Hwa Bond Fund	-	Available-for-sale financial assets - current	7,778	120,272	-	120,272	-
	Fuh Hwa Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	4,340	60,167	-	60,167	-
	Fuh Hwa Global Short-Term Income Fund	-	Available-for-sale financial assets - current	3,095	40,946	-	40,946	-
				4,709	50,070	-	50,070	-
	<u>Bonds</u>							
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	10,000	10,000	-	10,000	-
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 219,138	12.36	RMB 201,071	-
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 177,997	-
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 4,844	100.00	RMB 30,968	-
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note H)	US\$ (2,309)	100.00	RMB (24,790)	-
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 5,000	100.00	RMB 6,540	-
New Century InfoComm Tech Co., Ltd.	<u>Stock</u>							
	New Diligent Co., Ltd.	(Note A)	Equity method investments	80,000	718,362	100.00	718,362	-
	Information Security Service Digital United Co., Ltd.	(Note A)	Equity method investments	14,878	127,013	100.00	127,013	-
	Simple InfoComm Co., Ltd.	(Note A)	Equity method investments	3,400	24,116	100.00	24,116	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	1,575	11,460	5.00	11,460	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	932	9,237	20.63	9,237	-
	Kaonising Rapid Transit Corporation	-	Financial assets carried at cost - noncurrent	30,000	40,797	3.00	40,797	-
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - noncurrent	450	4,500	3.33	4,500	-
	C2C Holdings Pre. Ltd.	-	Financial assets carried at cost - noncurrent	30,000	-	6.38	-	-
	MetaEdge Corp.	-	Financial assets carried at cost - noncurrent	39	-	1.59	-	-
	YeServ Com. Limited	-	Financial assets carried at cost - noncurrent	160	-	1.32	-	-
	Auto TOOLS Co., Ltd.	-	Financial assets carried at cost - noncurrent	153	-	1.53	-	-
	TCC	-	Financial assets at fair value through profit or loss - current	111	3,635	-	3,635	-
	GPCC	-	Financial assets at fair value through profit or loss - current	287	5,984	0.04	5,984	-
	SHINKO. TEXTILE	-	Financial assets at fair value through profit or loss - current	90	4,995	0.03	4,995	-
LP		-	Financial assets at fair value through profit or loss - current	177	2,858	0.03	2,858	-
ECLAT		-	Financial assets at fair value through profit or loss - current	65	2,499	0.03	2,499	-
YUNGTAY		-	Financial assets at fair value through profit or loss - current	96	4,205	0.02	4,205	-
WALSIN		-	Financial assets at fair value through profit or loss - current	1,389	25,696	0.04	25,696	-
TSRC		-	Financial assets at fair value through profit or loss - current	60	4,050	0.01	4,050	-
YL		-	Financial assets at fair value through profit or loss - current	325	20,053	0.02	20,053	-
SY		-	Financial assets at fair value through profit or loss - current	287	5,310	0.03	5,310	-
CSBC		-	Financial assets at fair value through profit or loss - current	142	3,905	0.02	3,905	-
ASE		-	Financial assets at fair value through profit or loss - current	90	3,037	-	3,037	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Synnex		-	Financial assets at fair value through profit or loss - current	60	\$ 4,722	-	\$ 4,722	-
Qsda		-	Financial assets at fair value through profit or loss - current	612	12,179	0.03	12,179	-
ACER		-	Financial assets at fair value through profit or loss - current	46	4,145	-	4,145	-
ASUSTEK		-	Financial assets at fair value through profit or loss - current	12	3,324	-	3,324	-
Wintek Corp.		-	Financial assets at fair value through profit or loss - current	77	3,858	0.01	3,858	-
EPSTAR		-	Financial assets at fair value through profit or loss - current	70	7,455	-	7,455	-
MTK		-	Financial assets at fair value through profit or loss - current	43	17,952	-	17,952	-
STARK		-	Financial assets at fair value through profit or loss - current	302	9,271	0.23	9,271	-
ZINWELL		-	Financial assets at fair value through profit or loss - current	45	2,583	0.01	2,583	-
HTC		-	Financial assets at fair value through profit or loss - current	10	9,000	-	9,000	-
KINDOM		-	Financial assets at fair value through profit or loss - current	153	5,095	0.03	5,095	-
FSC		-	Financial assets at fair value through profit or loss - current	34	2,312	0.01	2,312	-
EMC		-	Financial assets at fair value through profit or loss - current	55	1,666	-	1,666	-
YMTC		-	Financial assets at fair value through profit or loss - current	140	3,955	0.01	3,955	-
EVAAIR		-	Financial assets at fair value through profit or loss - current	88	3,238	-	3,238	-
CFRT		-	Financial assets at fair value through profit or loss - current	16	8,256	0.02	8,256	-
C.H.B		-	Financial assets at fair value through profit or loss - current	290	7,511	-	7,511	-
Cathay Holdings		-	Financial assets at fair value through profit or loss - current	68	3,528	-	3,528	-
Yunanta Group		-	Financial assets at fair value through profit or loss - current	155	3,379	-	3,379	-
MEGA FHC		-	Financial assets at fair value through profit or loss - current	703	15,782	0.01	15,782	-
TSPHC		-	Financial assets at fair value through profit or loss - current	100	1,725	-	1,725	-
FFHC		-	Financial assets at fair value through profit or loss - current	262	7,021	-	7,021	-
MERCURIES		-	Financial assets at fair value through profit or loss - current	381	9,373	0.07	9,373	-
PCSC		-	Financial assets at fair value through profit or loss - current	109	14,659	0.01	14,659	-
AVC		-	Financial assets at fair value through profit or loss - current	70	2,414	0.03	2,414	-
NOVATEK		-	Financial assets at fair value through profit or loss - current	20	1,880	-	1,880	-
WT		-	Financial assets at fair value through profit or loss - current	76	3,564	0.03	3,564	-
TXC		-	Financial assets at fair value through profit or loss - current	174	9,686	0.06	9,686	-
DAVICOM		-	Financial assets at fair value through profit or loss - current	323	13,601	0.38	13,601	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	KINSUS	-	Financial assets at fair value through profit or loss - current	46	\$ 4,554	0.01	\$ 4,554	-
	Wisron	-	Financial assets at fair value through profit or loss - current	82	4,871	-	4,871	-
	Ardentec	-	Financial assets at fair value through profit or loss - current	130	3,933	0.03	3,933	-
	VIVOTEK	-	Financial assets at fair value through profit or loss - current	60	3,960	0.10	3,960	-
	JTOUCH	-	Financial assets at fair value through profit or loss - current	40	4,320	0.04	4,320	-
	PAHSCO	-	Financial assets at fair value through profit or loss - current	10	1,271	0.02	1,271	-
	NEE	-	Financial assets at fair value through profit or loss - current	227	13,325	0.27	13,325	-
	SAS	-	Financial assets at fair value through profit or loss - current	36	3,334	0.01	3,334	-
	RICH	-	Financial assets at fair value through profit or loss - current	500	9,575	0.09	9,575	-
	SMP	-	Financial assets at fair value through profit or loss - current	31	6,572	0.01	6,572	-
	CHIPBOND	-	Financial assets at fair value through profit or loss - current	115	5,854	0.02	5,854	-
	Career Tech.	-	Financial assets at fair value through profit or loss - current	155	6,991	0.05	6,991	-
	SIGURD	-	Financial assets at fair value through profit or loss - current	398	11,064	0.12	11,064	-
	FLEXIUM	-	Financial assets at fair value through profit or loss - current	105	5,723	0.07	5,723	-
	GMT	-	Financial assets at fair value through profit or loss - current	17	2,380	0.02	2,380	-
	ACME	-	Financial assets at fair value through profit or loss - current	45	5,558	0.04	5,558	-
	RUENTEX DEVELOP	-	Financial assets at fair value through profit or loss - current	81	4,155	0.01	4,155	-
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	1,065	65,391	-	65,391	-
	iShares FTSE/Xinhua A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,250	59,687	-	59,687	-
	Share certificates Digital United (Cayman) Ltd.	(Note A)	Equity method investments	3,320	24,224	100.00	24,224	-
	Open-end mutual funds							
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,668	154,838	-	154,838	-
	Prudential Financial Bond Fund	-	Financial assets at fair value through profit or loss - current	5,491	83,348	-	83,348	-
	Mega Diamond Bond Fund	-	Financial assets at fair value through profit or loss - current	3,594	43,066	-	43,066	-
	DFE DWS Global Multi-asset Income Plus FOF-A	-	Financial assets at fair value through profit or loss - current	9,571	105,380	-	105,380	-
	Deutsche Far Eastern DWS Global Agribusiness Fund	-	Financial assets at fair value through profit or loss - current	5,000	51,550	-	51,550	-
	Private funds							
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	30	922,030	-	922,030	-
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	10	294,877	-	294,877	-
	Capital Convertible Bond Arbitrage Plus I Fund	-	Available-for-sale financial assets - current	9,558	100,169	-	100,169	-
	Capital CB Arbitrage VIII Fund	-	Available-for-sale financial assets - current	9,535	100,026	-	100,026	-
	Fuh Hwa Angel Fund	-	Available-for-sale financial assets - current	8,114	100,933	-	100,933	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Digital United (Cayman) Ltd.	Bonds The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	-	\$ 990,000	-	\$ 990,000	-
	Stock Digital United Information Technologies Co., Ltd.	(Note A)	Equity method investments	-	US\$ 480	100.00	US\$ 480	-
New Diligent Co., Ltd.	Share certificates New Diligence Corporation (Shanghai)	(Note A)	Equity method investments	-	2,057	100.00	2,057	-
	Sino Lead Enterprise Limited	(Note A)	Equity method investments	-	535	100.00	535	-
Data Express Infotech Co., Ltd.	Open-end mutual funds UPAMC JAMES BOND Fund	-	Financial assets at fair value through profit or loss - current	5,496	88,108	-	88,108	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	10,940	160,234	-	160,234	-
Yuan Cing Infocomm Tech Co., Ltd.	Stock Linkwell Tech. Co., Ltd.	(Note A)	Equity method investments	1,000	6,366	100.00	6,366	-
	Stocks New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	1,762,945	19,314,233	67.82	19,314,233	-
Far Eastern Info Service (Holding) Ltd.	Share certificates Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 5,320	100.00	US\$ 5,320	-
	Stocks ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	2,734	US\$ 930	60.52	US\$ 930	-
E. World (Holdings) Ltd.	Stocks Yuan Cing Co., Ltd.	(Note A)	Equity method investments	19,350	US\$ 2,863	100.00	US\$ 2,863	-

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

D. The subsidiary of equity-method investee.

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

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

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

H. The private company.

I. Institutional director of the investee is FENC.

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

(Concluded)

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

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value		Disposal Gain (Note B)	Shares (Thousands)/ Thousand Units
Far Eastern New Century Corporation	PEI Far Eastern (Holding) Ltd.	Equity-method investments	Ding Yuan International Investment Co., Ltd. and Oriental Union	(Notes H and J)	117	\$ 1,996,083	85	\$ 1,318,845	-	\$ -	-	\$ 1,199,203	202	\$ 4,514,131
	Far Eastern Polychem Industries Ltd. FEDEP (Holding) Ltd.	Equity-method investments Equity-method investments	Yuan Tong Investment Co., Ltd. and Far Eastern Polytex (Holding) Ltd.	(Note H)	493,631	4,185,668	184,574	1,540,567	-	-	-	140,684	678,205	5,866,919
Yuan Ding Investment Co., Ltd.	Pacific Petrochemical (Holding) Co., Ltd.	Equity-method investments	Oriental Union Chemical Corporation		20	709,848	-	-	20	645,047	751,740	41,892	-	
	Far Eastern Apparel (Holding) Ltd.	Equity-method investments	Issuance of stock by cash		95	1,934,377	16	320,785	-	-	-	(52,098)	111	2,203,064
	New Century InfoComm Tech Co., Ltd.	Equity-method investments	Yuan Ding InfoComm Tech Co., Ltd.		100,694	1,007,911	-	-	100,694	1,097,288	996,818	(11,093)	-	
	U-Ming Marine Transport Corporation	Available-for-sale financial assets	Open market	(Note H)	50	3,250	2,944	189,761	-	-	-	-	2,994	190,119
Far Eastern General Constructor Inc.	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current			3,128	50,002	11,853	190,000	3,128	50,030	50,002	28	11,853	190,030
	Shin Kong Chi-Shin Fun	Financial assets at fair value through profit or loss - current			14,452	214,062	11,239	167,000	14,452	214,103	214,062	42	11,239	167,004
	FTSI Bond Fund	Financial assets at fair value through profit or loss - current			529	90,076	1,433	245,000	1,202	205,119	205,076	43	760	130,003
	Capital Income Fund	Financial assets at fair value through profit or loss - current			8,629	133,009	15,347	237,000	15,569	240,148	240,009	139	8,407	130,003
	PCAF Bond Fund	Financial assets at fair value through profit or loss - current			11,554	150,011	6,910	90,000	11,554	150,025	150,011	14	6,910	90,003
	TLAM Bond Fund	Financial assets at fair value through profit or loss - current			6,630	80,004	13,235	160,000	13,255	160,093	160,004	89	6,610	80,016
	FSITC Taiwan Bond Fund	Financial assets at fair value through profit or loss - current			-	-	14,620	214,000	11,273	165,018	164,994	24	3,347	49,025
	Invesco ROC Bond Fund	Financial assets at fair value through profit or loss - current			13,046	200,001	2,407	37,000	13,046	200,005	200,001	4	2,407	37,007
	Bond Fund	Financial assets at fair value through profit or loss - current			-	-	17,042	215,000	17,042	215,261	215,000	261	-	-
	Taishin Lucky Fund	Financial assets at fair value through profit or loss - current			9,408	100,001	12,788	136,000	22,196	236,172	236,001	171	-	-
	Mega Bond Fund	Financial assets at fair value through profit or loss - current			4,191	50,000	15,908	190,000	20,099	240,251	240,000	251	-	-
	Hua Nan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current			5,974	93,058	6,407	100,000	12,381	193,158	193,058	100	-	-

(Continued)

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

(Continued)

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

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance			
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain	Investment Income under the Equity Method	Shares (Thousands)/ Thousand Units	Amount
Far Eastern Apparel (Holding) Ltd.	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	-	5,496	\$ 125,275	5,184	\$ 156,762	-	\$ -	-	\$ -	14,205	\$ 296,242
	Yi Jim Industrial Co., Ltd.	Available-for-sale financial assets - noncurrent	Stock dividend	-	-	16,430	137,188	267	-	16,430	156,621	137,188	59,686	-	-
	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Equity-method investment	Issuance of stock by cash	-	-	(Note E)	US\$ 25,672	-	US\$ 30,000	-	-	-	-	US\$ 4,615	US\$ 60,287

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

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

C. Includes a deferred gain of NT\$1,012,622 thousand on a downstream disposal in 2010.

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

E. The private company.

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

G. The parent company.

H. Subsidiary.

I. The same ultimate parent company.

J. Equity-method investee.

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

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

(Concluded)

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

REAL ESTATE ACQUIRED AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars)

Company Name	Real Estate	Trading Date	Trading Amount	Payment	Related Party	Nature of Relationship	Information of Previous Transfer Between Related Parties			Price Basis of the Transfer	Purpose or Existing Condition	Other Contract Items
							Owner	Nature of Relationship	Date of Previous Estate Transfer			
Far Eastern New Century Corporation	Lot Number 22, 24-2 and above Building Number 686, 686-1 of the Gongye Section in Guanyin Township, Taoyuan Country	2010.11.18	\$ 445,000	Fully paid	Kun Hui Lin (Natural person)	None	-	-	\$	\$442,000 thousand based on Top Estate Joint Appraiser Firm's appraisal report	General corporate purposes for the Company	-
Far EasTone Telecommunications Co., Ltd.	Neihu switch center	2010.2.25	154,100	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	2000.12.16	130,000	\$160,952 thousand based on DZT's appraisal report	Switch center	-
	Taichung land for switch center	2010.2.25	55,877	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	2000.5.24	63,277	\$58,093 thousand based on DZT's appraisal report	Switch center	-
	Kaohsiung office space	2010.2.25	29,200	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	1999.12.21 2000.12.17	27,300 18,600	\$30,071 thousand based on DZT's appraisal report	Switch center	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Land and Building of the Gongye Section in Guanyin Township, Taoyuan Country	2010.4.14	2,038,800	Fully paid	Public sale by the law court	None	-	-	-	Price base on public sale by the court	General corporate purposes for OPTC	-

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars)

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

(Continued)

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

(Continued)

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

Notes:

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

(Concluded)

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

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Far Eastern New Century Corporation	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note D)	\$ 107,267	(Note G)	\$ -	-	\$ -	-
Far East Tone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd. New Century InfoComm Tech Co., Ltd.	(Note D) (Note D)	222,918 470,687	8.43 (Note B)	-	-	140,506 185,692	-
New Century Infocomm Tech Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note E)	131,563	(Note I)	-	-	75,628	-
Arcoa Communication Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note E)	182,202	11.81	-	-	105,717	-
KG Ex.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	130,774	5.38	-	-	55,417	-
Oriental Petrochemicals (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	996,636	12.23	-	-	996,636	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Polychem Industries Ltd.	(Note C) (Note E)	387,816 1,093,919	3.70 3.80	-	-	207,780 427,600	-
Oriental Petrochemicals (Shanghai) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd.	(Note C) (Note C)	2,136,076 739,146	9.38 8.28	-	-	2,136,076 739,146	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd. Far Eastern Industries (Shanghai) Ltd.	(Note C) (Note C)	585,094 257,531	0.82 3.83	-	-	585,094 257,531	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	197,348	8.92	-	-	197,348	-
Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	107,738	2.50	-	-	-	-
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	107,080	8.30	-	-	107,080	-
Far Eastern General Constructor Inc.	Far Eastern Construction Co., Ltd.	(Note E)	282,154	(Note K)	-	-	-	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	281,960	31.91	-	-	202,914	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	144,251	3.60	-	-	144,251	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	263,239	(Note F)	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Pet Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Co., Ltd.	(Note D)	\$ 264,062	(Note J)	\$ -	-	\$ -	-
Far Eastern Apparel Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note H)	101,283	2.25	-	-	-	-

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

Note B: The turnover rate is unavailable because the receivables from related parties mainly consisted of advances for the operating expenses of New Century InfoComm Tech Co., Ltd.

Note C: The same ultimate parent company.

Note D: The subsidiary.

Note E: The parent company.

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

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTORS ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

YEAR ENDED DECEMBER 31, 2010

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Shares (Thousands)	Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008		Carrying Value	Percentage of Ownership			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	686,631	\$ 12,740,990	22.33	\$ 7,676,310	\$ 1,093,753	Gain or loss recognized under the treasury stock method
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	208,750	4,168,670	16.80	2,567,143	431,280	Including write off and reversed by upstream transactions (\$559)
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	1,229,666	9.17	2,096,627	191,702	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	1,112	0.03	(1,415,319)	(424)	Including write off and reversed by side-stream transactions (\$22,202)
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,294	1,828,323	36,135,804	99.70	4,382,083	4,346,734	Including write off and reversed by side-stream transactions \$812,181
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate investment	14,931,733	14,931,733	487,279	16,626,087	100.00	132,258	944,439	Including write off and reversed by side-stream transactions (\$306,810)
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	6,992,662	100.00	27,607	(279,202)	
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	5,188,276	100.00	435,533	435,533	
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,846,795	4,306,228	678,205	5,866,919	67.15	587,799	338,017	Including write off by side-stream transactions (\$24,331)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	4,524,100	100.00	589,251	589,251	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	385,760	5,263,384	75.56	1,824,935	1,388,139	Including write off and reversed by upstream transactions and side-stream transactions \$9,218
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,984,602	46	3,609,797	100.00	427,029	430,036	Including write off and reversed by side-stream transactions \$3,007
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	3,387,234	37.13	302,274	112,348	
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	3,126,343	65.11	1,855,221	1,207,935	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	2,601,135	100.00	118,534	1,301,129	Including write off by side-stream transactions \$11,595
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	2,050,470	19.65	531,278	104,396	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,827,853	1,509,008	202	4,514,131	85.28	1,605,417	1,356,044	Including write off and reversed by side-stream transactions \$27,651; discount amortization of \$7,295
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Garment production	1,023	1,023	66,346	1,595,014	100.00	252,127	252,127	
	Pacific Lin Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	810,000	810,000	67,500	1,383,864	16.83	1,616,339	272,030	
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	129,833	99.99	910	910	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	31,143	19.00	11,738	2,230	Fully sold by August 2010	
New Century Information Communication Co., Ltd.	Taipei, Taiwan	Telecommunications	-	40,560	-	-	-	(125,895)	(196)		
PEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	-	244	721,679	50.43	992	17		
Asia Cement Corporation	Taipei, Taiwan	Cement production	116,594	81,967	5,358	103,986	0.17	7,676,310	7,952	Gain or loss recognized under the treasury stock method and discount amortization of \$605	
Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	23,285,632	32.73	8,848,565	2,896,135		
Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	796,141	25.23	(1,415,319)	(357,085)		
Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,130,169	1,132,851	73,454	1,306,374	9.12	2,096,627	191,743	Including discount amortization of \$530	
Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	4,926	139,451	0.40	2,567,143	10,269		
Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	5,606,913	5,861,253	86	5,305,641	100.00	539,275	537,228	Including unrealized gross profit of (\$2,047)	
Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	1,620,452	1,620,452	331,717	2,870,116	32.85	587,799	225,028	Including unrealized gross profit of (\$422)	
Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	253,359	185,247	2,813,063	25.96	531,278	138,359	Including discount amortization of \$439	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	\$ 2,179,442	\$ 1,858,657	111	100.00	\$ 2,203,064	\$ 62,649	
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,214,109	215,973	Fully sold by August 2010
Ding Yuan International Investment Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	-	1,549,473	-	-	1,170,931	38,912	
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,140,123	241,158	
Kai Yuan International Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,026,282	24,769	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing of real estate and movable property, etc.	1,012,057	1,012,057	75,269	16.87	1,026,282	24,769	
Far Eastern Polychem Industries Ltd.	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	818,300	104,694	
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	376,448	7,669	
Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,024	100.00	354,443	19,624	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	544,894	20,898	
Far Eastern Investment (Holding) Ltd.	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	303,613	74,247	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	131,326	363	Including discount amortization of \$1,638 and unrealized gross profit of (\$116)
Far Eastern Investment (Holding) Ltd.	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	PTA production and sale	-	-	26,528	5.20	354,636	96,419	
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	115,574	193	
Far Eastern Investment (Holding) Ltd.	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	93,904	961	
	Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	17,980	2,173	
Far Eastern Investment (Holding) Ltd.	Pacific Petrochemical (Holding) Co., Ltd.	P.O. Box 3140 Tortola British Virgin Islands	Investment	-	681,000	-	-	-	-	Including discount amortization of \$26 Fully sold by February 2010
	F.E.T.G. Investment Antilles N.V.	Kaya W.F.G. Mensing 14, Curacao, Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	US\$ 15,726	US\$ 6,206	
Far Eastern Investment (Holding) Ltd.	Filayn Corporation	Unit 8, 5B Pearlbank Centre Aurillac	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	US\$ -	PESO(1,677,138)	
	PET F.E. (M) Sdn Bhd.	146 Valero St. Makati City 1227, Philippines	Bottle production	MYR 8,000	MYR 8,000	(Note A)	50.00	US\$ 6,818	US\$ 715	
Far Eastern Investment (Holding) Ltd.	Com 2B Corp.	Ple 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	US\$ 884	US\$ 7	
	Far Eastern Apparel (Vietnam) Ltd.	Cayman Islands 11 VSP Street 4, Vietnam Thuan An District, Binh Duong Province, Vietnam	Clothing production	US\$ 6,000	US\$ 6,000	(Note B)	100.00	US\$ 6,244	US\$ 1,123	
Ding Yuan International Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	85,591	34,795	4,526	0.36	111,815	2,567,143	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	146,380	146,283	8,523	1.81	48,985	(1,415,319)	
Kai Yuan International Investment Co., Ltd.	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	206,243	200,463	10,045	1.25	222,374	2,096,627	
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,444	8,848,565	
Kai Yuan International Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	9,683	13.20	199,579	40,961	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	100,711	12,096	0.39	382,665	7,676,310	
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Cement production	280,375	151,277	16,096	0.52	375,174	7,676,310	
Far Eastern Polychem Industries Ltd.	Far Eastern Chemical Corporation	Taipei, Taiwan	Telecommunications	1,934,181	2,135,682	92,462	2.84	2,407,026	8,848,565	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	566,438	569,344	25,303	3.14	490,870	2,096,627	
Far Eastern Polychem Industries Ltd.	Kowloon Cement Co., Ltd.	Taipei, Taiwan	Department store operations	290,078	133,316	10,947	0.88	296,242	2,567,143	
	Far Eastern International Leasing Corp. (Note C)	Hong Kong	Cement production	226,896	226,896	1,127	49.00	348,189	3,958	
Far Eastern Polychem Industries Ltd.	Pacific Liu Tung Investment Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,026,984	146,824	
	Pacific Liu Tung Investment Corp.	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Chemical fiber production	HK\$ 693,257	HK\$ 604,500	(Note B)	87.64	HK\$1,698,003	RMB 134,015	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	14.72	HK\$ 210,439	US\$ 51,047	
Far Eastern Polychem Industries Ltd.	FEDP (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 189,587	US\$ (32)	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Shares (Thousands)	Percentage of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008						
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc. Asia Cement Corporation	Taipei, Taiwan Taipei, Taiwan	Construction Cement production	\$ 271,587 216,959	\$ 271,587 216,959	125,639 16,217	98.95 0.53	\$ 1,606,386 416,558	98.95 0.53	\$ 214,699 7,676,310	\$ -		
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China China	Garment production Dyeing and finishing	US\$ 10,000 US\$ 50,000	US\$ 10,000 US\$ 20,000	(Note B) (Note B)	38.46 100.00	US\$ 17,147 60,287	38.46 100.00	RMB 28,353 RMB 15,319	-		
Far Eastern Apparel Co., Ltd.	Ming Ding Co. Yue Ding Industry Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Underwear selling Department store operations	2,174 29	2,174 29	448 6	44.80 0.01	6,570 60	44.80 0.01	106 41,407	-		
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Leidsplein 9, 1017 PS Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 15,900	100.00	US\$ 6,212	-		
Waldorf Services B.V.	Centex Apparel Inc.	#100 Marc Alvarez Ave. Talon Las Pinas City Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	US\$ (233)	50.00	PESO (4,145)	-		
An Ho Garment Co., Ltd.	Malaysia Garment Manufactures Pte. Ltd. Far Eastern International Garments	No.5-9, Little Rd, Singapore Bldg. #5 Cor. Siririndam Bagsakan Ave, FTI Taguig, MIM Filipino	Garment production Garment production	SGD 3,000 US\$ 290	SGD 3,000 US\$ 290	30 59	37.90 41.00	US\$ 1,749 US\$ (364)	37.90 41.00	US\$ 3,603 PESO (2,430)	-		
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,936,940	2.46	8,848,565	-		
	Asia Cement Corporation Oriental Securities Corp. Yue Ding Industry Co., Ltd. Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan	Cement production Broker Department store operations Investment	99,925 86,200 111,997 67,285	99,925 86,200 111,997 67,285	2,843 7,000 11,494 4,841	0.09 0.70 15.66 1.21	107,153 531,278 138,663 94,508	0.09 0.70 15.66 1.21	7,676,310 531,278 40,961 1,616,339	-		
Yuan Faun Ltd.	Yuan Ding Investment Co., Ltd. Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Investment Personnel recruitment	148,994 6,271	148,994 6,271	5,502 472	0.30 55.56	152,568 9,634	0.30 55.56	4,382,083 6,085	-		
Fu Kwok Garment Manufacturing Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	7,588	520	0.02	19,574	0.02	8,848,565	-		
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C) Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Investment Telecommunications	90,000 2,287,705	90,000 2,458,607	9,000 104,216	2.24 3.20	166,346 2,838,098	2.24 3.20	1,616,339 8,848,565	-		
	Far Eastern Toll Collection Co., Ltd. Far Eastern Department Stores Co., Ltd. Oriental Union Chemical Corporation Asia Cement Corporation Sino Belgium (Holding) Ltd.	Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Electronic toll collection service Department store operations Chemical materials production Cement production Investment	350,476 189,735 9,543 310,806 1,086,142	350,476 34,245 9,543 310,806 1,086,142	35,048 7,094 439 16,781 17	9.15 0.57 0.05 0.55 87.50	32,995 202,452 9,977 574,317 22,471	9.15 0.57 0.05 0.55 87.50	(149,682) 2,567,143 2,096,627 7,676,310 (746,302)	-		
Far East Tone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd.	Taiwan	Production and sale of communications products	15,001,000	1,000	1,500,100	100.00	15,076,670	100.00	48,405	-		
	New Century InfoComm Tech Co., Ltd. ARCOA Communication Co., Ltd.	Taiwan Taiwan	Type I, II telecommunications services Type II telecommunications services, sales of communications products and office equipment	6,422,241 1,295,035	6,395,041 1,295,035	695,096 82,009	26.74 61.07	6,170,177 1,175,797	26.74 61.07	(125,895) 141,064	-		
	KGEX.com Co., Ltd. (Note D) Far Eastern Info Service (Holding) Ltd. Far Eastern Electronic Toll Collection Co., Ltd. E. World (Holdings) Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan Bermuda Taiwan Cayman Islands Taiwan	Type II telecommunications services Investment Electronic toll collection service Investment Marketing	2,355,649 92,616 1,577,140 82,883 90,000	2,355,649 92,616 1,577,140 82,883 90,000	89,088 1 157,714 6,015 4,725	79.25 100.00 41.18 85.92 15.00	726,564 174,185 169,347 77,979 34,346	79.25 100.00 41.18 85.92 15.00	(86,036) 22,179 (151,902) 8,458 (44,373)	-		
	Far East Iron Holding Ltd. iScreen Corporation (Note D) O-music Co., Ltd.	Cayman Islands Taiwan Taiwan	Investment Information service Electronic information providing services	150,000 100,000 25,000	150,000 100,000 25,000	4,487 4,000 2,500	100.00 50.00	26,920 24,247 23,833	100.00 50.00	884 (14,250) (2,333)	-		
	ADCast Interactive Marketing Co., Ltd. (Note D)	Taiwan	Internet advertisements and marketing	4,652	4,652	387	8.56	3,834	8.56	1,847	-		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
	Q-ware Communications Co., Ltd. KG Telecommunications Co., Ltd.	Taiwan Taiwan	Type II telecommunications services Type I telecommunications services	\$ 495,855	\$ 495,855	36,460	51.00	\$ (114,466)	\$ -	
	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	China China	Garment production and sales Garment production	RMB 350 RMB 1,000	RMB 350 RMB 1,000	(Note B) (Note B)	0.17 100.00	RMB 350 RMB 2,143	RMB 16,124 RMB 1,490	
	PET Far Eastern (Holding) Ltd.	China	PTA production and sale	US\$ 105,055	US\$ 105,055	(Note B)	53.24	US\$ 178,870	RMB 558,708	
	Far Eastern Industries (Shanghai) Ltd.	China	Garment production and sales	RMB 6,650	RMB 6,650	(Note B)	3.63	RMB 3,700	RMB 16,124	
	Shanghai Yuan Zi Information Co., Ltd.	China	Software development, equipment maintenance and consulting	RMB 2,000	RMB 1,900	(Note B)	100.00	RMB 2,180	RMB 277	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB -	RMB 5,000	(Note B)	-	RMB -	-	
	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China China	Fiber and textile production Textile production	US\$ 59,960 US\$ 138,000	US\$ 59,960 US\$ 138,000	(Note B) (Note B)	100.00 100.00	US\$ 93,875 US\$ 91,216	RMB 126,599 RMB 317	
	FEDP (Holding) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 40,467	RMB 1,778	
	Far Eastern Polytex (Holding) Ltd.	China	Garment production and sales	US\$ 22,000	US\$ 22,000	(Note B)	96.20	US\$ 27,541	RMB 16,124	
	Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	China Clarendon House 2 Church Street, Hamilton HM11, Bermuda China	Garment production Investment	US\$ 16,000 US\$ -	US\$ 16,000 US\$ 6,408	(Note B)	61.54	US\$ 27,438	RMB 28,077	
	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 63,466	RMB 101	
	ARCOA Communication Co., Ltd.	Taiwan	Sale of communications products	141,750	-	6,143	70.00	142,401	12,682	
	Far Eastern New Century (China) Investment Ltd.	China China	Fiber and silk production PTA production and sale	RMB 219,138 RMB 115,232	RMB 219,138 RMB 115,232	(Note B) (Note B)	12.36 8.11	RMB 219,138 RMB 115,232	RMB 134,015 RMB 558,708	
	Sino Belgium (Holding) Ltd.	China China	Brewer Beer sale	US\$ 30,000 US\$ 3,633	US\$ 30,000 US\$ 3,633	(Note B) (Note B)	100.00 100.00	US\$ 4,844 US\$ (2,309)	RMB (123,530) RMB (20,354)	
	Oriental Petrochemical (Shanghai) Ltd.	China	Transportation	RMB 5,000	\$ -	(Note B)	100.00	RMB 5,000	RMB 668	
	New Century InfoComm Tech Co., Ltd.	Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	718,362	19,561	Note E
	Information Security Service Digital United	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	127,013	(2,335)	Note E
	Digital United (Cayman) Ltd. Simple InfoComm Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Cayman Islands Taiwan Taiwan	General investment Type II telecommunications Market Sales	102,442 34,000 30,000	102,442 34,000 30,000	3,320 3,400 1,575	100.00 100.00 5.00	24,224 24,116 11,460	(6,804) 978 (44,373)	Note E Note E Note E
	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	54,275	54,275	932	20.63	9,237	1,847	Note E
	Digital United (Cayman) Ltd.	Shanghai	Design and research of computer system	US\$ 2,100,000	US\$ 2,100,000	-	100.00	US\$ 480,000	US\$ (116,000)	Note E
	New Diligent Co., Ltd.	Shanghai	Consulting services, supporting services, and wholesale of machine equipment	39,630	39,630	-	100.00	2,057	(42)	Note E
	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	535	(43)	Note E
	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	10,000	10,000	1,000	100.00	6,366	(3,462)	Note F
	Yuan Cing Infocomm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	19,275,948	-	1,762,945	67.82	19,314,233	(125,895)	
	Far Eastern Tech-info Ltd. (Shanghai)	Shanghai	Computer software, data processing and network information providing services	US\$ 2,500,000	US\$ 2,500,000	-	100.00	US\$ 5,320,000	22,497	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far EastTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	US\$ 4,532,000	US\$ 4,532,000	2,734	60.52	US\$ 930,000	\$ -	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	100.00	US\$ 2,863,000	8,732	

Notes:

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

(Concluded)

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

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Far Eastern Industries (Shanghai) Ltd. (FEIS)	Manufacture and distribution of PET staple, PET filament, Polyester top, PET performs, draw textured yarn, spinning yarn, knit fabric, woven fabric, knit garments and woven garments.	\$ 8,400,684 (RMB 1,880,399)	\$ 3,099,480 793,920 (Note D)	\$ 1,540,567	\$ -	\$ 4,640,047 793,920 (Note D)	100.00%	\$ 625,701	\$ 7,267,689	\$ 853,493 (Note C)
Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Manufacture and distribution of knit garments, woven garments, non-knit garments, non-woven garments and accessories.	913,948 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	100.00%	131,378	1,301,202	-
Far Eastern Industries (Wuxi) Ltd. (FEIW)	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabric, greige woven fabric, print woven fabric, piece dyed woven fabric, bleached woven fabric.	2,150,970 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	100.00%	592,380	2,739,739	-
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Manufacture and distribution of PTA and its by-product.	6,709,602 (RMB 1,501,870)	1,657,304 1,375,680 (Note E)	1,318,845	1,375,680 (Note N)	2,976,149	61.35%	1,603,876	6,015,483	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,649,728 (RMB 369,273)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	100.00%	71,679	1,761,586	-
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,761,847 (RMB 394,370)	422,978 666,026 (Note K)	676,315	-	1,099,293 660,026 (Note K)	100.00%	8,319	1,181,029	-
Wu Han Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET sheets, PET performs and garments and its by-product.	764,155 (RMB 171,048)	724,110	-	-	724,110	100.00%	75,446	835,524	-
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	3,516,281 (RMB 787,080)	3,421,559 (Note D)	-	-	3,421,559 (Note D)	100.00%	1,486	2,662,117	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Far Eastern Industries (Jiujiang) Ltd. (Note M)	Manufacture of cotton yarns, natural fibers and chemical fibers and its by-product.	\$ -	\$ 258,880 (Note D)	\$ -	\$ 258,880 (Note L)	\$ -	-	\$ -	\$ -	
Far Eastern New Century (China) Investment Ltd.	Investment	1,628,583 (RMB 364,540)	1,577,040	-	-	1,577,040	100.00%	474	1,576,219	
Sino Belgium (Suzhou) Ltd.	Brewer	976,057 (RMB 218,480)	962,577 (Note J)	-	-	962,577 (Note J)	87.50%	(505,771)	121,057	
Martens Beer Trading (Shanghai) Ltd.	Beer sales	111,688 (RMB 25,000)	123,565	-	-	123,565 (Note J)	87.50%	(83,337)	(67,398)	
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	72,825 (US\$ 2,500)	92,616 (Note G)	-	-	92,616 (Note G)	41.26%	9,282	63,941	
Digital United Information Technologies (Shanghai) Co., Ltd.	Design and research of computer system	61,173 (US\$ 2,100)	61,173 (Note O)	-	-	61,173	41.26%	(1,508)	5,769	
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machine equipment	34,956 (US\$ 1,200)	34,956 (Note F)	-	-	34,956	41.26%	(17)	849	

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

Notes:

- Recognition of gains/loss was based on the investee's audited financial statements.
- Recognition of the investment amount was based on the investee's audited financial statements.
- This was the amount of cash dividends the Company and Yuan Ding Investment receiving from FEPI over the years.
- The amount was remitted by the Company's subsidiary, Yuan Ding Investments.
- The amount was remitted by the Company's subsidiaries, Yuan Ding Investment and Ding Yuan International Investment.
- The amount was remitted by the Company's subsidiary, New Diligent Co., Ltd.
- The amount was remitted by the FENC's subsidiary, Far EastOne Telecommunications Co., Ltd.

(Continued)

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

(Concluded)

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

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
YEAR ENDED DECEMBER 31, 2010
(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198				
					(Note E)				
					11,500	11,500			
Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	49,000	49,000			
	Far Eastern New Century Corporation	2010.09.06	No. 09900215910	Far Eastern Polychem Industries Ltd.		49,000			
	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (Wuxi) Ltd. (FEIW)	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228	1,228			\$ 1,228
				PET Far Eastern (Holding) Ltd.	6,592				6,592
				HSBC International Trustee Ltd. (B.V.)	49,500	49,500			
				Pacific Petrochemical (Holding) Ltd. (B.V.)					

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Yuan Ding Investment Co., Ltd.	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd.	\$ 4,800	\$ 4,800			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.					
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDDP	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDDP	713				713
	Far Eastern New Century Corporation	2007.3.13	No. 09600059830	Far Eastern Polychem Industries Ltd.	5,288				5,288
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	FEDDP	4,524				4,524
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd.	4,800				4,800
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520	FEDDP	754 (Note G)				18,224
	Far Eastern New Century Corporation	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
Wu Han 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	2009.6.29	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) Ltd.	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000				18,000
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000				12,000

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Martens Beer Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd. Yuan Tong Investment Co., Ltd.	2008.12.10 2010.07.29	No. 09700456110 No. 09900284200	Sino Belgium (Holding) Ltd. Bockhold N.V Martens HK Ltd. Sino Belgium (Holding) Ltd.	\$ 3,800 4,304	\$ 3,800			\$ 4,304
Far Eastern Tech-info Ltd. (Shanghai)	Far East Tone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,700	2,700			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	2,100				2,100
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd.	1,200	1,200			

Notes:

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

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

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

	2010		2009		Total (Note A)	Spinning, Weaving and Dyeing	Adjustments and Eliminations	Polyester	Spinning, Weaving and Dyeing	Adjustments and Eliminations	Total (Note A)	
	Polyester	Spinning, Weaving and Dyeing	Adjustments and Eliminations	Total (Note A)								Polyester
Sales to customers	\$ 41,778,206	\$ 11,980,673	-	\$ 53,758,879	\$ 33,022,098	\$ 8,917,980	-	\$ 41,940,078	\$ 33,022,098	\$ 8,917,980	-	\$ 41,940,078
Intracompany sales (Note B)	<u>865,832</u>	<u>-</u>	<u>(865,832)</u>	<u>-</u>	<u>617,617</u>	<u>-</u>	<u>(617,617)</u>	<u>-</u>	<u>617,617</u>	<u>-</u>	<u>(617,617)</u>	<u>-</u>
Total revenue	<u>\$ 42,644,038</u>	<u>\$ 11,980,673</u>	<u>\$ (865,832)</u>	<u>\$ 53,758,879</u>	<u>\$ 33,639,715</u>	<u>\$ 8,917,980</u>	<u>\$ (617,617)</u>	<u>\$ 41,940,078</u>	<u>\$ 33,639,715</u>	<u>\$ 8,917,980</u>	<u>\$ (617,617)</u>	<u>\$ 41,940,078</u>
Segment operating income (Note C)	<u>\$ 1,918,785</u>	<u>\$ 848,640</u>	<u>-</u>	<u>\$ 2,767,425</u>	<u>\$ 829,659</u>	<u>\$ 80,475</u>	<u>-</u>	<u>\$ 910,134</u>	<u>\$ 829,659</u>	<u>\$ 80,475</u>	<u>-</u>	<u>\$ 910,134</u>
Investment income under the equity method				13,347,228				9,211,453				9,211,453
General income (loss), net				(523,375)				356,945				356,945
Interest expense				(589,506)				(599,907)				(599,907)
General expenses (Note D)				<u>(1,992,572)</u>				<u>(1,742,918)</u>				<u>(1,742,918)</u>
Income before income tax				<u>\$ 13,009,200</u>				<u>\$ 8,135,707</u>				<u>\$ 8,135,707</u>
Identifiable assets (Note E)	<u>\$ 21,521,297</u>	<u>\$ 6,321,441</u>	<u>-</u>	<u>\$ 27,842,738</u>	<u>\$ 18,705,149</u>	<u>\$ 5,925,558</u>	<u>-</u>	<u>\$ 24,630,707</u>	<u>\$ 18,705,149</u>	<u>\$ 5,925,558</u>	<u>-</u>	<u>\$ 24,630,707</u>
Long-term stock investments				121,888,313				112,289,875				112,289,875
General assets				<u>11,720,977</u>				<u>9,622,650</u>				<u>9,622,650</u>
Total assets				<u>\$ 161,452,028</u>				<u>\$ 146,543,232</u>				<u>\$ 146,543,232</u>
Depreciation expense	<u>\$ 1,369,535</u>	<u>\$ 157,774</u>			<u>\$ 1,481,110</u>			<u>\$ 195,268</u>	<u>\$ 1,369,535</u>	<u>\$ 157,774</u>		<u>\$ 195,268</u>
Capital expenditures	<u>\$ 2,143,773</u>	<u>\$ 261,375</u>			<u>\$ 1,076,514</u>			<u>\$ 46,323</u>	<u>\$ 2,143,773</u>	<u>\$ 261,375</u>		<u>\$ 46,323</u>

Note: A. The Company has two major segments: Polyester and apparel manufacturing industries and spinning, weaving, and dyeing cloths.

B. Inter-division revenue from goods and services.

C. Represents revenue minus costs and operating expenses. Operating expenses included costs and expenses directly pertaining to an industry segment, excluding general and administrative expenses and interest expenses.

D. Represents general and administrative, research and development, and selling expenses that could not be allocated to each division.

E. Represents tangible assets used by the industry segment, excluding:

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

Financial Information

6. Consolidated Financial Reports in Recent Two Years

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Far Eastern New Century Corporation

We have audited the accompanying consolidated balance sheets of Far Eastern New Century Corporation (the "Company", formerly Far Eastern Textile Ltd.) and subsidiaries as of December 31, 2010 and 2009 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. However, we did not audit the financial statements of certain consolidated subsidiaries. These subsidiaries' total assets, as shown in their financial statements, were 1.09% (NT\$3,215,645 thousand) and 0.62% (NT\$1,665,591 thousand) of the consolidated total assets as of December 31, 2010 and 2009, respectively. Their total net operating revenues were 1.34% (NT\$2,685,636 thousand) and 1.17% (NT\$1,945,364 thousand) of the consolidated net operating revenues in 2010 and 2009, respectively. We also did not audit the financial statements of certain equity-method investees, as shown in the accompanying consolidated financial statements. The carrying values of these investments were 0.61% (NT\$1,784,692 thousand) and 0.63% (NT\$1,679,783 thousand) of the consolidated total assets as of December 31, 2010 and 2009, respectively. The Company's equity in their net income was 1.26% (NT\$289,108 thousand) and 0.95% (NT\$172,676 thousand) of the consolidated income before income tax in 2010 and 2009, respectively. The financial statements of the foregoing consolidated subsidiaries and equity-method investees were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the consolidated subsidiaries and other equity-method investees, is based solely on the reports of the other auditors.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Far Eastern New Century Corporation and subsidiaries as of December 31, 2010 and 2009 and the results of their operations and their cash flows for the years then ended, in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

As disclosed in Note 4 to the consolidated financial statements, on January 1, 2009, the Company adopted the newly revised ROC Statement of Financial Accounting Standard No. 10 - "Inventories." This accounting change resulted in decreases of NT\$132,664 thousand in consolidated net income to stockholders belongs of parent company and of NT\$0.03 in the basic earnings per share after income tax in 2009.

Note 33 (j) describes a case related to the Department of Commerce's nullification of Pacific Liu Tung Investment Corporation's registration of capital increase and other relevant registrations and the impact of this case on Far Eastern New Century Corporation's controlling interest and several recapitalizations done by the Company and its subsidiaries, which are the investors of Pacific Liu Tung Investment Corporation ("PLT"), will depend on the final judgment of the court.

March 1, 2011

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Financial Information

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2010 AND 2009

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2010		2009	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 2 and 5)	\$ 26,256,123	9	\$ 21,141,998	8
Financial assets at fair value through profit or loss - current (Notes 2 and 6)	2,709,920	1	1,791,338	1
Hedging derivative financial assets-current (Note 2)	78,670	-	2,750	-
Available-for-sale financial assets - current (Notes 2, 7 and 32)	3,373,540	1	2,815,770	1
Notes and accounts receivable, net (Notes 2 and 25)	25,686,050	9	21,805,366	8
Notes and accounts receivable from affiliates (Notes 2, 25 and 31)	1,270,516	-	1,264,013	1
Inventories, net (Notes 2, 4 and 9)	15,269,752	5	12,073,494	5
Available-for-sale - buildings and land, net (Notes 2 and 25)	30,339	-	30,339	-
Available for construction - land (Notes 2, 10, 25 and 32)	620,013	-	620,013	-
Construction-in-progress (net of billings on construction-in-progress) (Notes 2, 11, 25, 31 and 32)	8,282,288	3	5,137,539	2
Other receivables	1,362,134	1	1,030,483	-
Long-term equity investments classified as held for sale (Note 12)	-	-	241,519	-
Noncurrent assets classified as held for sale (Note 15)	152,825	-	-	-
Deferred income tax assets - current (Notes 2 and 27)	444,381	-	606,274	-
Restricted assets (Notes 21, 25 and 32)	2,866,448	1	1,902,048	1
Prepayments and other current assets (Notes 2, 11, 25 and 32)	4,740,998	2	3,399,888	1
Total current assets	93,143,997	32	73,862,832	28
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 12, 13, 14 and 32)				
Investments accounted for by the equity method	41,526,716	14	49,975,648	19
Available-for-sale financial assets - noncurrent	4,394,149	1	2,593,229	1
Held-to-maturity financial assets - noncurrent	199,666	-	199,567	-
Financial assets carried at cost - noncurrent	1,568,046	1	2,974,623	1
Bond investments with no active market - noncurrent	258,903	-	293,454	-
Total funds and investments	47,947,480	16	56,036,521	21
PROPERTIES (Notes 2, 15, 28, and 32)				
Cost				
Land	11,040,497	4	5,138,368	2
Buildings	20,709,951	7	17,883,353	7
Machinery and equipment	96,101,572	33	96,050,173	36
Telecommunication equipment	133,462,358	45	110,140,318	41
Computer equipment	21,793,166	7	17,335,723	6
Leasehold improvements	3,053,315	1	1,998,292	1
Operating and miscellaneous equipment	8,309,984	3	6,480,949	2
Total cost	294,470,843	100	255,027,176	95
Revaluation increment	19,009,809	7	19,023,754	7
Total cost and revaluation increment	313,480,652	107	274,050,930	102
Less: Accumulated depreciation	193,523,179	66	166,779,427	62
Accumulated impairment	5,770,370	2	2,591,582	1
Construction in progress and prepayments for equipment	114,187,103	39	104,679,921	39
	12,350,480	4	6,803,984	3
Net properties	126,537,583	43	111,483,905	42
INTANGIBLE ASSETS				
Deferred pension cost (Notes 2 and 30)	55,852	-	17,061	-
Goodwill (Notes 2 and 16)	11,871,100	4	11,721,599	4
3G license fee (Notes 1, 2 and 17)	5,845,651	2	6,576,358	3
Land use rights, net (Notes 2, 28 and 32)	1,348,528	1	1,108,875	-
Other intangible assets (Notes 2, 16 and 28)	634,207	-	88,813	-
Total intangible assets	19,755,338	7	19,512,706	7
OTHER ASSETS				
Nonoperating properties, net (Notes 2, 15 and 32)	3,479,498	1	3,718,091	2
Deferred income tax assets, net (Notes 2 and 27)	670,183	-	1,012,370	-
Refundable deposits (Notes 25 and 31)	538,387	-	471,180	-
Deferred charges, net (Notes 2 and 28)	807,308	1	636,370	-
Restricted assets (Note 32)	422,409	-	423,003	-
Farmland (Note 18)	276,661	-	276,661	-
Miscellaneous (Notes 2, 30 and 31)	128,658	-	351,137	-
Total other assets	6,323,104	2	6,888,812	2
TOTAL	\$293,707,502	100	\$267,784,776	100

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

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

LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term bank loans (Notes 19 and 32)	\$ 28,633,677	10	\$ 24,146,138	9
Short-term bills payable (Notes 20 and 32)	7,202,696	2	5,099,750	2
Financial liabilities at fair value through profit or loss - current (Notes 2 and 6)	4,461	-	20,750	-
Notes and accounts payable (Note 25)	17,255,682	6	11,343,768	4
Notes and accounts payable to affiliates (Notes 25 and 31)	1,542,707	1	995,579	-
Income tax payable (Notes 2 and 27)	2,047,274	1	1,398,249	1
Accrued expenses (Note 31)	9,594,968	3	7,360,097	3
Guarantee deposits received - current	680,067	-	561,727	-
Payables for acquisition of properties	2,247,024	1	1,696,017	1
Advance sales receipts	919,381	-	706,034	-
Advances on real estate receipts (Notes 2, 11 and 25)	1,339,041	-	988,818	-
Unearned revenue (Note 2 and 21)	1,982,833	1	1,207,211	-
Billings on construction-in-progress (net of construction-in-progress) (Notes 2, 22, 25, 31 and 32)	896,083	-	291,098	-
Current portion of long-term liabilities (Notes 23 and 32)	4,995,272	2	11,961,296	5
Deferred income tax liabilities - current (Notes 2 and 27)	943	-	-	-
Other current liabilities (Note 2 and 24)	1,601,179	1	2,184,488	1
Total current liabilities	80,943,288	28	69,961,020	26
LONG-TERM LIABILITIES, NET OF CURRENT PORTION (Notes 2, 23, 31 and 32)				
Long-term debt	32,870,100	11	35,999,796	13
Bonds payable	19,196,052	7	9,788,724	4
Total long-term liabilities	52,066,152	18	45,788,520	17
RESERVE FOR LAND VALUE INCREMENT TAX (Note 15)	6,299,417	2	6,310,976	2
OTHER LIABILITIES				
Accrued pension cost (Notes 2 and 30)	1,889,590	1	1,731,977	1
Guarantee deposits received - noncurrent	335,750	-	470,784	-
Deferred income tax liabilities - noncurrent (Notes 2 and 27)	210,053	-	365,109	-
Deferred income (Notes 2, 15 and 31)	971,124	-	1,024,856	1
Miscellaneous (Note 2, 13 and 24)	944,104	-	623,764	-
Total other liabilities	4,350,621	1	4,216,490	2
Total liabilities	143,659,478	49	126,277,006	47
STOCKHOLDERS' EQUITY OF PARENT COMPANY				
Capital stock - NT\$10.00 par value				
Authorized - 4,950,000 thousand shares				
Issued and outstanding - 4,754,580 thousand shares in 2010 and 4,661,353 thousand shares in 2009	47,545,799	16	46,613,529	18
Capital surplus				
Premium on capital stock	932,814	1	932,814	-
From long-term equity-method investments	9,287,645	3	9,240,917	4
Others	7,672	-	7,672	-
Total capital surplus	10,228,131	4	10,181,403	4
Retained earnings				
Legal reserve	9,413,371	3	8,602,110	3
Special reserve	3,034,766	1	3,034,766	1
Unappropriated earnings	14,842,096	5	9,672,105	4
Total retained earnings	27,290,233	9	21,308,981	8
Other stockholders' equity				
Unrealized gains on financial instruments	5,370,206	2	3,276,309	1
Cumulative translation adjustments	(492,626)	-	2,490,010	1
Unrealized revaluation increment	8,705,127	3	8,721,219	3
Unrecognized loss on pension cost	(98,259)	-	(80,263)	-
Total other stockholders' equity	13,484,448	5	14,407,275	5
Total stockholders' equity of parent company	98,548,611	34	92,511,188	35
MINORITY INTEREST	51,499,413	17	48,996,582	18
Total stockholders' equity	150,048,024	51	141,507,770	53
TOTAL	\$293,707,502	100	\$267,784,776	100

Financial Information

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

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

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

(Continued)

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

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

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

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

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

(Concluded)

Financial Information

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

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

	Capital Stock Issued and Outstanding (Note 26)		Capital Surplus (Notes 2 and 26)	Retained Earnings	
	Shares in Thousands	Amount		Legal Reserve	Special Reserve
BALANCE, JANUARY 1, 2009	4,569,954	\$ 45,699,538	\$ 10,060,658	\$ 8,196,285	\$ 3,034,766
Appropriation of the 2008 earnings					
Legal reserve	-	-	-	405,825	-
Stock dividends - NT\$0.2 per share	91,399	913,991	-	-	-
Cash dividends - NT\$0.8 per share	-	-	-	-	-
	4,661,353	46,613,529	10,060,658	8,602,110	3,034,766
Consolidated net income in 2009	-	-	-	-	-
Adjustments due to changes in investees' equity in long-term investments	-	-	194,351	-	-
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-
Translation adjustment on foreign-currency equity-method investments	-	-	-	-	-
Reversal of net loss not recognized as pension cost	-	-	-	-	-
Change in unrealized gain (loss) on cash flow hedging financial instruments	-	-	-	-	-
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	(73,606)	-	-
Decrease in minority interest	-	-	-	-	-
BALANCE, DECEMBER 31, 2009	4,661,353	46,613,529	10,181,403	8,602,110	3,034,766
Appropriation of the 2009 earnings					
Legal reserve	-	-	-	811,261	-
Stock dividends - NT\$0.2 per share	93,227	932,270	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	-
	4,754,580	47,545,799	10,181,403	9,413,371	3,034,766
Consolidated net income in 2010	-	-	-	-	-
Adjustments due to changes in investees' equity in long-term investments	-	-	46,728	-	-
Translation adjustment on foreign-currency equity-method investments	-	-	-	-	-
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	-	-	-
Decrease in minority interest	-	-	-	-	-
BALANCE, DECEMBER 31, 2010	<u>4,754,580</u>	<u>\$ 47,545,799</u>	<u>\$ 10,228,131</u>	<u>\$ 9,413,371</u>	<u>\$ 3,034,766</u>

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

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

(Notes 2, 26 and 27)		Other Stockholders' Equity					Minority Interests	Total Stockholders' Equity
		Unrealized Gain (Loss) on Financial Instruments (Note 2)	Cumulative Translation Adjustments (Note 2)	Unrealized Revaluation Increment on Properties (Notes 2 and 15)	Net Loss not Recognized as Pension Cost (Note 2)			
Unappropriated Earnings	Total							
\$ 6,535,276	\$ 17,766,327	\$ (866,020)	\$ 3,696,557	\$ 8,843,128	\$ (656,261)	\$ 48,270,193	\$132,814,120	
(405,825)	-	-	-	-	-	-	-	
(913,991)	(913,991)	-	-	-	-	-	-	
<u>(3,655,963)</u>	<u>(3,655,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,655,963)</u>	
1,559,497	13,196,373	(866,020)	3,696,557	8,843,128	(656,261)	48,270,193	129,158,157	
8,088,696	8,088,696	-	-	-	-	6,535,073	14,623,769	
18,862	18,862	4,000,948	(789,566)	(121,909)	(13,090)	-	3,289,596	
-	-	146,473	-	-	-	-	146,473	
-	-	-	(332,652)	-	-	-	(332,652)	
-	-	-	-	-	585,239	-	585,239	
-	-	7,656	-	-	-	-	7,656	
5,050	5,050	(12,748)	(84,329)	-	3,849	-	(161,784)	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,808,684)</u>	<u>(5,808,684)</u>	
9,672,105	21,308,981	3,276,309	2,490,010	8,721,219	(80,263)	48,996,582	141,507,770	
(811,261)	-	-	-	-	-	-	-	
(932,270)	(932,270)	-	-	-	-	-	-	
<u>(6,059,759)</u>	<u>(6,059,759)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,059,759)</u>	
1,868,815	14,316,952	3,276,309	2,490,010	8,721,219	(80,263)	48,996,582	135,448,011	
12,850,170	12,850,170	-	-	-	-	7,078,622	19,928,792	
123,111	123,111	1,895,558	(1,214,252)	(16,092)	(17,996)	-	817,057	
-	-	-	(1,768,381)	-	-	-	(1,768,381)	
-	-	198,365	-	-	-	-	198,365	
-	-	(26)	(3)	-	-	-	(29)	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,575,791)</u>	<u>(4,575,791)</u>	
<u>\$ 14,842,096</u>	<u>\$ 27,290,233</u>	<u>\$ 5,370,206</u>	<u>\$ (492,626)</u>	<u>\$ 8,705,127</u>	<u>\$ (98,259)</u>	<u>\$ 51,499,413</u>	<u>\$150,048,024</u>	

Financial Information

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

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

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

(Continued)

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

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

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

(Continued)

Financial Information

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

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

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

SUPPLEMENTARY INFORMATION ON SUBSIDIARIES ACQUIRED

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

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

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

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

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

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

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

(Continued)

Financial Information

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

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

1. ORGANIZATION AND OPERATIONS

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

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

Following are FENC’s consolidated subsidiaries:

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

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

The DGT also issued to Far EasTone a type II license in 1999, allowing it to provide Internet and ISR services until December 2012 and requiring it to pay annual license fees based on the regulations for each service. Far EasTone is also licensed to provide local/domestic long-distance land cable leased circuit services for 15 years from January 2003 for an annual license fee of 1% of leased circuit service revenues.

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

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

On June 15, 2010, the stockholders of Far EasTone resolved to issue up to 444,341,020 common shares by private placement, with a total issuance amount of up to NT\$17,773,641 thousand, to catch up on industry development trends and to meet Far EasTone’s future operating needs. This resolution replaced their private placement resolution made on June 16, 2009. The subscriber for these privately placed shares will be China Mobile Limited’s 100% indirect subsidiary incorporated in the ROC. On June 25, 2010, Far EasTone’s board of directors resolved to set the private placement price at NT\$40.00 per share. However, based on certain agreements, if the volume weighted average price of Far EasTone’s common shares falls below NT\$35.00 or exceeds NT\$50.00 within 14 consecutive trading days prior to and including the date on which either China Mobile Limited or Far EasTone sends the notice to the other party of the settlement date of the private placement, Far EasTone’s board of directors has the authorization of the stockholders’ meeting to discuss in good faith and set a new private placement price, provided that any upward or downward adjustment is not more than NT\$5 per Far EasTone share and the new price should not be lower than 70% of the reference price on that date. The private placement will proceed after obtaining the authorities’ approval under the related regulation.

In 2004, Far EasTone incorporated KG Telecommunication Co., Ltd., (“KG Telecom”, formerly Yuan Ho Telecommunications Co., Ltd.) to proceed with the merger with the former KG Telecommunications Co., Ltd. (the “former KGT”). Through the completion of the merger with the former KGT, KG Telecom became licensed to provide island-wide 2G wireless communications services under a type I license - GSM1800, with an annual license fee at 2% of total 2G wireless communications service revenues. The DGT also issued the former KGT a type I license to provide local/domestic long distance land cable leased circuit services for 15 years from September 2000, with an annual license fee of 1% of leased circuit service revenues. To integrate the resources and enhance the operating efficiency of Far EasTone and KG Telecom (formerly Far EasTone’s 100% subsidiary), the boards of directors of both companies resolved to approve their merger on February 26, 2009, with Far EasTone as the survivor entity. On August 28, 2009, the NCC approved this merger, and the record date of this merger was January 1, 2010.

Q-ware Communication Corp. (“Q-ware Com.”) was incorporated on February 13, 2007. It mainly provides type II telecommunications services. On July 3, 2007, Q-ware System Inc. spun off its WiFly business to Q-ware Com.; thus, Q-ware Com. became licensed to provide WiFly business in Taipei City until September 7, 2013, with an annual fee at 3% of total WiFly revenues. Moreover, the NCC issued to Q-ware Com. a type II license to provide Internet services for three years from 2007 for a fixed annual license fee based on Q-ware Com.’s paid-in capital. The term of validity of Q-ware Com.’s type II license was approved to be extended until May 2013.

Arcoa Communication Co., Ltd. (“ARCOA”) was incorporated in the ROC on May 4, 1981. ARCOA sells cellular phone units and other telecommunications equipment or accessories and provides related maintenance services. ARCOA’s shares have been listed as emerging market stock on the OTC exchange since December 27, 2002. On December 22, 2004, the board of directors of ARCOA decided to withdraw its stock from the OTC exchange and became a private company. The DGT issued to ARCOA a type II license, allowing it to provide mobile virtual network operator services from July 2006 to July 2013 for a fixed annual fee based on ARCOA’s paid-in capital. The term of validity of ARCOA’s type II license was approved to be extended until July 2013.

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

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

Consolidation

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

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

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

In February 2009, an FENC subsidiary, SINO, acquired 30% ownership of Martens Beer Trading (Shanghai) Ltd. ("Martens Shanghai") from another subsidiary, Far Eastern Industries (Wuxi) Ltd. ("FEIW"), and then bought remaining 70% from the original stockholder, Martens HK Ltd. Thus, the interest of the Company and the subsidiary in Martens Shanghai increased from 30% to 100% and the accounts of this investee were included in the consolidated financial statements beginning from March 2009.

On July 31, 2009, the board of Far Eastern Industries (Jujiang) Ltd. ("FEIJ", an FENC subsidiary), decided to liquidate FEIJ, and the government of the People's Republic of China approved this liquidation on December 14, 2009. As of December 31, 2009, the proceeds of the liquidation had been turned over to the original stockholders.

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

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

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

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

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

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

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

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

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

Current and Noncurrent Assets and Liabilities

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

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

Cash Equivalents

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

Financial Instruments at Fair Value through Profit or Loss

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

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

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

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

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

Available-for-sale Financial Assets

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

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

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

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

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

Bond Investments with No Active Market

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

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

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

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

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

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

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

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

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

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

Promotion Expenses

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

Inventories

Inventory includes raw materials, supplies, finished products, work-in-process and merchandise. As stated in Note 4, inventory is stated at the lower of cost or net realizable value beginning January 1, 2009. Any write-down is made by item. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Government Grant

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

Financial Assets Carried at Cost

Investments in equity instruments without quoted market prices in an active market, including investments in unlisted stocks and emerging stocks, are measured at cost upon initial recognition. Any cash dividends received are recognized as income on the date of the meeting of stockholders, but dividends declared from earnings before investment acquisition are recognized as a reduction of the carrying value of the investments. Stock dividends received are accounted for only as an increase in the number of shares held but are not recognized as investment income. The carrying amount of shares held is recalculated on the basis of the total number of shares held after stock dividends are received. An impairment loss should be

recognized as a charge to current income if there is objective evidence that a financial asset is impaired. This loss cannot be reversed.

Real Estate

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

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

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

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

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

Long-term Construction Contracts

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

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

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

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

Held-to-maturity Financial Assets

Held-to-maturity financial assets are carried at amortized cost using the straight line method. Held-to-maturity financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition. Profit or loss is recognized when the financial assets are derecognized, impaired, or amortized. All regular way purchases or sales of financial assets are accounted for using a trade date basis.

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

Equity-method Investments

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

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

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

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

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

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

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

Properties and Rental Assets

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

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

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

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

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

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

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

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

Idle Assets

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

Intangible Assets

Goodwill is the difference (the source of which cannot be identified) between investment costs and the equity in investees’ net assets, which is amortized using the straight-line method over 3 to 15 years. However, under the revised SFAS No. 5 - “Long-term Investments in Equity Securities” goodwill is no longer amortized starting from January 1, 2006.

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

Land leasehold rights are amortized over 50 years.

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

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

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

Deferred Charges

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

Impairment Loss

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

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

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

Deferral of Unrealized Intercompany Profits

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

Exchangeable Bonds

If bond holders have the right to exchange bonds into the Company's holding shares with an agree upon target at a fixed price or amount, the exchangeable bonds are measured at issued price after deducting the fair value of embedded derivatives. The liability component of non-derivative instrument is measured at amortized cost using the effective interest method (or the straight-line method if the difference between using the effective interest method or straight-line method is not material) and the related interest or redemption loss or gain is charged to profit or loss. If bondholders exercise exchange right before the maturity date, the bonds should be adjusted their liability components (including bond and embedded derivative component) to fair value. The Company uses the aggregate adjusted carrying amount of the liability and equity components of the bonds at the time of exchange as a basis to record the exchanged gain or loss. If the bonds are redeemed at the maturity date, the Company should recognize the fair value of embedded derivatives as gain of current year.

Pension Costs

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

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

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

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

Income Tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hedging Derivative Financial Instruments

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

Hedge Accounting

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

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

Reclassifications

Certain accounts in the consolidated financial statements as of and for the year ended December 31, 2009 have been reclassified to be consistent with the presentation of the consolidated financial statements as of and for the year ended December 31, 2010.

3. PRO-FORMA FINANCIAL INFORMATION

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

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

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

4. CHANGE IN ACCOUNTING PRINCIPLES

Accounting for Inventories

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

5. CASH AND CASH EQUIVALENTS

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

(Continued)

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

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

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

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

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

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

YDI, KG Telecom (dissolved due to the merger with Far EasTone on January 1, 2010) and Yuan Tong individually contracted and fully authorized Oriental Securities Investment Advisory Co., Ltd. (trustee) to manage discretionary funds. Moreover, NCIC and its subsidiaries individually contracted and fully authorized Oriental Securities Investment Advisory Co., Fuh Hwa Securities Investment Trust Co., Ltd., SinoPac Securities Investment Trust Co., Ltd., Prudential Financial Securities Investment Trust Enterprise, Jin Sun Securities Investment Trust Co., Ltd. and Yuanta Securities Investment Trust Co., Ltd. to manage discretionary funds. As of December 31, 2010 and 2009, the funds fully entrusted to the trustee were NT\$2,760,727 thousand, and NT\$1,100,000 thousand, respectively. Investment target excluded shares of related parties, shares of domestic companies within telecommunication industry (except for Chunghwa Telecom Co., Ltd.) and their related derivative instruments. Deposits included in the discretionary funds were NT\$1,534,293 thousand in 2010 and NT\$316,407 thousand in 2009, which were classified under cash equivalents (Note 5).

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

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

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

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

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

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2010</u>			
Sell	EUR/USD	2011.1.28-2011.2.25	EUR8,000/USD10,437
	USD/NTD	2011.1.11-2011.3.29	USD21,400/NTD640,505
<u>December 31, 2009</u>			
Sell	EUR/USD	2010.3.29-2010.4.29	EUR2,000/USD2,857
	USD/NTD	2010.1.15-2010.3.25	USD78,000/NTD2,512,528

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

A Company subsidiary, Far Eastern Investment (Holding) Ltd. ("FEIH"), uses forward contracts to hedge against the effect of adverse exchange rate fluctuations on liabilities denominated in foreign currencies in 2010 and 2009. FEIH was authorized by affiliates Wuhan Far Eastern New Material Ltd. in 2010 and 2009 to use forward exchange contracts to hedge against the exchange rate risk on foreign currency assets and liabilities. FEIH had no outstanding forward contract as of December 31, 2010 and 2009, respectively.

An FENC subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. ("OPTC"), used forward exchange contracts in 2010 and 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2010 and 2009.

An FENC subsidiary, Far Eastern Fibertech Co., Ltd. (“FEFC”), used forward exchange contracts in 2010 and 2009 to hedge against foreign exchange risks on foreign currency-denominated assets and liabilities. All forward exchange contracts had been settled as of the end of 2010 and 2009.

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

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

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

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

8. BOND INVESTMENTS WITH NO ACTIVE MARKET

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

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

9. INVENTORIES, NET

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

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

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

10. AVAILABLE FOR CONSTRUCTION - LAND

	Area (Square Meters)	<u>December 31</u>	
		2010	2009
Guang Ming Section No. 201, Shi Tuen, Taichung	12,036	\$ 411,629	\$ 411,629
Bai An Section No. 877, Ta Chih, Taipei	472	125,099	125,099
B5 Xin Yi section	199	75,555	75,555
Jen Ai Section No. 732, Taipei	19	<u>7,730</u>	<u>7,730</u>
		<u>\$ 620,013</u>	<u>\$ 620,013</u>

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

Construction-in-progress, advances on land and building and deferred marketing expenses (these expenses are classified under other current assets) of FECC, Ltd. as of December 31, 2010 and 2009 were as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	Construction-in-Progress				Deferred Marketing Expense	Billings on Construction-in- progress	Percentage of Completion	Expected Year of Completion
			Land	Construction Cost	Recognized Cumulative (Loss) Profit	Total				
<u>December 31, 2010</u>										
Completed-contract method										
Ban Ciao - New Section No. 9	\$ -	\$ -	\$ 738,051	\$ 757,479	\$ -	\$ 1,495,530	\$ -	\$ -	-	2012
Percentage of completion method										
Yuan Yang California	9,116,210	5,216,680	<u>1,225,278</u>	<u>130,798</u>	<u>2,035,968</u>	<u>3,392,044</u>	<u>49,730</u>	<u>1,339,041</u>	70	2011
			<u>\$ 1,963,329</u>	<u>\$ 888,277</u>	<u>\$ 2,035,968</u>	<u>\$ 4,887,574</u>	<u>\$ 49,730</u>	<u>\$ 1,339,041</u>		
<u>December 31, 2009</u>										
Completed-contract method										
Yuan Yang California	\$ -	\$ -	\$ 404,040	\$ 67,432	\$ -	\$ 471,472	\$ 222,529	\$ 515,478	-	2011
Ban Ciao - New Section No. 9	-	-	710,554	429,065	-	1,139,619	-	-	-	2012
Percentage of completion method										
Ban Shin Headquarter	2,441,844	2,219,150	-	<u>24,808</u>	<u>198,198</u>	<u>223,006</u>	<u>2,029</u>	<u>473,340</u>	89	2010
			<u>\$ 1,114,594</u>	<u>\$ 521,305</u>	<u>\$ 198,198</u>	<u>\$ 1,834,097</u>	<u>\$ 224,558</u>	<u>\$ 988,818</u>		

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

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

Construction-in-progress (net of billings on construction-in-progress) of FECC as of December 31, 2010 and 2009 was as follows:

Project by Accounting Method	Contract Price	Estimated Construction Cost	Construction-in-progress	Billings on Construction-in-progress	Percentage of Completion	Expected Year of Completion	Recognized Cumulative (Loss) Gain
December 31, 2010							
Percentage of completion method							
Min Yin Camp (1)	\$ 395,368	\$ 406,531	\$ 395,448	\$ 390,540	-	2011	\$ (11,163)
Min Yin Camp (2)	484,010	498,016	485,674	481,175	-	2011	(14,006)
Zhong-Ben	2,568,919	2,618,919	1,671,630	882,926	66	2012	(50,000)
Kaohsiung Rapid Transit	7,921,849	7,105,296	7,906,252	7,658,624	99	2011	808,387
Headquarter, Bank of Panhsin	3,687,619	3,458,324	2,240,163	2,156,162	95	2011	217,830
Yuan Yang California	2,914,631	2,798,046	1,982,944	-	70	2011	37,964
BanCiao communication park	235,524	234,445	213,162	-	91	2011	342
Wu Yang C904B	3,279,048	3,084,319	760,771	709,589	23	2012	44,788
Lot of O.I.T.	166,667	162,000	154,908	146,057	93	2011	4,340
			<u>15,810,952</u>	<u>12,425,073</u>			
Completed-contract method							
Hshinchu Big City	-	-	6,875	-	-	2011	-
Miscellaneous	-	-	1,960	-	-	2011	-
			<u>8,835</u>	<u>-</u>			
			<u>15,819,787</u>	<u>\$ 12,425,073</u>			<u>\$ 1,038,482</u>
			<u>\$ 3,394,714</u>				
December 31, 2009							
Percentage of completion method							
Kaohsiung Rapid Transit	\$ 7,921,849	\$ 7,105,296	\$ 7,888,650	\$ 7,652,433	99	2010	\$ 808,387
Min Yin Camp (1)	395,368	406,531	395,368	390,540	-	2010	(11,163)
Min Yin Camp (2)	484,010	498,016	485,674	481,175	-	2010	(14,006)
Headquarter, Bank of Panhsin	3,687,619	3,458,324	3,287,089	2,101,288	-	2010	195,482
Panhsin Decoration	1,701,724	1,605,249	882,426	593,517	52	2010	48,109
Tainan science park - Taipower Company	894,138	1,002,225	811,770	743,020	92	2010	(108,087)
Zhong-Ben	2,568,919	2,618,919	875,777	473,037	35	2012	(50,000)
Zhong-Long Decoration	87,381	80,649	86,253	83,011	99	2010	6,665
Taichung C709A	2,965,991	2,788,031	852,193	779,893	29	2011	51,608
Yuan Yang California	2,965,929	2,798,046	684,622	-	24	2011	-
BanCiao communication park	234,286	223,500	177,741	-	76	2010	2,860
Zhong-Long Storage	314,931	321,298	313,134	272,057	99	2010	(6,367)
Zhong-Long Fireplace	501,908	501,189	498,797	441,793	99	2010	712
			<u>17,239,494</u>	<u>14,011,764</u>			
Completed-contract method							
Taipei Internation Flora Expo	-	-	56,830	-	-	2010	-
Lot of O.I.T.	-	-	7,458	-	-	2011	-
Far Eastern Memorial Hospital	-	-	11,424	-	-	2012	-
			<u>75,712</u>	<u>-</u>			
			<u>17,315,206</u>	<u>\$ 14,011,764</u>			<u>\$ 924,200</u>
			<u>\$ 3,303,442</u>				

12. FINANCIAL ASSETS CARRIED AT COST - NONCURRENT

	December 31, 2010		December 31, 2009	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership
With quoted market prices				
Far Eastern International Commercial Bank (Note 13)	\$ -	-	\$ 1,286,376	5
With no quoted market prices				
Yue Yuan Investment Corp.	637,577	19	637,577	19
Bockhold N.V.	223,533	13	223,533	13
Kaohsiung Rapid Transit Corporation	146,638	5	108,313	2
Alberia & Orient Glycol Company Ltd.	100,499	25	137,698	25
Hantech Venture Capital Corp.	104,714	7	104,714	7
Chung Nan Textile Corp.	81,405	5	81,405	5
Nippon Parison Co.	63,546	10	69,899	10
Dah Chung Bills Finance Corp.	30,669	1	-	-
Yi Tong Fiber Co., Ltd.	28,519	4	28,519	4
Ya-Li Precast Prestressed Concrete Industries Corp.	25,142	16	25,142	16
Taiwan Stock Exchange	22,493	-	22,493	-
Ya Li Transport Corp.	16,240	10	16,240	10
Universal Venture Capital Investment Corporation	14,000	1	14,000	1
Thi Consultants Inc.	13,729	18	13,729	18
Overseas Investment Corp.	10,000	1	10,000	1
VIBO Telecom Inc.	8,400	-	8,400	-
Others	33,047	-	28,690	-
	<u>1,560,151</u>		<u>1,530,352</u>	
Fund				
Domestic private mutual fund	-		150,000	
Convertible bond				
Bockhold NV	7,895		7,895	
	<u>\$ 1,568,046</u>		<u>\$ 2,974,623</u>	

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

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

Kai Yuang Trust Fund, which was invested in by an FENC subsidiary, Far Eastern Investment (Holding) Ltd. (FEIH). However, because FEIH planned to dispose of Kai Yuang Trust Fund within one year, the investment was reclassified in 2009 as a long-term equity investment for disposal. The Kai Yuang Trust Fund had been liquidated and recognized disposal gains amounting to NT\$104,675 thousand in the first quarter, 2010 and the proceeds of the liquidation had been turned over to the original stockholders.

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

According to Interpretation 1998-150 issued by the Accounting Research and Development Foundation, Far Eastern General Contractor Inc., the build-operate-transfer (BOT)-chartered investor of Kaohsiung Rapid Transit Corporation (KRTC) will have to transfer all assets to the government without any condition at the end of the chartered period and the amortization of this investment should be completed within the chartered period. Kaohsiung Rapid Transit Corporation started the construction of the KRTC system on October 31, 2001 and then began the commercial operation in April 2008. The chartered period will end on October 31, 2037 for a total of 36 years. The investment amortization period, which started in April 2008, will be lasting for 29 years and 7 months. However, because of the poor performance by KRTC in many years, Far Eastern General Contractor Inc. recognized an impairment loss of NT\$24,939 thousand and NT\$79,856 thousand after the assessment of KRTC in 2010 and 2009.

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

13. EQUITY-METHOD INVESTMENTS

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

(Continued)

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

Investments in Far Eastern Department Stores Ltd. (“FEDS”), Ding Ding Hotel Corp. in 2010 and investments in Far Eastern Department Stores Ltd., Ding Ding Hotel Corp., and Ding Ding Integrated Marketing Service Co. (“DDIM”) in 2009 were accounted for by the equity method since the Group exercised a significant influence over them even though the Group owned less than 20% of each investee’s voting stock.

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

In 2009, the Group bought 7,352 thousand shares of Asia Cement Corp. (“ACC”) for NT\$219,167 thousand and sold 67,631 thousand shares of ACC for NT\$2,215,557 thousand; thus, the Group’s equity in ACC decreased from 25.90% to 23.85%. In 2010, YDI, Yuan Tong, Kai Yuan and Ding Yuan International Investment Corp. bought total 22,067 thousand shares of ACC for NT\$676,173 thousand; thus, the Group’s equity in ACC increased from 23.85% to 24.58%.

In 2009, two FENC subsidiaries, YDI and Ding Yuan International Investment Corp., bought 12,279 thousand shares of OUCC for NT\$194,978 thousand and sold 10,810 thousand shares of OUCC for NT\$260,224 thousand. Thus, the Group’s equity in OUCC increased from 22.56% to 22.74%. In 2010, YDI and Kai Yuan sold 320 thousand shares of OUCC for NT\$9,241 thousand; Ding Yuan International Investment Corp., bought 230 thousand shares of OUCC for NT\$5,780 thousand. Thus, the Group’s equity in OUCC decreased from 22.74% to 22.73%.

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

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

In 2008, FENC subsidiaries, YDI and Kai Yuan invested in 127,601 thousand shares privately issued by FEIB for NT\$829,407 thousand, and this investment was treated as a transfer of ownership, as stated in Section 8 of Article 43 of the ROC Securities and Exchange Act. On June 10, 2009, FEIB had a board of directors’ election. FENC and one of its subsidiaries, YDI lost their three seats in the board, and they no longer had significant control over FEIB when the new board’s term began on June 27, 2009. Thus, the Group reclassified the carrying value of the shares privately issued by FEIB to financial assets carried at cost, and the rest was reclassified to available-for-sale financial assets - noncurrent.

In 2009, Everest Textile Co., Ltd. purchased its shares from the open market, and this treasury stock transaction caused the Group's holding in this company to increase from 25.99% to 27.07%. In addition, Ding Yuan International Investment Corp., bought 17 thousand shares of Everest Textile Co., Ltd. for NT\$97 thousand in March 2010.

In November 2009, YDI and Kai Yuan acquired 19,001 thousand shares of FEILC's newly issued shares for NT\$190,008 thousand, and their equity in FEILC increased from 33.12% to 33.67%.

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

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

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

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

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

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

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

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

	Beginning Balance	Increase	Decrease	Ending Balance
<u>2010</u>				
Goodwill	\$ 586,438	\$ 249,703	\$ 145,435	\$ 690,706
Amortizable assets	<u>867,535</u>	<u>-</u>	<u>867,535</u>	<u>-</u>
	<u>\$ 1,453,973</u>	<u>\$ 249,703</u>	<u>\$ 1,012,970</u>	<u>\$ 690,706</u>
<u>2009</u>				
Goodwill	\$ 878,592	\$ 61,888	\$ 354,042	\$ 586,438
Amortizable assets	<u>808,673</u>	<u>197,575</u>	<u>138,713</u>	<u>867,535</u>
	<u>\$ 1,687,265</u>	<u>\$ 259,463</u>	<u>\$ 492,755</u>	<u>\$ 1,453,973</u>

14. HELD-TO-MATURITY FINANCIAL ASSETS - NONCURRENT

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

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

15. PROPERTIES

a. Accumulated depreciation consisted of:

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

Accumulated impairment losses consisted of:

	<u>December 31</u>	
	2010	2009
Land	\$ 116,175	\$ -
Buildings and equipment	150,644	37,642
Machinery and equipment	3,081,816	2,553,568
Telecommunications equipment	2,189,483	-
Computer equipment	186,035	-
Leasehold improvements	24,701	-
Miscellaneous equipment	<u>21,516</u>	<u>372</u>
	<u>\$ 5,770,370</u>	<u>\$ 2,591,582</u>

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

The Company and ACC co-own a parcel of land located on Dunhua South Road in Taipei. Under an agreement with the Company and ACC on March 31, 1989, Yuan Ding paid for the construction of a multi-functional building on this land and owned the 30-year right of superficies. However, the ownership of the building was registered in the name of the Company, ACC and Yuan Ding by 12%, 12% and 76%, respectively. Upon expiration of the agreement, the Company and ACC will acquire Yuan Ding's 76% ownership of the building with the carrying value of the building.

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

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

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

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

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

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

16. GOODWILL

a. Goodwill

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

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

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

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

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

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

b. Operating Rights (Accounted for Other Intangible Assets)

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

17. INTANGIBLE ASSETS - 3G CONCESSION, NET

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

18. FARMLAND

	2010	2009
Cost	\$ 232,121	\$ 232,121
Appreciation	<u>44,540</u>	<u>44,540</u>
Total cost and appreciation	<u>\$ 276,661</u>	<u>\$ 276,661</u>

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

19. SHORT-TERM BANK LOANS

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

An FENC subsidiary, FECC, obtained a loan of NT\$1,000,000 thousand from Taiwan Cooperative Bank for a residential construction named Twin Star Garden Square. The first installment payment was in February 2009, and this loan was fully repaid in December 2009. FECC got another loan of NT\$430,000 thousand from the Bank of Panhsin. The construction had completed in 2010 and this loan had been fully repaid.

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

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

20. COMMERCIAL PAPER

Commercial papers guaranteed by the financial institution and with one-year maturities were issued at discount rates ranging from 0.17% to 2.14% in 2010 and 0.17% to 1.90% in 2009.

21. UNEARNED REVENUES

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

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

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

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

Contract Name	Contract Price	Estimated Construction Cost	Construction in Progress	Billings on Construction-in-progress	Percentage of Completion	Expected Completion Year	Recognized Cumulative Construction Profit (Loss)
<u>December 31, 2010</u>							
Percentage of completion method							
Er-Chung	\$ 136,551	\$ 138,799	\$ 136,378	\$ 136,551	-	2011	\$ (2,248)
Tainan Science Park - Taipower Company	894,236	986,694	838,447	894,236	99	2011	(92,458)
Panhsin Decoration	1,701,724	1,605,249	796,396	894,439	76	2011	73,321
Taichung C706	3,018,591	2,927,665	2,475,335	2,751,946	82	2011	74,559
Taichung C704	2,314,286	2,159,356	1,213,143	1,318,704	52	2012	80,564
Taichung C709A	2,965,991	2,788,031	2,168,050	2,323,024	73	2012	129,910
Far Eastern Memorial Hospital	692,381	670,244	107,041	145,317	15	2012	3,320
Wu YangC905	2,723,810	2,647,055	488,069	537,318	18	2012	13,816
Wu YangC908	2,272,381	2,202,956	370,913	466,381	16	2012	11,108
Zhong-Ben	588,571	588,571	15,688	37,627	3	2012	-
			<u>\$ 8,609,460</u>	<u>9,505,543</u>			
				<u>\$ 896,083</u>			<u>\$ 291,892</u>
<u>December 31, 2009</u>							
Percentage of completion method							
Er-Chung	136,551	138,799	\$ 136,278	\$ 136,551	-	2010	\$ (2,248)
Taichung C706	3,018,591	2,927,665	1,804,665	1,936,471	60	2011	54,556
Taichung C704	2,314,286	2,159,356	361,161	516,844	16	2011	24,789
			<u>2,302,104</u>	<u>2,589,866</u>			
Completed-contract method							
Manhattan	-	-	90,216	93,265	-	2010	-
Others	-	-	2,392	2,679	-	2010	-
			<u>92,608</u>	<u>95,944</u>			
			<u>\$ 2,394,712</u>	<u>2,685,810</u>			
				<u>\$ 291,098</u>			<u>\$ 77,097</u>

23. LONG-TERM LIABILITIES

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

(Continued)

<u>December 31, 2009</u>	Current	Long-term	Total
Long-term debts			
Bank loans	\$ 3,819,255	\$ 34,000,960	\$ 37,820,215
Commercial paper	<u>-</u>	<u>1,998,836</u>	<u>1,998,836</u>
	<u>3,819,255</u>	<u>35,999,796</u>	<u>39,819,051</u>
Bonds			
Nonconvertible bonds (local)	5,800,000	9,790,000	15,590,000
Discounted nonconvertible bonds	<u>(302)</u>	<u>(1,276)</u>	<u>(1,578)</u>
	<u>5,799,698</u>	<u>9,788,724</u>	<u>15,588,422</u>
Exchange bonds	2,500,000	-	2,500,000
Exchange bonds discount	<u>(157,657)</u>	<u>-</u>	<u>(157,657)</u>
	<u>2,342,343</u>	<u>-</u>	<u>2,342,343</u>
	<u>8,142,041</u>	<u>9,788,724</u>	<u>17,930,765</u>
	<u>\$ 11,961,296</u>	<u>\$ 45,788,520</u>	<u>\$ 57,749,816</u>
			(Concluded)

Bank Loans

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

On September 12, 2008, the Company entered into a medium-term syndicated loan agreement with banks led by Hua Nan Commercial Bank. The total loan agreement amounted to NT\$5,700,000 thousand. Under this agreement, the Company should keep its current, liability, tangible asset-equity and EBIT (earnings before income tax) ratios within certain ranges. The Company's stand-alone financial reports of 2010 and 2009 showed that the Company was in compliance with these ratio requirements.

On July 1, 2008, a Company subsidiary, SINO, reached a medium-term syndicated loan agreement with banks led by Chinatrust Commercial Bank. The total loan agreement amounted to US\$50,000 thousand. Under this agreement, another subsidiary of the Company, Yuan Tong, served as the guarantor of SINO and thus committed to keep its current, liability, tangible asset-equity and EBIT ratios within certain ranges. Yuan Tong's stand-alone financial reports of 2010 and 2009 showed that Yuan Tong was in compliance with these ratio requirements.

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

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

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

On July 30, 2010, FECC Ltd. fully repaid the above loan.

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

OPTC's stand-alone financial reports of 2010 and 2009 showed that OPTC was in compliance with these ratio requirement.

Commercial Paper

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

Bonds

FENC

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

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

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

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

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

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

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

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

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

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

Exchangeable Bond

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

Other bond issuance terms are as follows:

a. Exchangeable period:

The bondholders can exchange their bond for ACC shares under the bond terms at any time between October 15, 2007, the 31st day after the issuance date, and September 4, 2012, the 10th day before the maturity date, except during the period starting from (a) the third day before the ex-right date of stock dividend issuance, (b) the third day before the ex-right date of cash dividend issuance, (c) the third day before the ex-right date of new share issuance, or (d) the third day before the ex-right date of capital decrease, until the effective date of dividend or new share distribution or of capital decrease. In addition, bondholders cannot exchange bond into ACC's shares in the period for which this exchange is prohibited by law.

b. Exchange price

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

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

c. Call option:

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

d. Put option:

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

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

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

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

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

YDI issued five-year nonconvertible bond (the 2nd tranche) on June 13 to 16, 2005. The bond had aggregate face values of NT\$500,000 thousand, NT\$500,000 thousand, NT\$500,000 thousand and NT\$500,000 thousand, with each unit having a face value of NT\$10,000 thousand and repayable annually. The bond, repayable in lump sum on maturity, were fully redeemed in 2010.

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

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

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

On August 14, 2009, an FENC subsidiary, YDI, made a domestic private placement of unsecured bond with an aggregate value of NT\$1,000,000 thousand and a par value of NT\$10,000 thousand. This three-year unsecured bond will be repayable in lump sum on maturity, with a 2.00% interest payable annually. The bondholders of the domestic private placement of unsecured bond are ARCOA and NCIC, FENC subsidiaries. Above transactions were not included in the consolidated financial statements, since ARCOA and NCIC became FENC's subsidiaries.

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

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

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

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

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The contract-related assets and liabilities of FECC and FEGC are classified as current or noncurrent depending on the operating cycle. Amounts expected to be received or paid within one year or less were as follows:

	December 31, 2010		
	Within One Year	Over One Year	Total
Assets			
Accounts and notes receivable	\$ 245,233	\$ 22,163	\$ 267,396
Receivable from related parties	148,313	-	148,313
Available-for-sale - land and building	30,339	-	30,339
Construction in progress, net	5,946,872	2,335,416	8,282,288
Available for construction - land	-	620,013	620,013
Deferred marketing expenses	49,730	-	49,730
Prepayment for construction (Note)	561	-	561
Restricted assets - current	175,358	1,072,824	1,248,182
Refundable deposits - current (Note)	1,402	6,413	7,815
Liabilities			
Accounts and notes payable	1,822,858	-	1,822,858
Payable to affiliates	259,221	-	259,221
Advances on land and building	1,339,041	-	1,339,041
Billings on construction-in-progress method, net off construction-in-progress	430,616	465,467	896,083
December 31, 2009			
	Within One Year	Over One Year	Total
Assets			
Accounts and notes receivable	\$ 209,378	\$ 78,522	\$ 287,900
Receivable from related parties	44,180	-	44,180
Available-for-sale - land and building	30,339	-	30,339
Available for construction - land	-	620,013	620,013
Construction in progress, net	2,347,904	2,789,635	5,137,539
Prepayment for construction (Note)	2,856	-	2,856
Restricted assets - current	132,562	176,457	309,019
Refundable deposits - current (Note)	1,177	-	1,177
Refundable deposits - incurent	-	3,151	3,151
Liabilities			
Accounts and notes payable	\$ 1,131,479	\$ -	\$ 1,131,479
Payable to affiliates	176,038	-	176,038
Advances on land and building	473,340	515,478	988,818
Billings on construction-in-progress method, net off construction-in-progress	3,609	287,489	291,098

Note: Accounted for prepayments and other current assets.

26. STOCKHOLDERS' EQUITY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27. INCOME TAX

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

Since 2005, the Company adopted the linked tax system for tax filing with a subsidiary, FERD.

Certain income tax information is as follows:

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

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

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

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

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

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

(Concluded)

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

FENC

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

ISSDU

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

Q-Ware Com.

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Purchase of automated equipment or technology	<u>\$ 526</u>	<u>\$ 526</u>	2011

NCIC

Regulatory Basis of Tax Credits	Items	Total Investment Tax Credits	Unused Investment Tax Credits	Expiry Year
Statute for Upgrading Industries	Purchase of automated equipment or technology	\$ 5,925	\$ 5,925	2011
	Purchase of automated equipment or technology	6,930	6,930	2012
	Personnel training	<u>740</u>	<u>740</u>	2011
		<u>\$ 13,595</u>	<u>\$ 13,595</u>	

ORDL

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

OPTC

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

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

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

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

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

d. Information on the integrated income tax system:

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

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

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

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

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

As of December 31, 2010 and 2009, the following had no appropriated earnings (2010- Yuan-Cing Co., Oriental Resources Development Ltd. (“ORDL”), KG Telecom, NCIC, New Diligent Co., Ltd., Simple InfoComm Co., Ltd., Data Express Infotech Co., Ltd., Yuan Tong and FEETC; and 2009- Yuan-Cing Co., ORDL, KG Telecom, Q-ware Com., ADCast, YCIC, Yuan Tong and FEETC). The tax credits will be accumulated until the date of dividend distribution. Upon dividend distribution, the ratio of the imputed tax credits to unappropriated earnings based on the prevailing imputed credit account balance will be used by the Group to allocate tax credits to the respective companies’ stockholders.

Based on the Income Tax Law, the imputation tax credits distributed to each stockholder are based on the ICA balance as of the date of dividend distribution. Thus, the estimated creditable ratio for the 2010 earnings appropriation may be adjusted when the imputation credits are distributed.

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

Far EasTone

Far EasTone disagreed with the tax authorities’ assessment of its 2000 to 2004 returns. Thus, Far EasTone filed appeals for the reexamination of its 2000 to 2004 returns. Nevertheless, Far EasTone accrued the related tax expense.

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

Income tax returns through 2004 of KG Telecom and the former KG Telecom had been examined by the tax authorities. However, KG Telecom disagreed with the tax authorities’ assessment of the former KG Telecom’s 2001 to 2003 returns and thus filed appeals for the reexamination of these returns. Nevertheless, KG Telecom accrued the related tax expense.

ARCOA

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

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

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

OPTC

The tax authorities examined the 2002 income tax return of OPTC and assessed that OPTC's tax exemption claim amounts and investment tax credits should be decreased. The assessment resulted in an increase in tax payable by NT\$23,974 thousand. However, OPTC thought that the rules on which the assessment was based were not in accordance with general accounting principles and tax laws and thus filed appeals for reexamination. In March 2009, the tax authorities declared that OPTC not only had to recognize the investment 2002 tax credits of NT\$8,102 thousand but was also liable for a tax underpayment of NT\$15,873 thousand. Since OPTC still had tax deductibles resulting from certain fiscal losses and investment tax credits, OPTC applied on March 17, 2009 for approval to offset the income tax balance of 2002 against prior years' losses and later got the authorities' approval. Thus, OPTC was no longer required to pay the income tax of 2002.

On OPTC's 2003 income tax return, the tax authorities declared in February 2006 that OPTC's operating cost, operating expense, other expenses, interest expense, investment tax credits - researchers' salaries and other reported items should be decreased. This assessment resulted in an increase in tax payable by NT\$7,551 thousand and a decrease in investment tax credits by NT\$3,810 thousand. In addition, the assessment result on the 2002 tax return showed that OPTC should pay NT\$6,556 thousand more. OPTC disagreed with the tax authorities' assessment and thus filed an appeal for reexamination. On August 11, 2008, the tax authorities agreed that OPTC could recognize NT\$5,000 thousand more in operating cost and NT\$3,311 thousand more in transportation expense than the filed amounts but rejected the other items that were reexamined after OPTC's appeal. On September 12, 2008, OPTC filed an appeal on the additional tax payable but the tax authorities again rejected this appeal on March 31, 2009. On April 10, 2009, OPTC filed an administrative suit with the Taiwan High Administrative Court but lost the suit on December 24, 2009. On February 22, 2010, OPTC filed a suit with the Supreme Administrative Court (SAC), but, as of March 1, 2011, the date of the accompanying auditors' report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2010 financial statements.

On OPTC's 2004 tax return, the tax authorities assessed in March 2007 that OPTC should decrease other expenses, tax-exempt income, investment tax credits - researchers' salaries, investment tax credits - personnel training and other reported items. The assessment resulted in an increase in tax payable by NT\$268,485 thousand and a decrease in investment tax credits by NT\$3,076 thousand. OPTC refused the tax authorities' assessment and filed for reexamination. On June 4, 2009, the tax authorities decided to recover the untaxed income of NT\$905,356 thousand and rejected other items claimed in the reexamination. In addition, OPTC was required to settle an underpayment of NT\$42,146 thousand. OPTC filed an appeal for the reduction of the other tax liabilities but the tax authorities rejected it on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, the date of the accompanying auditors' report, the SAC had not handed down its decision. Believing it will win this lawsuit, OPTC did not show the related accrued tax expense in its 2010 financial statements.

On OPTC's 2005 tax return, the tax authorities assessed in January 2008 that OPTC should decrease other expense, tax-exempt income, investment tax credits - researchers' salaries and other certain reported items. The assessment resulted in decreases in loss carryforward by NT\$13,122 thousand and in investment tax credits by NT\$2,859 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. On June 4, 2009, the tax authorities rejected the reexamination. OPTC filed an appeal for the reversal of the authorities' decision to cut tax deductibles given its fiscal losses, but the tax authorities rejected the appeal on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, the date of the accompanying auditors' report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

On OPTC's 2006 income tax return, the tax authorities declared in November 2008 that OPTC's other expenses should have been cut and that the tax deductibles resulting from fiscal losses should decrease by NT\$11,984 thousand. OPTC refused the tax authorities' assessment and filed for a reexamination. On July 15, 2009, the tax authorities decided not to make the reexamination. OPTC filed an appeal for the reversal of the decision to cut tax deductibles given its fiscal losses but the tax authorities rejected the appeal on October 27, 2009. On December 25, 2009, OPTC filed an administrative suit with the Taipei High Administrative Court. On January 13, 2011, the Taipei High Administrative Court declare OPTC recovered. However, tax authorities filed a suit with the Supreme Administrative Court. As of March 1, 2011, the date of the accompanying auditors' report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

On OPTC's 2007 tax return, the tax authorities declared on July 6, 2009 that OPTC's other expenses should be cut; thus, the tax deductions resulting from the fiscal losses decreased by NT\$9,716 thousand after the tax examination. OPTC refused the tax authorities' assessment and filed for a reexamination. On October 8, 2009, the tax authorities rejected the appeal for reexamination. OPTC filed an appeal for the reversal of the decision to cut tax deductibles given its fiscal losses but the tax authorities rejected the appeal on December 28, 2009. On February 26, 2010, OPTC filed an administrative suit with the Taipei High Administrative Court, but as of March 1, 2011, the date of the accompanying auditors' report, the SAC had not handed down its decision. Nevertheless, OPTC decreased the amount of deferred income tax assets in compliance with the result of the tax examination.

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

28. EMPLOYEE, DEPRECIATION AND AMORTIZATION EXPENSES

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

	2009		
	Operating Costs	Operating Expenses	Total
Employee expenses			
Salaries	\$ 4,408,288	\$ 4,376,458	\$ 8,784,746
Insurance	253,936	279,873	533,809
Pension	349,354	262,016	611,370
Miscellaneous	<u>350,848</u>	<u>529,853</u>	<u>880,701</u>
	<u>\$ 5,362,426</u>	<u>\$ 5,448,200</u>	<u>\$ 10,810,626</u>
Depreciation	<u>\$ 14,646,805</u>	<u>\$ 1,285,126</u>	<u>\$ 15,931,931</u>
Amortization	<u>\$ 268,528</u>	<u>\$ 125,225</u>	<u>\$ 393,753</u>

29. EARNINGS PER SHARE

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

	<u>Amounts (Numerator)</u>		Shares in Thousands (Denominator)	<u>Earnings Per Share</u>	
	Income Before Income Tax	Net Income		Income Before Income Tax	Net Income
<u>2010</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 13,009,200	\$ 12,850,170	4,754,580	<u>\$ 2.74</u>	<u>\$ 2.70</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>18,568</u>		
Diluted EPS					
Earning for the year attributable to the Company's stockholders plus effect of potential dilutive common stock	<u>\$ 13,009,200</u>	<u>\$ 12,850,170</u>	<u>4,773,148</u>	<u>\$ 2.73</u>	<u>\$ 2.69</u>
<u>2009</u>					
Basic EPS					
Earning for the year attributable to the Company's stockholders	\$ 8,135,707	\$ 8,088,696	4,754,580	<u>\$ 1.71</u>	<u>\$ 1.70</u>
Add: Effect of potential dilutive common stock	<u>-</u>	<u>-</u>	<u>12,884</u>		
Diluted EPS					
Earning for the year attributable to the Company's stockholders plus effect of potential dilutive common stock	<u>\$ 8,135,707</u>	<u>\$ 8,088,696</u>	<u>4,767,464</u>	<u>\$ 1.71</u>	<u>\$ 1.70</u>

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

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance of employee stock bonuses distributed out of earnings for the year ended December 31, 2009 and stock dividends. This adjustment caused the basic and diluted after income tax EPS for the year ended December 31, 2009 decreased from NT\$1.74 to NT\$1.70 and from NT\$1.73 to NT\$1.70, respectively.

30. PENSION PLAN

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

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

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

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

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

- 3) Vested benefit

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

- 4) Actuarial assumptions were as follows:

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

31. RELATED-PARTY TRANSACTIONS

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

32. ASSETS PLEDGED OR MORTGAGED

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

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

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

33. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

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

- f. The Group's rental payments for land, buildings and cell sites for the next five years under effective lease agreements are summarized as follows:

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

- g. The tax authorities of Taipei County imposed a land tax from 1999 to 2003 on the land in Banciao and penalized the Company with a triple fine, totaling NT\$252,442 thousand, because the authorities believed that this land, which FENC registered as a property for manufacturing purposes, was being used for general purposes instead and that FENC did not register the change in purpose of the land. The Company disagreed with the tax authorities' decision and applied for reexamination on December 27, 2004. However, after the reexamination, the tax authorities did not reverse their decision. Thus, the Company filed a appeal against the authorities on June 1, 2005. Afterwards, the authorities rejected the appeal; the Company accrued the losses for this case in 2005. On January 18, 2006, the Company filed a lawsuit with the Taipei High Administrative Court but still lost the lawsuit. The Company appealed to the Supreme Administrative Court ("SAC") on January 3, 2007. The SAC rejected this appeal on May 31, 2007. On August 30, 2007, the Company paid the required land tax. Despite this payment, the Company again applied with SAC for reexamination on July 13, 2007. On May 27, 2009, the SAC rejected the appeal for a reexamination. Nevertheless, the Company is continuing to look for other ways to assert its rights.
- h. On December 29, 2005, the board of directors of Tai Ya International Telecommunications Co., Ltd. ("TYIT") resolved to merge Mobitai communications Ltd. ("Mobitai") in accordance with Article 19 of the Business Mergers and Acquisitions Act and set January 1, 2006 as the record date of the merger. TYIT is the successor company after the merger. Under the resolution of TYIT's board, the Company received NT\$167,863 thousand from Mobitai in exchange for Mobitai's 11,469 thousand common shares (NT\$14.68 per share) held by the Company. The Company disposed the investment in Mobitai and recognized a disposal gain of NT\$31,814 thousand. However, the Company regarded Mobitai's purchase price was too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. As of the report date the lawsuit was still in the procedure at the Taipei district court.
- i. Ming-chiung Chang filed an incidental civil suit, in connection with the criminal case of forgery, against Ming-chung Kuo (an FENC employee) and Hua-de Lin, Hung-Long Li and Yung-gi Lai (the fiduciaries of Pacific Liu Tung Investment Co.). Chang claimed that Kuo and Hua-de Lin, Hung-Long Li and Yung-gi Lai colluded and used their positions to carry out transactions that resulted in his losses and asked the Taiwan High Court to declare that the ownership of Pacific Liu Tung Investment held by Far Eastern Department Stores Ltd. (FEDS), FEDS's subsidiaries and the Group was just a fabrication, i.e., it never existed. In October 2009, Chang lost the suit and then appealed to a higher court. In March 25, 2010 the judgment was abandoned by the Supreme Court and returned the case to the Taiwan High Court for reexamination.
- j. The registered capital of Pacific Liu Tung Investment Co. ("PLT"), an investee of the Company, was originally NT\$4,010,000 thousand, representing 401,000 thousand shares at a par value of NT\$10.00. On February 3, 2010, following a letter from the Taiwan High Prosecutors Office, the MOEA decided to nullify the registrations of several tranches of capital increases given to PLT, the registrations of amendments of Articles of Incorporation, the registrations of elected and appointed representatives of Board of Directors and Supervisors on November 13, 2002, May 1, 2003, August 8, 2005, August 3, 2006, June 6, 2007 and July 16, 2008. As a result, the capital amount of PLT reverted to the original NT\$10,000 thousand, representing 1 million common shares.

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

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

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

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

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

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

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

- k. A subsidiary of FENC, FEGC, contracted the Southern Taiwan Science Park (STSP) to do underground cable construction. During the construction period, material costs rose to NT\$300,000 thousand because of adverse economic factors and the rising prices of stainless steel and cable material. Although the contract amount had been adjusted for price inflation, FEGC still incurred a great loss in 2008 and got no indemnification. Thus, FEGC again filed for conciliation with the PCC and claimed that STSP should pay NT\$125,100 thousand in damages. However, the conciliation still failed because STSP and FEGC could not reach any compromise. FEGC will file a suit for indemnification to the Tainan District Court after receiving the certification of conciliation failure. Additionally, the construction contract further stated that the construction would be started with manual excavation.

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

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

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

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

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

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

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

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

- m. For the construction Taiwan Power Company (TPC) subcontracted to FEGC, FEGC had to pay a certain fine of NT\$23,000 thousand for a bid deposit call. This fine was based on the Government Procurement Act and TPC's construction contract. FEGC has applied for mediation to Complaint Review Board for Government Procurement, PCC but, on October 24, 2008, PCC made a decision of case not entertained. TPC thus requested the Administrative Enforcement Agency to enforce the penalty concerned. As of March 1, 2011, the date of the accompanying independent auditors' report, this case was still in the procedure in the Administrative Enforcement Agency.
- n. FEETC was entrusted by the TANFB to collect electronic tolls on freeways and has signed a third-party benefit trust contract with FEIB to manage the tolls collected. The trust property for this agreement amounted to NT\$1,099,874 thousand as of December 31, 2010.

34. SUBSEQUENT EVENT

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

35. FINANCIAL INSTRUMENTS

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

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

(Continued)

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

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

- 1) The carrying values of short-term instruments reported in the balance sheet approximate the fair values of these assets because of the short maturities of these instruments
- 2) If quoted market prices are available, these are used as fair values of derivatives. Otherwise, the fair value is evaluated by the Group using the same estimates and assumptions used by other market participants (e.g., banks or derivative sellers) to value the derivatives.
- 3) If quoted market prices are available, these are used as fair values of financial instruments at available-for-sale financial assets. The fair values of financial assets carried at cost - noncurrent and bonds carried at amortized cost, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, fair values cannot be reasonably measured..
- 4) If quoted market prices are available, these are used as fair values of held-to-maturity financial assets - noncurrent; otherwise, fair values will be measured by carrying values.
- 5) Fair values of long-term loans, bonds payable, and commercial paper (all including current portion) are measured at the present values of expected cash flows, which are discounted at the interest rates for bank loans with similar maturities. The fair values of publicly traded bonds are measured at trading prices
- 6) Refundable deposits and guarantee deposits (including the current portion) receivable are recorded at their carrying values because the fair value approximates the carrying value.

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

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

- d. As of December 31, 2010 and 2009, the financial assets with fair value risk resulted from interest rate fluctuations amounting to NT\$18,240,141 thousand and NT\$10,345,774 thousand, respectively and the financial liabilities with fair value risk resulted from interest rate fluctuations amounting to NT\$76,379,558 thousand and NT\$75,074,427 thousand, respectively. As of December 31, 2010 and 2009, the financial assets with cash flow risk resulted from interest rate fluctuations amounting to NT\$9,139,904 thousand and NT\$13,337,273 thousand, respectively and the financial liabilities with cash flow risk resulted from interest rate fluctuations amounting to NT\$17,534,057 thousand and NT\$13,160,971 thousand, respectively.

- e. Financial risks

1) Market risk

Forward exchange contracts and currency option contracts

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

Interest rate swap contracts

The Company used interest rate swap contracts to hedge against adverse fluctuations of interest rates of corporate bonds 72nd tranche. The Company had redeemed the entire 72nd tranche as of December 31, 2009.

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

Cross currency swap contracts

FENC subsidiaries, Far EasTone and KG Telecom (dissolved on its merger with Far EasTone on January 1, 2010) used cross-currency swap contracts to hedge against the adverse effects of exchange rate fluctuations on foreign currency-denominated assets in 2010 and 2009. The gains or losses on the changes in fair values on these contracts will offset the results of the exchange rate fluctuations of the hedged items. Thus, market risk is expected to be immaterial.

Cotton futures contracts

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

Others

Fair values of mutual funds and domestic quoted stocks held by the Company and its subsidiaries are determined at their quoted prices in an active market; thus, market price fluctuations would cause changes in the fair values of these investments. However, market risk is expected to be immaterial because the performance of these investments is periodically evaluated by the foregoing subsidiaries.

2) Credit risk

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

3) Liquidity risk

The Group has sufficient operating capital to meet cash flow requirements. Thus, the Group does not have liquidity risk. However, financial assets carried at cost have no active market; thus, material liquidity risk on these assets is anticipated.

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

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

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

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

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

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

4) Cash-flow risk from interest rate fluctuations

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

f. Cash flow hedge

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

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

A subsidiary, NCIC, used forward exchange contract to hedge against cash flow fluctuations on its foreign currency-denominated assets.

New Taiwan Dollars						
Hedged Items	Designated Hedging Instruments		Expected Period of Cash Flows	Expected Period for Realization of Gains or Losses		
	Designated Financial Instruments	Fair Value				
		December 31				
		2010	2009			
Foreign currency-denominated assets	Cross currency swap contract					
	- Far EasTone	\$ 13,820	\$ -	2011	2011	
	- KG Telecom (dissolved on the merger with Far EasTone on January 1, 2010)	-	2,750	2010	2010	
	Forward contracts					
	- NCIC	64,850	-	2011	2011	

36. OTHER

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

(In Thousands, Except Exchange Rate)

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

37. ADDITIONAL DISCLOSURES

- a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company and investees and b. Reinvestment information:
 - 1) Financing provided: Schedule F (attached).
 - 2) Endorsement/guarantee provided: Schedule G (attached).
 - 3) Marketable securities and investments in share of stock held: Schedule H (attached).
 - 4) Securities acquired and disposed of at costs or prices of at least NT\$100 million or 20% of the capital stock: Schedule I (attached).
 - 5) Acquisition of individual real states at costs of at least NT\$100 million or 20% of the capital stock: Schedule J (attached).
 - 6) Disposal of individual real states at prices of at least NT\$100 million or 20% of the capital stock: none.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the capital stock: Schedule K (attached).

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

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

10) Derivative financial transactions: Notes 6 and 35.

c. Investments in Mainland China

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

2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Note 31 and Schedule K, L (attached).

d. Additional disclosure for consolidated financial statements:

1) Significant transactions between the Group and among subsidiaries: Schedule O (attached).

2) Reasons, amounts, number of shares held and subsidiaries' names, which owns FENC's shares: None.

39. SEGMENT INFORMATION

a. Industry Segment information. Summarized segment information is shown in Schedule P.

b. Geographic information. Summarized segment information is shown in Schedule Q.

c. Export sales

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

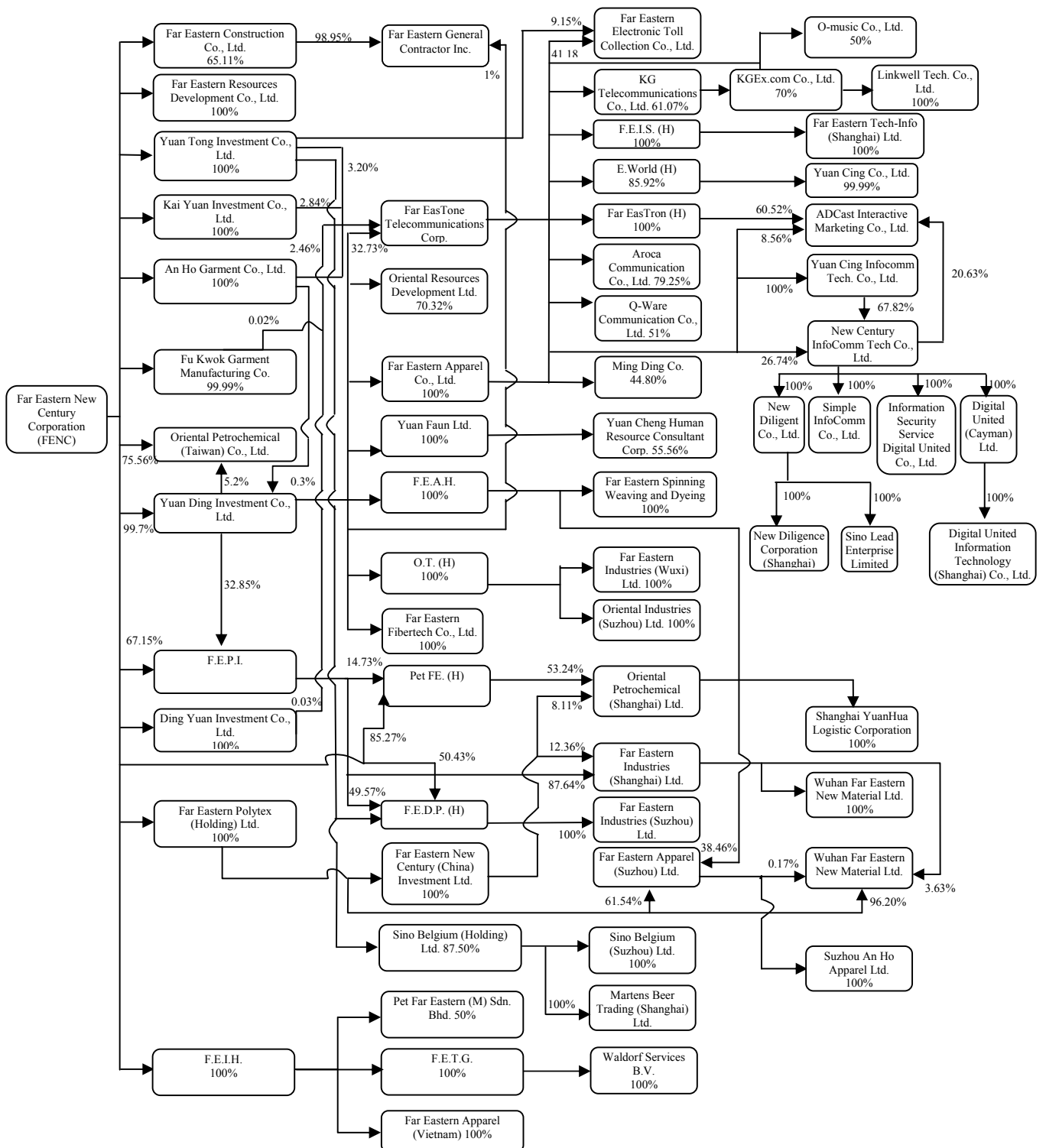
d. Major customers

There were no major customers in 2010 and 2009.

SCHEDULE A

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

INTERCOMPANY RELATIONSHIPS AND PERCENTAGES OF OWNERSHIP
DECEMBER 31, 2010



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

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

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Ming Ding Co., Ltd.	1990/08/07	1F., No. 389, Sihchuan Rd., Sec. 1, Banciao City, Taipei County 220, Taiwan, ROC	Selling of underwear, sportswear, shirts, towels, fabrics, suits, beddings and casual wear.
Oriental Resources Development Ltd.	1988/06/27	34F., No. 207, Dunhua S. Rd. Sec. 2, Taipei City 106, Taiwan, ROC	Waste recycling and processing.
Yuan Faun Ltd.	1980/12/13	33F., No. 207, Dunhua S. Rd., Sec. 2, Taipei City 106, Taiwan, ROC	International trading, business consulting, machinery design and installation and computer software.
Yuan Cheng Human Resources Consultant Corp.	1999/06/08	19F.-1, No. 1, Baosheng Rd., Yonghe City, Taipei County 234, Taiwan, ROC	Providing manpower services.
Oriental Textile (Holding) Ltd.	2001/01/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Sino Belgium (Holding) Ltd.	2007/08/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Investment (Holding) Ltd.	1989/08/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
PET Far Eastern (Holding) Ltd.	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment.
FEDP (Holding) Ltd.	2002/03/20	Clarendon House 2 Church street Hamilton HM 11, Bermuda	Investment.
F.E.T.G. Investment Antilles N.V.	1989/10/05	Kaya W.F.G Mensing 14, Curacao, Nederlandse Antillen	Investment.
Waldorf Services B.V.	1990/01/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	Investment.
PET Far Eastern (M) Sdn. Bhd.	1995/07/22	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bohru, Johor, Malaysia	Manufacture and distribution of PET bottle and PET perform.
Far Eastern Polytex (Holding) Ltd.	2006/03/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Apparel (Holding) Ltd.	1996/10/01	Clarendon House 2 Church street, Hamolton HM 11, Bermuda	Investment.
Far Eastern Polychem Industries Ltd.	1995/04/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	Investment.
Far Eastern Industries (Shanghai) Ltd.	1996/09/25	Mainland China	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, raw textured yarns, spinning yarns, and knitted and woven fabrics and garments.
Far Eastern Apparel (Vietnam) Ltd.	2002/07/04	No. 11, VSIP Street 4, Vietnam Singapore Industrial Park Thuan An District, Binh Duoug Province, Vietnam	Manufacture and distribution of various knitted and woven garments, beddings garments and accessories.

(Continued)

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

(Continued)

Consolidated Entity	Setup Date	Location	Operations
Oriental Petrochemical (Taiwan) Co., Ltd.	1987/01/26	No. 47, Jingjian 4th Rd., Shuren Village Gonyin Township, Taoyuan County 328, Taiwan, ROC	Manufacture and distribution of PTA
Martens Beer Trading (Shanghai) Ltd.	2007/10/26	Mainland China	Beer sales
Far EasTone Telecommunications Co., Ltd.	1997/04/11	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Telecommunication
Far Eastern Info Service Holding Ltd.	2002/07/17	Clarendon House 2 Church Street, Hamilton HM11, Bermuda	International investment holding business.
Far Eastern Tech-Info (Shanghai) Ltd.	2002/11/18	Mainland China	Computer software programming and MIS maintenance and consultancy.
E.World (Holdings) Ltd.	2000/04/07	4F., One Capital Place. P.O. Box 847 G.T., Grand Cayman Island	International investment holding business.
Yuan Cing Co., Ltd.	2000/08/05	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Data processing service and retail of computer software.
KGEx.com Co., Ltd.	2000/08/09	4F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Type II communications service.
Far Eastern Electronic Toll Collection Co., Ltd.	2004/04/07	28F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Providing services on information software, electronic information, auto controlling equipment engineering.
Arcoa Communication Co., Ltd.	1981/05/04	36F., No. 207, Dunhua S. Rd. Sec. 2, Da'an Dist., Taipei City 106, Taiwan, ROC	Distribution of cellular phones and other communications equipment and accessories and providing related maintenance services.
ADCast Interactive Marketing Co., Ltd.	2000/06/12	1F., No. 220, Gangqian Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing services on internet advertisement and marketing.
Far EasTron Holding Ltd.	2005/08/30	Marquee Place, Suite 300, 430 West Bay Road, P.O. Box 30691 SMB, Grand Cayman, Cayman Islands, British West Indies	International investment holding business.
Q-Ware Communication Corp.	2007/02/13	8F., No. 220, Gangqian Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Type II communications service.
Yuan Cing Infocomm Tech Co., Ltd.	2009/12/30	4F., No. 468, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Sale of communication products
New Century InfoComm Tech Co., Ltd.	2000/6/1	1F-11F., No. 218, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan, ROC	Providing Type II communications service, integrated network business and sale of phone equipment and accessories.

(Continued)

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

(Concluded)

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

No.	Related Party	Relationship with Far Eastern New Century Corporation (Note)
1	Oriental Securities Co., Ltd.	a
2	Yuan-Ding Co. Ltd.	a
3	Frendenberg Far Eastern Spunweb Co., Ltd.	a
4	Everest Textile Co., Ltd.	a
5	Pacific Liu Tong Investment Corp.	a
6	Air Liquide Far Eastern Ltd.	a
7	Yue Ding Industry Co., Ltd.	a
8	Far Eastern International Leasing Corp.	a
9	Ding Ding Hotel Co., Ltd.	a
10	Da Ju Fiber Co., Ltd.	a
11	iScreen Corp.	a
12	Yue Ming Co., Ltd.	a
13	Ding Ding Integrated Marketing Service Co., Ltd.	a
14	Malaysia Garment Manufactures PTE Ltd.	a
15	Far Eastern International Garments Inc.	a
16	Far Eastern Grant Co., Ltd.	b
17	Far Eastern. Y. Z. Hsu Science and Technology Memorial Foundation	b
18	U-Ming Marine Transport Corp.	b
19	Tranquil Enterprise Ltd.	b
20	New Tranquil Enterprise Ltd.	b
21	Yuan-Ze University	b
22	Oriental Institute of Technology	b
23	Far Eastern Memorial Hospital	b
24	Bai Ding Investment Corp.	b
25	Far Eastern Department Stores Co., Ltd.	a and b
26	Oriental Union Chemical Corporation	a and b
27	Asia Cement Corporation	a and b
28	Yu Chang Vocational School	c
29	Pacific SOGO Department Stores Co., Ltd.	d
30	Pacific Petrochemical (Holding) Ltd.	e
31	Far Eastern Recreation Center Employee's Welfare Committee	f
32	Far Eastern Recreation Center Employee's Welfare Committee of FENC Golf Club	f
33	Oriental Petrochemical (Yangzhou) Corporation	g
34	Hong Ton Development Corporation	h
35	F.E. Memorial Foundation	h
36	Far Eastern Medical Foundation	h
37	TECO Electric & Machinery Co., Ltd.	i
38	Systemex Corporation	i
39	MITAC Inc.	i
40	Telecommunication & Transportation Foundation	j

(Continued)

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

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

(Concluded)

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

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

Note:

- 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.

(Continued)

- c. The terms of FENC's sales to and purchases from the related parties were the based on agreement.
- d. Salaries and bonuses of directors, supervisors and management executives:

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

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

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

(Continued)

	Notes	2010		2009	
		Amount	%	Amount	%
Deferred income					
Rental revenue					
Yuan Ding Co.	b.	\$ 610,295	63	\$ 656,941	65
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	c.	208,980	22	215,510	21
Sales of lands and buildings					
Oriental Securities Co., Ltd.	d.	115,591	12	116,147	11
Sales of securities					
Far Eastern International Leasing Corp.		24,326	2	24,326	2
Others	e.	<u>11,932</u>	<u>1</u>	<u>11,932</u>	<u>1</u>
		<u>\$ 971,124</u>	<u>100</u>	<u>\$ 1,024,856</u>	<u>100</u>
Deferred charges (classified under other assets - other)					
Oriental Union Chemical Corp.		<u>\$ 2,158</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

Financing to affiliates:

	Year Ended December 31, 2010			
	Highest Outstanding Balance	Balance on December 31, 2010	Interest Rate (%)	Interest Revenue
Da Ju Fiber Corporation	\$ 250,000	\$ 250,000	0.93-1.76	\$ 1,166
Malaysia Garment Manufactures Pte Ltd.	268,259	244,737	0-1.44571	1,636
Yue Ding Industry Co., Ltd.	40,000	<u>-</u>	0.93-1.71	<u>441</u>
		<u>\$ 494,737</u>		<u>\$ 3,243</u>
	Year Ended December 31, 2009			
	Highest Outstanding Balance	Balance on December 31, 2009	Interest Rate (%)	Interest Revenue
Da Ju Fiber Corporation	\$ 277,000	\$ 148,000	1.05-2.69	\$ 3,322
Malaysia Garment Manufactures Pte Ltd.	268,259	268,259	0-2.78917	2,630
Yue Ding Industry Co., Ltd.	160,000	<u>10,000</u>	1.05-2.69	<u>1,935</u>
		<u>\$ 426,259</u>		<u>\$ 7,887</u>

(Continued)

Financing from affiliates:

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

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

- a. For the relationships between FENC and subsidiaries, please refer to Schedule C.
- b. FENC, Asia Cement Corporation and Yuan Ding Co. co-own the Metro Tower Building located on Dunhwa South Road in Taipei City. Under an agreement, Yuan Ding Co. constructed the building and used the land owned by FENC and Asia Cement Corporation. In exchange, FENC and ACC each received 12% of the usable area of the building. FENC deferred this income and will realize it upon the expiration of the agreement. The ownership of land had been transferred in September 2, 2003, please refer to Note 15.
- c. The unrealized gain from superficies right Far Eastern Resources Development Co., Ltd. granted to Far Eastern Y.Z. Science and Technology Memorial Foundation was referred to Note 15.
- d. The unrealized gain was from the sale of lands and buildings to Oriental Securities Co., Ltd.
- e. The transaction amount among related-parties was not over 5% of the total amount of the account.
- f. On March 9, 2009, the subsidiary, Far Eastern Resources Development Co., Ltd. sold the land in Ya-Tung Section of Banciao to Far Eastern Memorial Foundation at the total amount of NT\$448,329 thousand in order to start the construction of its new medical building and the gain on this transaction brought NT\$331,124 thousand to the subsidiary.
- g. NCIC (covered by consolidated financial statement of FENC in August 2010) and AD Cast (dissolved due to the merged with NCIC on March 16, 2009) subscribed three-year unsecured bonds (the 1st tranche of 2007), FENC issued for NT\$600,000 thousand and NT\$200,000 thousand on October 31, 2007, respectively. FENC has already redeemed the full amount in October 2010 (Note 23).

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

(Continued)

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

(Concluded)

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

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

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
											Item	Value		
Far Eastern New Century Corporation	An Ho Garment Co., Ltd.	Receivables from related parties	\$ 400,000	\$ -	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 49,274,306 (Note E)	
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
	Yuan Ding Investment Co., Ltd.	"	1,800,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	49,274,306 (Note E)	
Yuan Ding Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	"	180,000	180,000	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Far Eastern Resources Development Co.	"	650,000	650,000	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	An Ho Garment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
Far Eastern Investment (Holding) Ltd.	Da Ju Fiber Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	18,316,126 (Note E)	
	Oriental Petrochemical (Shanghai) Co., Ltd.	Receivables from affiliates	US\$ 30,000	US\$ 30,000	-	1%	2	-	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Flying Dutchman Ltd.	Other receivables	US\$ 5,000	US\$ 5,000	-	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
Far Eastern Investment (Holding) Ltd.	Waldorf Services B.V.	Receivables from affiliates	US\$ 10,000	US\$ 10,000	US\$ 800	-	2	US\$ 800	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	F.E.T.G. Investment Antilles N.V.	"	US\$ 15,000	US\$ 15,000	US\$ 236	1.44571%-1.75%	2	US\$ 236	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 68,600	1.44571%-1.75%	2	US\$ 68,600	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Per Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,500	1.44571%-1.75%	2	US\$ 2,500	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,786	0%-1.44571%	2	US\$ 3,786	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 20,000	US\$ 20,000	MYR 19,206	1.44571%-1.75%	2	MYR 19,206	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,000	1.44571%-1.75%	2	US\$ 2,000	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 5,000	US\$ 5,000	US\$ 2,500	-	2	US\$ 2,500	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 30,800	1.44571%-1.75%	2	US\$ 30,800	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	
	FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 1,900	1.44571%-1.75%	2	US\$ 1,900	For revolving fund	-	Promissory note	-	24,637,153 (Note G)	

(Continued)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
											Item	Value		
Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	\$ 90,000	\$ -	\$ -	1.57%-1.71%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,300,538 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	90,000	90,000	87,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	An Ho Garment Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	Da Ju Fiber Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
	Yue Ding Industry Co., Ltd.	"	90,000	90,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,300,538 (Note E)	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	US\$ 98,000	US\$ 98,000	US\$ 98,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Industries (Shanghai) Ltd.	"	66,000	US\$ 66,000	US\$ 30,000	-	1	HKS 1,191,416	-	-	Promissory note	-	4,469,001 (Note H)	
	Far Eastern Industries (Suzhou) Ltd.	"	10,000	US\$ 10,000	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Petrochemical (Shanghai) Corp.	"	4,000	US\$ 4,000	-	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	"	25,000	US\$ 25,000	US\$ 18,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Apparel (Suzhou) Ltd.	"	30,000	US\$ 30,000	US\$ 11,900	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Investment (Holding) Ltd.	"	20,000	US\$ 20,000	-	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	"	15,000	US\$ 15,000	US\$ 340	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Yuan Tong Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
	Kai Yuan International Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
	Yuan Ding Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	3,649,725 (Note E)	
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Other receivables - loans to affiliates	60,000	RMB 60,000	RMB 60,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	"	40,000	RMB 40,000	RMB 30,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Industries (Suzhou) Ltd.	"	40,000	RMB 40,000	RMB 40,000	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Far Eastern Industries (Suzhou) Ltd.	"	20,000	RMB 20,000	-	3%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Sino Belgium (Suzhou) Ltd.	"	10,000	RMB 10,000	-	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	5,000	US\$ 5,000	US\$ 4,600	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Chuang Yuan Co., Ltd.	Other receivables	10,000	US\$ 10,000	US\$ 6,380	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	64,900	US\$ 64,900	US\$ 48,800	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	
	Oriental Industries (Suzhou) Ltd.	"	138,000	US\$ 138,000	US\$ 70,000	-	2	-	For revolving fund	-	Promissory note	-	14,782,292 (Note D)	

(Continued)

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

Notes: A. Reasons for financing are as follows:

1. Business relationship.
2. For short-term financing.
- B. The upper limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- C. The upper limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- D. The upper limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- E. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- F. The upper limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- G. The upper limit is equal to 25% of the net value of FENC (based on audited financial statements) as of December 31, 2010.
- H. The upper limit is the lower amount of 50% of the net value of FENC (based on audited financial statements) or business transaction amount between both parties as of December 31, 2010.
- I. The upper limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2010.
- J. The upper limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2010.

(Concluded)

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

ENDORSEMENT/GUARANTEE PROVIDED
YEAR ENDED DECEMBER 31, 2010

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

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

(Continued)

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

Notes: A. The subsidiary whose more than 50% of the common shares holding is directly or indirectly owned by the parent company.

B. Equity-method investees.

C. Business relationship.

D. Parent company of the investee.

E. The subsidiary has the same ultimate parent company.

F. The amount of the collateral/guarantee is equal to 200% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

G. The amount of the collateral/guarantee is equal to 50% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

H. Limit is calculated using the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

I. Limit is computed using the net value of parent company (based on audited financial statements) as of December 31, 2010.

J. The amount of the collateral/guarantee is equal to 20% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

K. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010.

L. The amount of the collateral/guarantee is equal to 300% of the net value of the guarantor (based on audited financial statements) as of December 31, 2010.

M. The amount of the collateral/guarantee is equal to the net value of FENC (based on audited financial statements) as of December 31, 2010

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

O. The amount of the collateral/guarantee is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2010.

(Concluded)

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

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Equity method investments	686,631	\$ 12,740,990	22.33	\$ 22,143,872	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	208,750	4,168,670	16.80	10,176,534	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,229,666	9.17	2,776,107	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,112	0.03	996	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	36,135,804	99.70	36,522,355	-
	Far Eastern Resources Development Co.	(Note A)	Equity method investments	487,279	16,626,087	100.00	17,583,860	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	6,992,662	100.00	7,299,449	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	1,700	5,188,276	100.00	5,188,276	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	678,205	5,866,919	67.15	5,866,919	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	302,844	4,524,100	100.00	4,524,069	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	385,760	5,263,384	75.56	5,201,170	-
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity method investments	46	3,609,797	100.00	3,598,247	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	186,926	3,387,234	37.13	3,461,684	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	154,372	3,126,343	65.11	3,181,981	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,601,135	100.00	2,601,075	-
	Oriental Securities Corp.	(Note A)	Equity method investments	140,278	2,050,470	19.65	2,043,996	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	202	4,514,131	85.28	4,587,800	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,595,014	100.00	1,663,991	-
	Pacific Liiu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	67,500	1,383,864	16.83	1,291,775	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	3,999	129,833	99.99	132,993	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	5,386	31,143	19.00	31,145	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	244	721,679	50.43	721,680	-
	Hantech Venture Capital Corp.	(Note A)	Financial assets carried at cost	4,939	53,667	3.73	64,732	-
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	62,343	919,563	3.11	919,563	-	
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,454	1,306,374	9.12	2,761,880	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	796,141	25.23	916,482	-
	Asia Cement Corporation	(Note A)	Equity method investments	5,358	103,986	0.17	172,783	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,926	139,451	0.40	240,131	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	23,285,632	32.73	45,119,617	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	86	5,305,641	100.00	5,305,641	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	331,717	2,870,116	32.85	2,870,116	-
	Oriental Securities Corp.	(Note A)	Equity method investments	185,247	2,813,063	25.96	2,699,878	105,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	111	2,203,064	100.00	2,203,064	-
	Air Liquide Far Eastern Ltd.	(Note A)	Equity method investments	69,115	1,214,109	35.00	1,211,046	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	64,759	1,170,931	12.86	1,198,957	43,500 thousand shares pledged or mortgaged as collaterals for loans
	Pacific Liiu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	59,827	1,140,123	14.92	1,145,127	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,026,282	16.87	1,037,815	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	818,300	100.00	808,336	-
Yuan Ding Leasing Corp.	(Note A)	Equity method investments	36,706	376,448	46.20	378,085	-	
Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	22,024	354,443	100.00	354,371	-	
Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	544,894	41.86	555,110	-	
Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	303,613	29.80	303,332	-	

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Oriental Resources Development Ltd. (Note A)		Equity method investments	21,322	\$ 131,326	70.32	\$ 135,249	-
	Oriental Petrochemical (Taiwan) Co., Ltd. (Note A)		Equity method investments	26,528	354,636	5.20	364,824	-
	Yuan Fann Ltd. (Note A)		Equity method investments	5,000	115,574	100.00	113,551	-
	Yue Ming Co., Ltd. (Note A)		Equity method investments	1,280	93,904	45.50	95,933	-
	Far Eastern General Constructor Inc. (Note A)		Equity method investments	1,270	17,980	1.00	16,691	-
	Yue Yuan Investment Co., Ltd. (Note D)		Financial assets carried at cost	95,838	677,240	19.05	2,133,987	-
	Chung Nan Textile Co., Ltd.		Financial assets carried at cost	2,985	81,405	5.27	113,791	-
	Hantech Venture Capital Corp.		Financial assets carried at cost	4,688	56,019	3.54	61,450	-
	Taiwan Stock Exchange Corp.		Financial assets carried at cost	909	22,493	0.16	49,308	-
	Universal Venture Capital Investment Corp.		Financial assets carried at cost	1,400	14,000	1.16	15,285	-
	Overseas Investment and Development Co., Ltd.		Financial assets carried at cost	1,000	10,000	1.11	9,047	-
	China Investment and Development Co., Ltd.		Financial assets carried at cost	1,287	8,250	0.80	13,929	-
	Nan Shan Insurance Co., Ltd.		Financial assets carried at cost	5	221	-	1,030	-
	Oriental Securities Investment Consultant Co., Ltd.		Financial assets carried at cost	1	10	-	11	-
	Hantech Venture Capital Corp.		Financial assets carried at cost	914	6,597	9.81	2,734	-
	Dah Chung Bills Finance Corp.		Financial assets carried at cost	2,165	30,669	0.50	32,056	-
	DFE DWS Global Multi-asset Income Plus FOF		Available-for-sale financial assets - current	5,000	55,050	0.83	55,050	-
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - noncurrent	2,994	190,119	0.35	190,119	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	15,771	232,625	0.79	232,625	-
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent (private)	69,044	683,536	3.44	683,536	-
	<u>Under asset management contracts (Note E)</u> Standard Foods Corporation		Financial assets at fair value through profit or loss - current	182	13,796	-	13,796	-
	China Steel Chemical Corporation		Financial assets at fair value through profit or loss - current	75	9,000	-	9,000	-
	Taiwan Cement Co., Ltd.		Financial assets at fair value through profit or loss - current	720	23,616	-	23,616	-
	Taiwan Semiconductor Manufacturing Company Limited		Financial assets at fair value through profit or loss - current	300	21,300	-	21,300	-
	TSRC Corporation		Financial assets at fair value through profit or loss - current	360	24,300	-	24,300	-
	Ability Enterprise Co., Ltd.		Financial assets at fair value through profit or loss - current	420	21,042	-	21,042	-
	Phihong Technology Co., Ltd.		Financial assets at fair value through profit or loss - current	369	19,446	-	19,446	-
	Cathay Financial Holdings		Financial assets at fair value through profit or loss - current	120	6,204	-	6,204	-
	Yuanta Financial Holdings Co., Ltd.		Financial assets at fair value through profit or loss - current	400	8,720	-	8,720	-
	Dynapack Corporation		Financial assets at fair value through profit or loss - current	100	9,500	-	9,500	-
	Chipbond Technology Corporation		Financial assets at fair value through profit or loss - current	125	6,363	-	6,363	-
	ADLINK Technology Inc.		Financial assets at fair value through profit or loss - current	261	13,702	-	13,702	-
	Powertech Technology Inc.		Financial assets at fair value through profit or loss - current	215	20,855	-	20,855	-
	ACBEL Polytech Inc.		Financial assets at fair value through profit or loss - current	540	13,716	-	13,716	-
	Pou Chen Corporation		Financial assets at fair value through profit or loss - current	400	10,780	-	10,780	-
	DWS Taiwan Bond Fund		Financial assets at fair value through profit or loss - current	1,833	20,537	-	20,537	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note	
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
Far Eastern Investment (Holding) Ltd. Co., Ltd.	F.E.T.G. Investment Antilles N.V.	(Note A)	Equity method investments	6	15,726	100.00	US\$ 15,726	-	
	PETYN Corporation	(Note A)	Equity method investments	45,066	-	21.85	US\$ 109,756	-	
	PET F.E. (M) Sdn. Bhd.	(Note A)	Equity method investments	Common stock: 5,000 Preferred stock: 3,000	6,818	50.00	US\$ 6,818	-	
	Com2B	(Note A)	Equity method investments	9,000	884	20.00	US\$ 884	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Equity method investments	(Note H)	6,244	100.00	US\$ 6,244	-	
	Opas Fund Segregated Portfolio Company	-	Financial assets carried at cost	-	51	34.00	US\$ 51	-	
	Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	12,096	382,665	0.39	390,096	-
		Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,526	111,815	0.36	220,643	-
		Everest Textile Co., Ltd.	(Note A)	Equity method investments	8,523	48,985	1.81	65,712	-
		Oriental Union Chemical Corporation	(Note A)	Equity method investments	10,045	222,374	1.25	377,692	-
Far East One Telecommunications Co., Ltd.		(Note A)	Equity method investments	920	40,444	0.03	38,916	-	
Pacific Liu Tung Investment Corp. (Note G)		(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-	
Yue Ding Industry Co., Ltd.		(Note A)	Equity method investments	9,683	199,579	13.20	116,564	-	
DWS Taiwan Bond Fund		(Note A)	Available-for-sale financial assets - current	19,659	220,254	-	220,254	-	
Far Eastern International Bank		(Note J)	Available-for-sale financial assets - noncurrent	63,024	929,607	3.14	929,607	7,682 thousand shares pledged or mortgaged as collaterals for loans	
Ya Li Transportation Co., Ltd.		-	Financial assets carried at cost	1,000	16,240	10.00	57,843	-	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Equity method investments	16,096	375,174	0.52	519,087	-	
	Far EastOne Telecommunications Co., Ltd.	(Note A)	Equity method investments	92,462	2,407,026	2.84	3,911,144	-	
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	25,303	490,870	3.14	951,388	-	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	10,947	296,242	0.88	533,688	-	
	Kowloon Cement Co., Ltd.	(Note A)	Equity method investments	1,127	348,189	49.00	376,334	-	
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	74,970	1,026,984	16.80	1,033,552	-	
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-	
	DPE DWS Taiwan Thematic	(Note J)	Available-for-sale financial assets - current	5,000	71,750	-	71,750	-	
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	36,489	538,208	1.82	538,208	-	
	Far Eastern International Bank (Private)	(Note J)	Available-for-sale financial assets - noncurrent	40,025	396,252	2.00	396,252	-	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	1,698,003	87.64	RMB 1,425,207	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	35	210,439	14.72	US\$ 27,133	-	
	PEDP (Holding) Ltd.	(Note A)	Equity method investments	240	189,587	49.57	US\$ 24,306	-	
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost	36	16,941	10.00	JPY 277,572	-	
	Far Eastern Construction Co., Ltd.	Stocks	(Note F)	Available-for-sale financial assets - current	1,590	100,952	0.19	100,952	-
U-Ming Marine Transport Corporation		(Note A)	Equity method investments	125,639	1,606,386	98.95	1,651,562	-	
Far Eastern General Constructor Inc.		(Note A)	Equity method investments	16,217	416,558	0.53	523,005	-	
Asia Cement Corporation		(Note A)	Equity method investments	(Note H)	17,147	38.46	RMB 112,018	-	
Far Eastern Apparel (Suzhou) Ltd.		(Note A)	Equity method investments	(Note H)	60,287	100.00	RMB 394,311	-	
Far Eastern Apparel Co., Ltd.	Ming Ding Co., Ltd.	(Note A)	Equity method investments	448	6,570	44.80	6,570	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	6	60	0.01	60	-	
	Far Eastern General Constructor Inc.	Mutual Funds	-	Financial assets at fair value through profit or loss - current	2,407	37,007	-	37,007	-
		Invesco ROC Bond Fund	-	Financial assets at fair value through profit or loss - current	11,853	190,030	-	190,030	-
		UPAMC James Bond Fund	-	Financial assets at fair value through profit or loss - current	11,239	167,004	-	167,004	-
FSI TC Bond Fund	-	Financial assets at fair value through profit or loss - current	760	130,003	-	130,003	-		

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Capital Income Fund	-	Financial assets at fair value through profit or loss - current	8,407	\$ 130,003	-	\$ 130,003	-
	PAC Well Pool Fund	-	Financial assets at fair value through profit or loss - current	6,910	90,003	-	90,003	-
	TLG Solomon Bond Fund	-	Financial assets at fair value through profit or loss - current	6,610	80,016	-	80,016	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	3,347	49,025	-	49,025	-
	Stocks							
	U-Ming Marine Transport Corporation	(Note F)	Available-for-sale financial assets - current	746	47,403	0.09	47,403	-
	Kaohsiung Rapid Transit Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	20,000	79,939	2.00	81,708	-
	Ya-Li Precast Prestressed Concrete Industries Corp.	(Note I)	Financial assets carried at cost - noncurrent	3,106	25,142	16.03	18,648	-
	Far Eastern Technical Consultants Co., Ltd.	(Note I)	Financial assets carried at cost - noncurrent	450	3,864	9.00	5,665	-
F. E. T. G. Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Equity method investments	2	15,900	100.00	15,900	-
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(233)	50.00	(233)	-
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Equity method investments	30	1,749	37.90	1,749	-
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(364)	41.00	(364)	-
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost	-	3,444	25.00	21,897	-
	Filsyn Corporation	-	Financial assets carried at cost	20,513	-	9.94	(49,930)	-
An Ho Garment Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	80,172	1,936,940	2.46	3,391,276	40,829 thousand shares pledged or mortgaged as collaterals for loans
	Asia Cement Corporation	(Note A)	Equity method investments	2,843	107,153	0.09	91,687	-
	Yue Ding Industry Co., Ltd.	(Note A)	Equity method investments	11,494	138,663	15.66	138,365	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	4,841	94,508	1.21	92,660	-
	Oriental Securities Corp.	(Note A)	Equity method investments	5,000	79,061	0.70	72,872	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	5,502	152,568	0.30	109,907	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,694	231,486	0.78	231,486	-
Yuan Faun Ltd.	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost	3,504	28,519	3.56	37,286	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	3,326	49,053	0.17	49,053	-
	Yuan Cheng Human Resources Consultant Co., Ltd.	(Note A)	Equity method investments	472	9,634	55.56	11,914	-
Fu Kwok Garment Manufacturing Co., Ltd.	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	520	19,574	0.02	21,030	-
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	9,000	166,346	2.24	172,267	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	104,216	2,838,098	3.20	4,408,337	78,374 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	35,048	32,995	9.15	37,836	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	7,094	202,452	0.57	345,833	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	439	9,977	0.05	16,506	-
	Asia Cement Corporation	(Note A)	Equity method investments	16,781	574,317	0.55	541,187	-
	Sino Belgium (Holding) Ltd.	(Note A)	Equity method investments	17	22,471	87.50	22,603	-
	DWS Taiwan Bond Fund	-	Available-for-sale financial assets - current	25,021	280,323	-	25,021	-
	Far Eastern DWS Global Agribusiness Fund	-	Available-for-sale financial assets - current	101,677	101,677	-	9,862	-
	Far Eastern International Bank	(Note J)	Available-for-sale financial assets - noncurrent	15,166	223,700	0.76	223,700	-
Bookhold N.V.	Bookhold N.V.	-	Financial assets carried at cost	1	223,533	12.51	75,319	-
Bookhold N.V.	Bookhold N.V.	-	Financial assets carried at cost	-	7,895	-	-	-
Bookhold N.V.	Bookhold N.V.	-	Bond investments with no active market	-	258,903	-	-	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Under asset management contracts (Note E)							
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	999	\$ 32,767	-	\$ 32,767	-
	USI Corporation	-	Financial assets at fair value through profit or loss - current	540	15,768	-	15,768	-
	Chung Hwa Pulp Corporation	-	Financial assets at fair value through profit or loss - current	1,242	19,437	-	19,437	-
	Hsin Kuang Steel Co., Ltd.	-	Financial assets at fair value through profit or loss - current	423	13,705	-	13,705	-
	CSBC Corp., Taiwan	-	Financial assets at fair value through profit or loss - current	108	2,970	-	2,970	-
	Macromix International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,339	27,316	-	27,316	-
	Aceton Technology Corporation	-	Financial assets at fair value through profit or loss - current	1,296	26,438	-	26,438	-
	Stark Technology Inc.	-	Financial assets at fair value through profit or loss - current	410	12,587	-	12,587	-
	EVA Airways Corporation	-	Financial assets at fair value through profit or loss - current	450	16,560	-	16,560	-
	HannStar Touch Solution Incorporated	-	Financial assets at fair value through profit or loss - current	540	13,446	-	13,446	-
	Green Energy Technology Inc.	-	Financial assets at fair value through profit or loss - current	288	24,192	-	24,192	-
	Giga Solution Tech. Co.	-	Financial assets at fair value through profit or loss - current	207	4,606	-	4,606	-
	Rechi Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	645	11,868	-	11,868	-
	Gloria Material Technology Corporation	-	Financial assets at fair value through profit or loss - current	895	24,299	-	24,299	-
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	54	1,534	-	1,534	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	350	32,410	-	32,410	-
	Taiwan Cooperative Bank	-	Financial assets at fair value through profit or loss - current	990	25,047	-	25,047	-
	Wistron Neweb Corporation	-	Financial assets at fair value through profit or loss - current	533	37,257	-	37,257	-
	Prime View International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	648	38,297	-	38,297	-
	Wah Hong Industrial Corp.	-	Financial assets at fair value through profit or loss - current	107	7,629	-	7,629	-
	Stocks							
Far EasTone Telecommunications Co., Ltd.	Yuan Qing Infocomm Tech Co., Ltd.	(Note A)	Equity method investments	1,500,100	15,076,670	100.00	15,076,670	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	695,096	6,170,177	26.74	6,170,177	-
	ARCOA Communication Co., Ltd.	(Note A)	Equity method investments	82,009	1,175,797	61.07	1,175,797	-
	KGEx.com Co., Ltd.	(Note A)	Equity method investments	89,089	726,564	79.25	726,564	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	174,185	100.00	174,185	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	157,714	169,347	41.18	169,347	-
	E. World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	77,979	85.92	77,979	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	4,725	34,346	15.00	34,346	-
	Far East Iron Holding Ltd.	(Note A)	Equity method investments	4,487	26,920	100.00	26,920	-
	iScreen Corporation	(Note A)	Equity method investments	4,000	24,247	40.00	24,247	-
	O-music Co., Ltd.	(Note A)	Equity method investments	2,500	23,833	50.00	23,833	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	387	3,834	8.56	3,834	-
	Q-ware Communications Co., Ltd.	(Note A)	Other liabilities - other	36,460	(14,466)	51.00	(14,466)	-
	TCC	-	Available-for-sale financial assets - current	550	18,040	-	18,040	-
	ACC	-	Available-for-sale financial assets - current	2,091	67,432	-	67,432	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	DAIOKU	-	Available-for-sale financial assets - current	100	\$ 6,400	-	\$ 6,400	-
	TSRC	-	Available-for-sale financial assets - current	150	10,125	-	10,125	-
	WEC	-	Available-for-sale financial assets - current	900	7,749	-	7,749	-
	CHROMA	-	Available-for-sale financial assets - current	160	13,936	-	13,936	-
	LPI	-	Available-for-sale financial assets - current	1,310	32,357	-	32,357	-
	ARES	-	Available-for-sale financial assets - current	300	8,790	-	8,790	-
	STARK	-	Available-for-sale financial assets - current	415	12,741	-	12,741	-
	EVAAIR	-	Available-for-sale financial assets - current	275	10,120	-	10,120	-
	Yuanta Group	-	Available-for-sale financial assets - current	400	8,720	-	8,720	-
	NOVATEK	-	Available-for-sale financial assets - current	30	2,820	-	2,820	-
	Ardentec	-	Available-for-sale financial assets - current	300	9,075	-	9,075	-
	GPI	-	Available-for-sale financial assets - current	109	5,677	-	5,677	-
	GET	-	Available-for-sale financial assets - current	100	8,400	-	8,400	-
	Orisetech	-	Available-for-sale financial assets - current	108	6,858	-	6,858	-
	GS	-	Available-for-sale financial assets - current	655	14,574	-	14,574	-
	RECHI	-	Available-for-sale financial assets - current	300	5,520	-	5,520	-
	SWANCOR	-	Available-for-sale financial assets - current	200	11,220	-	11,220	-
	CHIPBOND	-	Available-for-sale financial assets - current	270	13,743	-	13,743	-
	SYSTEM	-	Available-for-sale financial assets - current	320	15,008	-	15,008	-
	SIGURD	-	Available-for-sale financial assets - current	300	8,340	-	8,340	-
	WNC	-	Available-for-sale financial assets - current	130	9,087	-	9,087	-
	PChome online	-	Available-for-sale financial assets - current	51	9,027	-	9,027	-
	Phison	-	Available-for-sale financial assets - current	45	7,335	-	7,335	-
	Open-end mutual funds	-						
	GGI EM Trend ETF Fund of Funds	-	Available-for-sale financial assets - current	500	5,250	-	5,250	-
	PCA Global Green Solutions Fund	-	Available-for-sale financial assets - current	4,978	50,427	-	50,427	-
	Private funds	-						
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	147,438	-	147,438	-
	Bonds	-						
	Asia Cement Corporation 1st Unsecured Corporation Bond Issue in 2009	-	Held-to-maturity financial assets - noncurrent	-	199,666	-	203,931	-
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	RMB 350 RMB 2,143	0.17 100.00	RMB 318 RMB 3,481	- -
PET Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 178,870	53.24	RMB 1,168,502	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuanzi Information Co., Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	RMB 3,700 RMB 2,180	3.63 100.00	RMB 6,789 RMB 2,168	- -
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	(Note A) (Note A)	Equity method investments Equity method investments	(Note H) (Note H)	US\$ 93,875 US\$ 91,216	100.00 100.00	RMB 613,260 RMB 595,885	- -
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 40,467	100.00	RMB 264,360	-
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. Far Eastern (China) Investment Ltd.	(Note A) (Note A) (Note A)	Equity method investments Equity method investments Equity method investments	(Note H) (Note H) (Note H)	US\$ 27,541 US\$ 27,438 US\$ 63,466	96.20 61.54 100.00	RMB 179,916 RMB 179,241 RMB 352,819	- - -
Arcoa Communication Co., Ltd.	Stock Data Express Infotech Co., Ltd. THH consultants VIBO Telecom Inc. Chunghua Int'l Communication Network Co., Ltd. Web Point Co., Ltd.	(Note A) - - -	Equity method investments Financial assets carried at cost - noncurrent Financial assets carried at cost - noncurrent Financial assets carried at cost - noncurrent	6,143 1,214 840 2,087 161	142,401 13,729 8,400 6,714 1,618	70.00 18.32 0.04 3.98 0.63	142,401 13,729 8,400 6,714 1,618	- - - - -

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Open-end mutual funds							
	PCA Well Pool Money Market Fund	-	Available-for-sale financial assets - current	4,612	\$ 60,076	-	\$ 60,076	-
	Bond Fund	-	Available-for-sale financial assets - current	9,510	120,357	-	120,357	-
	Capital Income Fund	-	Available-for-sale financial assets - current	7,778	120,272	-	120,272	-
	Fuh Hua Bond Fund	-	Available-for-sale financial assets - current	4,340	60,167	-	60,167	-
	Fuh Hua Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	3,095	40,946	-	40,946	-
	Fuh Hua Global Short-Term Income Fund	-	Available-for-sale financial assets - current	4,709	50,070	-	50,070	-
	<u>Bonds</u>							
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	10,000	10,000	-	10,000	-
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 219,138	12.36	RMB 201,071	-
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 177,997	-
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 4,844	100.00	RMB 30,968	-
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note H)	US\$ (2,309)	100.00	RMB (24,790)	-
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 5,000	100.00	RMB 6,540	-
New Century InfoComm Tech Co., Ltd.	<u>Stock</u>							
	New Diligent Co., Ltd.	(Note A)	Equity method investments	80,000	718,362	100.00	718,362	-
	Information Security Service Digital United Co., Ltd.	(Note A)	Equity method investments	14,878	127,013	100.00	127,013	-
	Simple InfoComm Co., Ltd.	(Note A)	Equity method investments	3,400	24,116	100.00	24,116	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	1,575	11,460	5.00	11,460	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	932	9,237	20.63	9,237	-
	Kaonstung Rapid Transit Corporation	-	Financial assets carried at cost - noncurrent	30,000	40,797	3.00	40,797	-
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - noncurrent	450	4,500	3.33	4,500	-
	C2C Holdings Pte. Ltd.	-	Financial assets carried at cost - noncurrent	30,000	-	6.38	-	-
	MetaEdge Corp.	-	Financial assets carried at cost - noncurrent	39	-	1.59	-	-
	YeServ Com. Limited	-	Financial assets carried at cost - noncurrent	160	-	1.32	-	-
	Auto TOOLS Co., Ltd.	-	Financial assets carried at cost - noncurrent	153	-	1.53	-	-
	TCC	-	Financial assets at fair value through profit or loss - current	111	3,635	-	3,635	-
	GPPC	-	Financial assets at fair value through profit or loss - current	287	5,984	0.04	5,984	-
	SHINKO TEXTILE	-	Financial assets at fair value through profit or loss - current	90	4,995	0.03	4,995	-
LP		-	Financial assets at fair value through profit or loss - current	177	2,858	0.03	2,858	-
ECLAT		-	Financial assets at fair value through profit or loss - current	65	2,499	0.03	2,499	-
YUNGTAY		-	Financial assets at fair value through profit or loss - current	96	4,205	0.02	4,205	-
WALSIN		-	Financial assets at fair value through profit or loss - current	1,389	25,696	0.04	25,696	-
TSRC		-	Financial assets at fair value through profit or loss - current	60	4,050	0.01	4,050	-
YL		-	Financial assets at fair value through profit or loss - current	325	20,053	0.02	20,053	-
SY		-	Financial assets at fair value through profit or loss - current	287	5,310	0.03	5,310	-
CSBC		-	Financial assets at fair value through profit or loss - current	142	3,905	0.02	3,905	-
ASE		-	Financial assets at fair value through profit or loss - current	90	3,037	-	3,037	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Symex	-	Financial assets at fair value through profit or loss - current	60	\$ 4,722	-	\$ 4,722	-
	Qsda	-	Financial assets at fair value through profit or loss - current	612	12,179	0.03	12,179	-
	ACER	-	Financial assets at fair value through profit or loss - current	46	4,145	-	4,145	-
	ASUSTEK	-	Financial assets at fair value through profit or loss - current	12	3,324	-	3,324	-
	Wintek Corp.	-	Financial assets at fair value through profit or loss - current	77	3,858	0.01	3,858	-
	EPSTAR	-	Financial assets at fair value through profit or loss - current	70	7,455	-	7,455	-
	MTK	-	Financial assets at fair value through profit or loss - current	43	17,952	-	17,952	-
	STARK	-	Financial assets at fair value through profit or loss - current	302	9,271	0.23	9,271	-
	ZINWELL	-	Financial assets at fair value through profit or loss - current	45	2,583	0.01	2,583	-
	HTC	-	Financial assets at fair value through profit or loss - current	10	9,000	-	9,000	-
	KINDOM	-	Financial assets at fair value through profit or loss - current	153	5,095	0.03	5,095	-
	FSC	-	Financial assets at fair value through profit or loss - current	34	2,312	0.01	2,312	-
	EMC	-	Financial assets at fair value through profit or loss - current	55	1,666	-	1,666	-
	YMTC	-	Financial assets at fair value through profit or loss - current	140	3,955	0.01	3,955	-
	EVAAIR	-	Financial assets at fair value through profit or loss - current	88	3,238	-	3,238	-
	GFRT	-	Financial assets at fair value through profit or loss - current	16	8,256	0.02	8,256	-
	C.H.B	-	Financial assets at fair value through profit or loss - current	290	7,511	-	7,511	-
	Cathay Holdings	-	Financial assets at fair value through profit or loss - current	68	3,528	-	3,528	-
	Yuania Group	-	Financial assets at fair value through profit or loss - current	155	3,379	-	3,379	-
	MEGA FHC	-	Financial assets at fair value through profit or loss - current	703	15,782	0.01	15,782	-
	TSPHC	-	Financial assets at fair value through profit or loss - current	100	1,725	-	1,725	-
	FFHC	-	Financial assets at fair value through profit or loss - current	262	7,021	-	7,021	-
	MERCURIES	-	Financial assets at fair value through profit or loss - current	381	9,373	0.07	9,373	-
	PCSC	-	Financial assets at fair value through profit or loss - current	109	14,659	0.01	14,659	-
	AVC	-	Financial assets at fair value through profit or loss - current	70	2,414	0.03	2,414	-
	NOVATEK	-	Financial assets at fair value through profit or loss - current	20	1,880	-	1,880	-
	WT	-	Financial assets at fair value through profit or loss - current	76	3,564	0.03	3,564	-
	TXC	-	Financial assets at fair value through profit or loss - current	174	9,686	0.06	9,686	-
	DAVICOM	-	Financial assets at fair value through profit or loss - current	323	13,601	0.38	13,601	-

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	KINSUS	-	Financial assets at fair value through profit or loss - current	46	\$ 4,554	0.01	\$ 4,554	-
	Wisron	-	Financial assets at fair value through profit or loss - current	82	4,871	-	4,871	-
	Ardentec	-	Financial assets at fair value through profit or loss - current	130	3,933	0.03	3,933	-
	VIVOTEK	-	Financial assets at fair value through profit or loss - current	60	3,960	0.10	3,960	-
	JTOUCH	-	Financial assets at fair value through profit or loss - current	40	4,320	0.04	4,320	-
	PAHSCO	-	Financial assets at fair value through profit or loss - current	10	1,271	0.02	1,271	-
	NEE	-	Financial assets at fair value through profit or loss - current	227	13,325	0.27	13,325	-
	SAS	-	Financial assets at fair value through profit or loss - current	36	3,334	0.01	3,334	-
	RICH	-	Financial assets at fair value through profit or loss - current	500	9,575	0.09	9,575	-
	SMP	-	Financial assets at fair value through profit or loss - current	31	6,572	0.01	6,572	-
	CHIPBOND	-	Financial assets at fair value through profit or loss - current	115	5,854	0.02	5,854	-
	Career Tech.	-	Financial assets at fair value through profit or loss - current	155	6,991	0.05	6,991	-
	SIGURD	-	Financial assets at fair value through profit or loss - current	398	11,064	0.12	11,064	-
	FLEXIUM	-	Financial assets at fair value through profit or loss - current	105	5,723	0.07	5,723	-
	GMT	-	Financial assets at fair value through profit or loss - current	17	2,380	0.02	2,380	-
	ACME	-	Financial assets at fair value through profit or loss - current	45	5,558	0.04	5,558	-
	RUENTEX DEVELOP	-	Financial assets at fair value through profit or loss - current	81	4,155	0.01	4,155	-
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	1,065	65,391	-	65,391	-
	iShares FTSE/Xinhua A50 China Index ETF	-	Financial assets at fair value through profit or loss - current	1,250	59,687	-	59,687	-
	Share certificates Digital United (Cayman) Ltd.	(Note A)	Equity method investments	3,320	24,224	100.00	24,224	-
	Open-end mutual funds							
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,668	154,838	-	154,838	-
	Prudential Financial Bond Fund	-	Financial assets at fair value through profit or loss - current	5,491	83,348	-	83,348	-
	Mega Diamond Bond Fund	-	Financial assets at fair value through profit or loss - current	3,594	43,066	-	43,066	-
	DPE DWS Global Multi-asset Income Plus FOF-A	-	Financial assets at fair value through profit or loss - current	9,571	105,380	-	105,380	-
	Deutsche Far Eastern DWS Global Agribusiness Fund	-	Financial assets at fair value through profit or loss - current	5,000	51,550	-	51,550	-
	Private funds							
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - current	30	922,030	-	922,030	-
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	10	294,877	-	294,877	-
	Capital Convertible Bond Arbitrage Plus I Fund	-	Available-for-sale financial assets - current	9,558	100,169	-	100,169	-
	Capital CB Arbitrage VIII Fund	-	Available-for-sale financial assets - current	9,535	100,026	-	100,026	-
	Fuh Hwa Angel Fund	-	Available-for-sale financial assets - current	8,114	100,933	-	100,933	-

(Continued)

December 31, 2009								
Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	Note
	Bonds The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	-	\$ 990,000	-	\$ 990,000	-
Digital United (Cayman) Ltd.	Stock Digital United Information Technologies Co., Ltd.	(Note A)	Equity method investments	-	US\$ 480	100.00	US\$ 480	-
New Diligent Co., Ltd.	Share certificates New Diligence Corporation (Shanghai) Sino Lead Enterprise Limited	(Note A) (Note A)	Equity method investments Equity method investments	- -	2,057 535	100.00 100.00	2,057 535	- -
	Open-end mutual funds UPAMC JAMES BOND Fund	-	Financial assets at fair value through profit or loss - current	5,496	88,108	-	88,108	-
	FSITC Taiwan Bond Fund	-	Financial assets at fair value through profit or loss - current	10,940	160,234	-	160,234	-
Data Express Infotech Co., Ltd.	Stock Linkwell Tech. Co., Ltd.	(Note A)	Equity method investments	1,000	6,366	100.00	6,366	-
Yuan Cing Infocomm Tech Co., Ltd.	Stocks New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	1,762,945	19,314,233	67.82	19,314,233	-
Far Eastern Info Service (Holding) Ltd.	Share certificates Far Eastern Tech-info Ltd. (Shanghai)	(Note A)	Equity method investments	-	US\$ 5,320	100.00	US\$ 5,320	-
Far EastTron Holding Ltd.	Stocks ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	2,734	US\$ 930	60.52	US\$ 930	-
E. World (Holdings) Ltd.	Stocks Yuan Cing Co., Ltd.	(Note A)	Equity method investments	19,350	US\$ 2,863	100.00	US\$ 2,863	-

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

D. The subsidiary of equity-method investee.

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

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

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

H. The private company.

I. Institutional director of the investee is FENC.

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK

YEAR ENDED DECEMBER 31, 2010

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

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value		Disposal Gain	Shares (Thousands)/ Thousand Units
Far Eastern New Century Corporation	PET Far Eastern (Holding) Ltd.	Equity-method investments	Ding Yuan International Investment Co., Ltd. and Oriental Union	(Notes H and J)	117	\$ 1,996,083	85	\$ 1,318,845	-	\$ -	-	\$ 1,199,203	202	\$ 4,514,131
	Far Eastern Polychem Industries Ltd. FE/DP (Holding) Ltd.	Equity-method investments Equity-method investments	Yuan Tong Investment Co., Ltd. and Far Eastern Polytex (Holding) Ltd.	(Note H)	493,631	4,185,668	184,574	1,540,567	-	-	-	140,684	678,205	5,866,919
Yuan Ding Investment Co., Ltd.	Pacific Petrochemical (Holding) Co., Ltd.	Equity-method investments	Oriental Union Chemical Corporation		20	709,848	-	-	20	645,047	751,740	41,892	-	-
	Far Eastern Apparel (Holding) Ltd.	Equity-method investments	Issuance of stock by cash		95	1,934,377	16	320,785	-	-	-	(52,098)	111	2,203,064
	New Century InfoComm Tech Co., Ltd.	Equity-method investments	Yuan Qing InfoComm Tech Co., Ltd.		100,694	1,007,911	-	-	100,694	1,097,288	996,818	101,622	-	-
	U-Ming Marine Transport Corporation	Available-for-sale financial assets	Open market	(Note H)	50	3,250	2,944	189,761	-	-	-	-	2,994	190,119
	UPAMC James Bond Fund	Financial assets at fair value through profit or loss - current			3,128	50,002	11,853	190,000	3,128	50,030	50,002	28	11,853	190,030
Far Eastern General Constructor Inc.	Shin Kong Chi-Shin Fun	Financial assets at fair value through profit or loss - current			14,452	214,062	11,239	167,000	14,452	214,103	214,062	42	11,239	167,004
	FTSI Bond Fund	Financial assets at fair value through profit or loss - current			529	90,076	1,433	245,000	1,202	205,119	205,076	43	760	130,003
	Capital Income Fund	Financial assets at fair value through profit or loss - current			8,629	133,009	15,347	237,000	15,569	240,148	240,009	139	8,407	130,003
	PCAF Bond Fund	Financial assets at fair value through profit or loss - current			11,554	150,011	6,910	90,000	11,554	150,025	150,011	14	6,910	90,003
	TLAM Bond Fund	Financial assets at fair value through profit or loss - current			6,630	80,004	13,235	160,000	13,255	160,093	160,004	89	6,610	80,016
	FSITC Taiwan Bond Fund	Financial assets at fair value through profit or loss - current			-	-	14,620	214,000	11,273	165,018	164,994	24	3,347	49,025
	Invesco ROC Bond Fund	Financial assets at fair value through profit or loss - current			13,046	200,001	2,407	37,000	13,046	200,005	200,001	4	2,407	37,007
	Bond Fund	Financial assets at fair value through profit or loss - current			-	-	17,042	215,000	17,042	215,261	215,000	261	-	-
	Taishin Lucky Fund	Financial assets at fair value through profit or loss - current			9,408	100,001	12,788	136,000	22,196	236,172	236,001	171	-	-
	Mega Bond Fund	Financial assets at fair value through profit or loss - current			4,191	50,000	15,908	190,000	20,099	240,251	240,000	251	-	-
Hua Nan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current			5,974	93,058	6,407	100,000	12,381	193,158	193,058	100	-	-	

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance			
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain	Investment Income under the Equity Method	Shares (Thousands)/ Thousand Units	Amount
Yuan Tong Investment Co., Ltd.	Hua Nan Kirin Fund	Financial assets at fair value through profit or loss - current	-	-	9,591	\$ 110,015	10,520	\$ 121,000	20,111	\$ 231,197	\$ 231,015	\$ 182	\$ -	\$ -	
	DFFE DWS Taiwan Bond Security Investment Trust Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	16,373	183,000	16,373	183,077	183,000	77	-	-	
	Far EastOne Telecommunications Co., Ltd.	Equity-method investments	Open market	-	-	112,002	3,056,958	-	-	7,786	295,385	215,950	103,569	(2,910)	2,838,098
	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	-	1,685	38,109	5,236	155,491	-	-	-	-	8,852	202,452
	Asia Cement Corporation	Equity-method investments	Open market	-	-	8,531	331,824	7,761	237,647	-	-	-	-	4,846	574,317
	New Century InfoComm Tech Co., Ltd.	Equity-method investments	Stock dividend	-	-	312,221	3,124,930	489	-	-	-	-	-	-	-
	FEEDP (Holding) Ltd.	Equity-method investments	Yuan Cing Infocomm Tech Co., Ltd.	(Note I)	-	-	-	-	312,221	3,402,339	3,101,443	315,417 (Note K)	(23,487)	-	-
	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Far Eastern New Century Corporation	(Note G)	-	-	196	599,684	-	-	534,304	583,628 (Note L)	(16,056)	-	-
	Far EastOne Telecommunications Co., Ltd.	Equity-method investments	Far Eastern New Century Corporation	(Note G)	-	-	48	US\$ 4,774	-	-	US\$ 4,598	US\$ 4,664 (Note L)	(US\$ 440)	110	-
	Opus Fund Segregated Portfolio Tranche B	Available-for-sale financial assets - current	-	-	10	328,700	-	-	-	-	395,501	328,700	66,801	-	-
	Opus Fund Segregated Portfolio Tranche D	Available-for-sale financial assets - current	-	-	-	-	5	158,400	-	-	-	-	-	-	158,400
	Fuh Hwa Value Added Strategy Fund	Financial assets carried at cost - current	-	-	14,866	150,000	-	-	-	-	164,123	150,000	14,123	-	-
	DFFE DWS Global Multi-asset Income Plus FOF-A	Available-for-sale financial assets - current	-	-	9,766	100,000	939	10,000	-	-	117,117	110,000	7,117	-	-
	Deutsche Far Eastern DWS Taiwan Bond Security Investment Trust Fund	Available-for-sale financial assets - current	-	-	67,799	750,000	-	-	-	-	758,506	750,000	8,506	-	-
Hua Nan Phoenix Bond Fund	Available-for-sale financial assets - current	-	-	16,073	250,000	-	-	-	-	250,743	250,000	743	-	-	
Prudential Financial Bond Fund	Available-for-sale financial assets - current	-	-	16,540	250,000	-	-	-	-	250,700	250,000	700	-	-	
PCA Well Pool Money Market Fund	Available-for-sale financial assets - current	-	-	19,276	250,000	-	-	-	-	250,657	250,000	657	-	-	
Yuan Cing Infocomm Tech Co., Ltd.	Equity-method investments	Issuance of stock by cash	-	-	100	993	1,500,000	15,000,000	-	-	-	-	75,677	15,076,670	
New Century InfoComm Tech Co., Ltd.	Equity-method investments	(Note D)	-	-	-	-	1,762,945	19,275,948	-	-	-	-	38,285	19,314,233	
Yuanwan Wan Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	29,365	424,455	-	-	-	-	270,647	270,262	385	-	154,193	
Capital Income Fund	Financial assets at fair value through profit or loss	-	-	-	-	14,329	221,000	221,000	221,029	221,000	221,000	29	-	-	

(Continued)

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

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance			
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain	Investment Income under the Equity Method	Shares (Thousands)/ Thousand Units	Amount
Far Eastern Apparel (Holding) Ltd.	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	-	5,496	\$ 125,275	5,184	\$ 156,762	-	\$ -	-	\$ -	14,205	\$ 296,242
	Yi Jim Industrial Co., Ltd.	Available-for-sale financial assets - noncurrent	Stock dividend	-	-	16,430	-	267	-	-	-	-	-	-	-
	Far Eastern Spinning Weaving and Dyeing (Shizhou) Ltd.	Equity-method investment	Issuance of stock by cash	-	-	(Note E)	US\$ 25,672	-	US\$ 30,000	-	-	-	-	US\$ 4,615	US\$ 60,287

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

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

C. Includes a deferred gain of NT\$1,012,622 thousand on a downstream disposal in 2010.

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

E. The private company.

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

G. The parent company.

H. Subsidiary.

I. The same ultimate parent company.

J. Equity-method investee.

K. Gain on disposal of NT\$3,315,417 thousand from downstream transactions had been deferred in 2010.

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

(Concluded)

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

REAL ESTATE ACQUIRED AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars)

Company Name	Real Estate	Trading Date	Trading Amount	Payment	Related Party	Nature of Relationship	Information of Previous Transfer Between Related Parties			Price Basis of the Transfer	Purpose or Existing Condition	Other Contract Items
							Owner	Nature of Relationship	Date of Previous Estate Transfer			
Far Eastern New Century Corporation	Lot Number 22, 24-2 and above Building Number 686, 686-1 of the Gongye Section in Guanyin Township, Taoyuan Country	2010.11.18	\$ 445,000	Fully paid	Kun Hui Lin (Natural person)	None	-	-	\$	\$442,000 thousand based on Top Estate Joint Appraiser Firm's appraisal report	General corporate purposes for the Company	-
Far EasTone Telecommunications Co., Ltd.	Neihu switch center	2010.2.25	154,100	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	2000.12.16	130,000	\$160,952 thousand based on DZT's appraisal report	Switch center	-
	Taichung land for switch center	2010.2.25	55,877	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	2000.5.24	63,277	\$58,093 thousand based on DZT's appraisal report	Switch center	-
	Kachisiung office space	2010.2.25	29,200	Fully paid	Far Eastern International Leasing Corp.	Far EasTone's supervisor	-	1999.12.21 2000.12.17	27,300 18,600	\$30,071 thousand based on DZT's appraisal report	Switch center	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Land and Building of the Gongye Section in Guanyin Township, Taoyuan Country	2010.4.14	2,038,800	Fully paid	Public sale by the law court	None	-	-	-	Price base on public sale by the court	General corporate purposes for OPTC	-

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars)

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

(Continued)

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

(Continued)

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

Notes:

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

(Concluded)

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

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010**
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Far Eastern New Century Corporation	Oriental Petrochemicals (Taiwan) Co., Ltd.	(Note D)	\$ 107,267	(Note G)	\$ -	-	\$ -	-
Far East Tone Telecommunications Co., Ltd.	Arcoa Communication Co., Ltd. New Century InfoComm Tech Co., Ltd.	(Note D) (Note D)	222,918 470,687	8.43 (Note B)	-	-	140,506 185,692	-
New Century Infocomm Tech Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note E)	131,563	(Note I)	-	-	75,628	-
Arcoa Communication Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	(Note E)	182,202	11.81	-	-	105,717	-
KG Ex.com Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note C)	130,774	5.38	-	-	55,417	-
Oriental Petrochemicals (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	996,636	12.23	-	-	996,636	-
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Polychem Industries Ltd.	(Note C) (Note E)	387,816 1,093,919	3.70 3.80	-	-	207,780 427,600	-
Oriental Petrochemicals (Shanghai) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Ltd.	(Note C) (Note C)	2,136,076 739,146	9.38 8.28	-	-	2,136,076 739,146	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd. Far Eastern Industries (Shanghai) Ltd.	(Note C) (Note C)	585,094 257,531	0.82 3.83	-	-	585,094 257,531	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	197,348	8.92	-	-	197,348	-
Wu Han Far Eastern New Material Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	107,738	2.50	-	-	-	-
Far Eastern Industries (Wuxi) Ltd.	Oriental Textile (Holding) Ltd. (O.T.(H))	(Note E)	107,080	8.30	-	-	107,080	-
Far Eastern General Constructor Inc.	Far Eastern Construction Co., Ltd.	(Note E)	282,154	(Note K)	-	-	-	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	281,960	31.91	-	-	202,914	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	144,251	3.60	-	-	144,251	-
Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd.	(Note C)	263,239	(Note F)	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationship	Ending Balance (Note F)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Pet Far Eastern (Holding) Ltd.	Oriental Petrochemicals (Shanghai) Co., Ltd.	(Note D)	\$ 264,062	(Note J)	\$ -	-	\$ -	-
Far Eastern Apparel Co., Ltd.	Pacific SOGO Department Stores Co., Ltd.	(Note H)	101,283	2.25	-	-	-	-

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

Note B: The turnover rate is unavailable because the receivables from related parties mainly consisted of advances for the operating expenses of New Century InfoComm Tech Co., Ltd.

Note C: The same ultimate parent company.

Note D: The subsidiary.

Note E: The parent company.

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

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTORS ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

YEAR ENDED DECEMBER 31, 2010

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Shares (Thousands)	Balance as of December 31, 2009	Percentage of Ownership	Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008							
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	686,631	\$ 12,740,990	22.33	\$ 7,676,310	\$ 1,093,753	Gain or loss recognized under the treasury stock method	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	208,750	4,168,670	16.80	2,567,143	431,280	Including write off and reversed by upstream transactions (\$559)	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	1,229,666	9.17	2,096,627	191,702		
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	1,112	0.03	(1,415,319)	(424)	Including write off and reversed by side-stream transactions (\$22,202)	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,294	1,828,323	36,135,804	99.70	4,382,083	4,346,734	Including write off and reversed by side-stream transactions (\$812,181)	
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate investment	14,931,733	14,931,733	487,279	16,626,087	100.00	132,258	944,439	Including write off and reversed by side-stream transactions (\$306,810)	
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	6,992,662	100.00	27,607	(279,202)		
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	5,188,276	100.00	435,533	435,533		
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,846,795	4,306,228	678,205	5,866,919	67.15	5,867,999	338,017	Including write off by side-stream transactions (\$24,331)	
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	4,524,100	100.00	589,251	589,251		
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	385,760	5,263,384	75.56	1,824,935	1,388,139	Including write off and reversed by upstream transactions and side-stream transactions \$9,218	
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,984,602	46	3,609,797	100.00	427,029	430,036	Including write off and reversed by side-stream transactions \$3,007	
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	3,387,234	37.13	302,274	112,348		
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	3,126,343	65.11	1,855,221	1,207,935		
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	2,601,135	100.00	118,534	130,129	Including write off by side-stream transactions \$11,595	
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	2,050,470	19.65	531,278	104,396		
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,827,853	1,509,008	202	4,514,131	85.28	1,605,417	1,356,044	Including write off and reversed by side-stream transactions \$27,651; discount amortization of \$7,295	
	An Ho Garment Co., Ltd. (Note C)	Taipei, Taiwan	Garment production	1,023	1,023	66,346	1,595,014	100.00	252,127	252,127		
	Pacific Liu Tung Investment Corp.	Taipei, Taiwan	Investment	810,000	810,000	67,500	1,383,864	16.83	1,616,339	272,030		
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	129,833	99.99	910	910		
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	31,143	19.00	11,738	2,230	Fully sold by August 2010		
New Century Information Communication Co., Ltd.	Taipei, Taiwan	Telecommunications	-	40,560	-	-	-	(125,895)	(196)			
FEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	-	244	721,679	50.43	992	17			
Asia Cement Corporation	Taipei, Taiwan	Cement production	116,594	81,967	5,358	103,986	0.17	7,676,310	7,952	Gain or loss recognized under the treasury stock method and discount amortization of \$605		
Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	23,285,632	32.73	8,848,565	2,896,135			
Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	796,141	25.23	(1,415,319)	(357,085)			
Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,130,169	1,132,851	73,454	1,306,374	9.12	2,096,627	191,743	Including discount amortization of \$530		
Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	4,926	139,451	0.40	2,567,143	10,269			
Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	5,606,913	5,861,253	86	5,305,641	100.00	539,275	537,228	Including unrealized gross profit of (\$2,047)		
Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	1,620,452	1,620,452	331,717	2,870,116	32.85	587,799	225,028	Including unrealized gross profit of (\$422)		
Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	253,359	185,247	2,813,063	25.96	531,278	138,359	Including discount amortization of \$439		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	\$ 2,179,442	\$ 1,858,657	111	100.00	\$ 2,203,064	\$ 62,649	
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,214,109	617,066	Fully sold by August 2010
	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	-	1,549,473	-	-	-	(125,895)	
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,170,931	302,274	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,140,123	241,158	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing of real estate and movable property, etc.	1,012,057	1,012,057	75,269	16.87	1,026,282	146,824	
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	818,300	104,694	
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	376,448	16,599	
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,024	100.00	354,443	19,624	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	544,894	49,923	
	Freundberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	303,613	249,150	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	131,326	517	Including discount amortization of \$1,638 and unrealized gross profit of \$(516)
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	PTA production and sale	-	-	26,528	5.20	354,636	1,824,935	
Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	115,574	193		
Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	93,904	2,112		
Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	17,980	214,699		
Pacific Petrochemical (Holding) Co., Ltd.	P.O. Box 3140 Tortola British Virgin Islands	Investment	-	681,000	-	-	-	-	2,173	Including discount amortization of \$26 Fully sold by February 2010
F.E.T.G. Investment Antilles N.V.	Kaya W.F.G. Mensing 14, Curacao, Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	US\$ 15,726	US\$ 6,206	-	
Filsyn Corporation	Unit 8, 5B Pearlbank Centre Aurillen	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	US\$ -	PESO(1,677,138)	-	
PET F.E. (M) Sdn Bhd.	146 Valero St. Makati City 1227, Philippines	Bottle production	MYR 8,000	MYR 8,000	(Note A)	50.00	US\$ 6,818	US\$ 715	-	
Com 2B Corp.	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor, Malaysia	Investment	US\$ 3,375	US\$ 3,375	9,000	20.00	US\$ 884	US\$ 7	-	
Far Eastern Apparel (Vietnam) Ltd.	Cayman Islands	E-business	US\$ 6,000	US\$ 6,000	(Note B)	100.00	US\$ 6,244	US\$ 1,123	-	
Dng Yuan International Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	Clothing production	90,000	90,000	9,000	2.24	166,346	1,616,339	
	Everest Textile Co., Ltd.	Taipei, Taiwan	Department store operations	85,591	34,795	4,526	0.36	111,815	2,567,143	
	Oriental Union Chemical Corporation	Tainan, Taiwan	Chemical fiber production	146,380	146,283	8,523	1.81	48,985	(1,415,319)	
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	206,243	200,463	10,045	1.25	222,374	2,096,627	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,444	8,848,565	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Investment	95,624	95,624	9,683	13.20	199,579	40,961	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	100,711	12,096	0.39	382,665	7,676,310	
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Cement production	280,375	151,277	16,096	0.52	375,174	7,676,310	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Telecommunications	1,934,181	2,135,682	92,462	2.84	2,407,026	8,848,565	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Petrochemical materials production	566,438	569,344	25,303	3.14	490,870	2,096,627	
	Kowloon Cement Co., Ltd.	Taipei, Taiwan	Department store operations	290,078	133,316	10,947	0.88	296,242	2,567,143	
	Far Eastern International Leasing Corp. (Note C)	Hong Kong	Cement production	226,896	226,896	1,127	49.00	348,189	3,958	
	Pacific Liu Tung Investment Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,026,984	146,824	
Far Eastern Polychem Industries Ltd.	China Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Chemical fiber production Investment	HK\$ 693,257 US\$ 17,622	HK\$ 604,500 US\$ 17,622	(Note B) 35	87.64 14.72	HK\$1,698,003 US\$ 210,439	RMB 134,015 US\$ 51,047	-	
FEDP (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 189,587	US\$ (32)	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc. Asia Cement Corporation	Taipei, Taiwan Taipei, Taiwan	Construction Cement production	\$ 271,587 216,959	\$ 271,587 216,959	125,639 16,217	98.95 0.53	\$ 1,606,386 416,558	\$ 214,699 7,676,310	- -
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China China	Garment production Dyeing and finishing	US\$ 10,000 US\$ 50,000	US\$ 10,000 US\$ 20,000	(Note B) (Note B)	38.46 100.00	US\$ 17,147 60,287	RMB 28,353 RMB 15,319	- -
Far Eastern Apparel Co., Ltd.	Ming Ding Co. Yue Ding Industry Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Underwear selling Department store operations	2,174 29	2,174 29	448 6	44.80 0.01	6,570 60	106 41,407	- -
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Leidsplein 9, 1017 PS Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 15,900	US\$ 6,212	-
Waldorf Services B.V.	Centex Apparel Inc.	#100 Marc Alvarez Ave. Talon Las Pinas City Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	US\$ (233)	PESO (4,145)	-
An Ho Garment Co., Ltd.	Malaysia Garment Manufactures Pte. Ltd. Far Eastern International Garments	No. 359, Little Rd, Singapore (S 36985) Bldg. #5 Cor. Sirioimand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production Garment production	SGD 3,000 US\$ 290	SGD 3,000 US\$ 290	30 59	37.90 41.00	US\$ 1,749 US\$ (364)	US\$ 3,603 PESO (2,430)	- -
	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,936,940	8,848,565	-
	Asia Cement Corporation Oriental Securities Corp. Yue Ding Industry Co., Ltd. Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan	Cement production Broker Department store operations Investment	99,925 86,200 111,997 67,285	99,925 86,200 111,997 67,285	2,843 7,000 11,494 4,841	0.09 0.70 15.66 1.21	107,153 79,061 138,663 94,508	7,676,310 531,278 40,961 1,616,339	- - - -
Yuan Faun Ltd.	Yuan Ding Investment Co., Ltd. Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Investment Personnel recruitment	148,994 6,271	148,994 6,271	5,502 472	0.30 55.56	152,568 9,634	4,382,083 6,085	- -
Fu Kwok Garment Manufacturing Co., Ltd.	Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	7,588	520	0.02	19,574	8,848,565	-
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C) Far East Tone Telecommunications Co., Ltd.	Taipei, Taiwan Taipei, Taiwan	Investment Telecommunications	90,000 2,287,705	90,000 2,458,607	9,000 104,216	2.24 3.20	166,346 2,838,098	1,616,339 8,848,565	- -
	Far Eastern Toll Collection Co., Ltd. Far Eastern Department Stores Co., Ltd. Oriental Union Chemical Corporation Asia Cement Corporation Sino Belgium (Holding) Ltd.	Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Electronic toll collection service Department store operations Chemical materials production Cement production Investment	350,476 189,735 9,543 310,806 1,086,142	350,476 34,245 9,543 310,806 1,086,142	35,048 7,094 439 16,781 17	9.15 0.57 0.05 0.55 87.50	32,995 202,452 9,977 574,317 22,471	(149,682) 2,567,143 2,096,627 7,676,310 (746,302)	- - - - -
Far East Tone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd.	Taiwan	Production and sale of communications products	15,001,000	1,000	1,500,100	100.00	15,076,670	48,405	-
	New Century InfoComm Tech Co., Ltd. ARCOX Communication Co., Ltd.	Taiwan Taiwan	Type I, II telecommunications services Type II telecommunications services, sales of communications products and office equipment	6,422,241 1,295,035	6,395,041 1,295,035	695,096 82,009	26.74 61.07	6,170,177 1,175,797	(125,895) 141,064	- -
	KGEX.com Co., Ltd. (Note D) Far Eastern Info Service (Holding) Ltd. Far Eastern Electronic Toll Collection Co., Ltd. E. World (Holdings) Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan Bermuda Taiwan Cayman Islands Taiwan	Type II telecommunications services Investment Electronic toll collection service Investment Marketing	2,355,649 92,616 1,577,140 82,883 90,000	2,355,649 92,616 1,577,140 82,883 90,000	89,088 1 157,714 6,015 4,725	79.25 100.00 41.18 85.92 15.00	726,564 174,185 169,347 77,979 34,346	(86,036) 22,179 (151,902) 8,458 (44,373)	- - - - -
	Far East Iron Holding Ltd. iScreen Corporation (Note D) O-music Co., Ltd.	Cayman Islands Taiwan Taiwan	Investment Information service Electronic information providing services	150,000 100,000 25,000	150,000 100,000 -	4,487 4,000 2,500	100.00 50.00	26,920 24,247 23,833	884 (14,250) (2,333)	- - -
	ADCast Interactive Marketing Co., Ltd. (Note D)	Taiwan	Internet advertisements and marketing	4,652	4,652	387	8.56	3,834	1,847	-

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far Eastern Apparel (Suzhou) Ltd.	Q-ware Communications Co., Ltd. KG Telecommunications Co., Ltd.	Taiwan Taiwan	Type II telecommunications services Type I telecommunications services	\$ 495,855	\$ 495,855	36,460	51.00	\$ (114,466)	\$ -	
PET Far Eastern (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	China China	Garment production and sales Garment production	RMB 350 RMB 1,000	RMB 350 RMB 1,000	(Note B) (Note B)	0.17 100.00	RMB 350 RMB 2,143	RMB 16,124 RMB 1,490	
Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	China	PTA production and sale	US\$ 105,055	US\$ 105,055	(Note B)	53.24	US\$ 178,870	RMB 558,708	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuan Zhi Information Co., Ltd.	China China	Garment production and sales Software development, equipment maintenance and consulting	RMB 6,650 RMB 2,000	RMB 6,650 RMB 1,900	(Note B) (Note B)	3.63 100.00	RMB 3,700 RMB 2,180	RMB 16,124 RMB 277	
Oriental Textile (Holding) Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB -	RMB 5,000	(Note B)	-	RMB -	-	
FEDDP (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China China	Fiber and textile production Textile production	US\$ 59,960 US\$ 138,000	US\$ 59,960 US\$ 138,000	(Note B) (Note B)	100.00 100.00	US\$ 93,875 US\$ 91,216	RMB 126,599 RMB 317	
Far Eastern Polytex (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 40,467	RMB 1,778	
Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	China China Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Garment production and sales Garment production Investment	US\$ 22,000 US\$ 16,000 US\$ -	US\$ 22,000 US\$ 16,000 US\$ 6,408	(Note B) (Note B)	96.20 61.54	US\$ 27,541 US\$ 27,438	RMB 16,124 RMB 28,077	
Far Eastern Info Service (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 63,466	RMB 101	
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	-	6,143	70.00	142,401	12,682	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd.	China China	Fiber and silk production PTA production and sale	RMB 219,138 RMB 115,232	RMB 219,138 RMB 115,232	(Note B) (Note B)	12.36 8.11	RMB 219,138 RMB 115,232	RMB 134,015 RMB 558,708	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beer Trading (Shanghai) Ltd.	China China	Brewer Beer sale	US\$ 30,000 US\$ 3,633	US\$ 30,000 US\$ 3,633	(Note B) (Note B)	100.00 100.00	US\$ 4,844 US\$ (2,309)	RMB (123,530) RMB (20,354)	
Oriental Petrochemical (Shanghai) Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB 5,000	\$ -	(Note B)	100.00	RMB 5,000	RMB 668	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	718,362	19,561	Note E
Far Eastern New Century (China) Investment Ltd.	Information Security Service Digital United	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	127,013	(2,335)	Note E
Sino Belgium (Holding) Ltd.	Digital United (Cayman) Ltd. Simple InfoComm Co., Ltd. Ding Ding Integrated Marketing Service Co., Ltd.	Cayman Islands Taiwan Taiwan	General investment Type II telecommunications Market Sales	102,442 34,000 30,000	102,442 34,000 30,000	3,320 3,400 1,575	100.00 100.00 5.00	24,224 24,116 11,460	(6,804) 978 (44,373)	Note E Note E Note E
Oriental Petrochemical (Shanghai) Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	54,275	54,275	932	20.63	9,237	1,847	Note E
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Shanghai	Design and research of computer system	US\$ 2,100,000	US\$ 2,100,000	-	100.00	US\$ 480,000	US\$ (116,000)	Note E
New Diligent Co., Ltd.	New Diligence Corporation (Shanghai)	Shanghai	Consulting services, supporting services, and wholesale of machine equipment	39,630	39,630	-	100.00	2,057	(42)	Note E
Data Express Infotech Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	535	(43)	Note E
Yuan Cing Infocomm Tech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	10,000	10,000	1,000	100.00	6,366	(3,462)	Note F
Far Eastern Info Service (Holding) Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	19,275,948	-	1,762,945	67.82	19,314,233	(125,895)	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Shanghai	Computer software, data processing and network information providing services	US\$ 2,500,000	US\$ 2,500,000	-	100.00	US\$ 5,320,000	22,497	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009		Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership			
Far EastTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	US\$ 4,532,000	US\$ 4,532,000	2,734	60.52	US\$ 930,000	\$ -	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	100.00	US\$ 2,863,000	8,732	

Notes:

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

(Concluded)

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

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Far Eastern Industries (Shanghai) Ltd. (FEIS)	Manufacture and distribution of PET staple, PET filament, Polyester top, PET performs, draw textured yarn, spinning yarn, knit fabric, woven fabric, knit garments and woven garments.	\$ 8,400,684 (RMB 1,880,399)	\$ 3,099,480 793,920 (Note D)	\$ 1,540,567	\$ -	\$ 4,640,047 793,920 (Note D)	100.00%	\$ 625,701	\$ 7,267,689	\$ 853,493 (Note C)
Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Manufacture and distribution of knit garments, woven garments, non-knit garments, non-woven garments and accessories.	913,948 (RMB 204,577)	509,725 501,176 (Note D)	-	-	509,725 501,176 (Note D)	100.00%	131,378	1,301,202	-
Far Eastern Industries (Wuxi) Ltd. (FEIW)	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabric, greige woven fabric, print woven fabric, piece dyed woven fabric, bleached woven fabric.	2,150,970 (RMB 481,471)	2,018,430 (Note D)	-	-	2,018,430 (Note D)	100.00%	592,380	2,739,739	-
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Manufacture and distribution of PTA and its by-product.	6,709,602 (RMB 1,501,870)	1,657,304 1,375,680 (Note E)	1,318,845	1,375,680 (Note N)	2,976,149 -	61.35%	1,603,876	6,015,483	-
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,649,728 (RMB 369,273)	1,342,854 (Note D)	-	-	1,342,854 (Note D)	100.00%	71,679	1,761,586	-
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn	1,761,847 (RMB 394,370)	422,978 666,026 (Note K)	676,315	-	1,099,293 660,026 (Note K)	100.00%	8,319	1,181,029	-
Wu Han Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET sheets, PET performs and garments and its by-product.	764,155 (RMB 171,048)	724,110	-	-	724,110	100.00%	75,446	835,524	-
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	3,516,281 (RMB 787,080)	3,421,559 (Note D)	-	-	3,421,559 (Note D)	100.00%	1,486	2,662,117	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Accumulated Outflow of Investment from Taiwan as of January 1, 2009	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2009	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note A)	Carrying Value as of December 31, 2009 (Note B)	Accumulated Inward Remittance of Earnings as of December 31, 2009
				Outflow	Inflow					
Far Eastern Industries (Jiujiang) Ltd. (Note M)	Manufacture of cotton yarns, natural fibers and chemical fibers and its by-product.	\$ -	\$ 258,880 (Note D)	\$ -	\$ 258,880 (Note L)	\$ -	-	\$ -	\$ -	
Far Eastern New Century (China) Investment Ltd.	Investment	1,628,583 (RMB 364,540)	1,577,040	-	-	1,577,040	100.00%	474	1,576,219	
Sino Belgium (Suzhou) Ltd.	Brewer	976,057 (RMB 218,480)	962,577 (Note J)	-	-	962,577 (Note J)	87.50%	(505,771)	121,057	
Martens Beer Trading (Shanghai) Ltd.	Beer sales	111,688 (RMB 25,000)	123,565	-	-	123,565 (Note J)	87.50%	(83,337)	(67,398)	
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and network information providing services	72,825 (US\$ 2,500)	92,616 (Note G)	-	-	92,616 (Note G)	41.26%	9,282	63,941	
Digital United Information Technologies (Shanghai) Co., Ltd.	Design and research of computer system	61,173 (US\$ 2,100)	61,173 (Note O)	-	-	61,173	41.26%	(1,508)	5,769	
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machine equipment	34,956 (US\$ 1,200)	34,956 (Note F)	-	-	34,956	41.26%	(17)	849	

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

Notes:

- Recognition of gains/loss was based on the investee's audited financial statements.
- Recognition of the investment amount was based on the investee's audited financial statements.
- This was the amount of cash dividends the Company and Yuan Ding Investment receiving from FEPI over the years.
- The amount was remitted by the Company's subsidiary, Yuan Ding Investments.
- The amount was remitted by the Company's subsidiaries, Yuan Ding Investment and Ding Yuan International Investment.
- The amount was remitted by the Company's subsidiary, New Diligent Co., Ltd.
- The amount was remitted by the FENC's subsidiary, Far East One Telecommunications Co., Ltd.

(Continued)

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

(Concluded)

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

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
YEAR ENDED DECEMBER 31, 2010
(In Thousands of U.S. Dollars)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Industries (Shanghai) Ltd.	Far Eastern New Century Corporation	1996.07.09	No. 84015136	Far Eastern Polychem Industries Ltd.	\$ 6,000	\$ 6,000			
	Yuan Ding Investment Co., Ltd.			Far Eastern Polychem Industries Ltd.	24,000	24,000			
	Far Eastern New Century Corporation	2004.12.29	No. 093032400	Far Eastern Polychem Industries Ltd.	1,712		\$ 1,712		
	Far Eastern New Century Corporation	2004.12.30	No. 093032090	Far Eastern Polychem Industries Ltd.	1,540			\$ 1,540	
	Far Eastern New Century Corporation	2004.11.03	No. 093032240	Far Eastern Polychem Industries Ltd.	3,879		3,879		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032402	Far Eastern Polychem Industries Ltd.	7,014		7,014		
	Yuan Ding Investment Co., Ltd.	2004.11.02	No. 093032239	Far Eastern Polychem Industries Ltd.	15,898		15,898		
	Yuan Ding Investment Co., Ltd.	2004.12.29	No. 093032089	Far Eastern Polychem Industries Ltd.	6,313			6,313	
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd.	31,779	31,779			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163440	Far Eastern Polychem Industries Ltd.	56,000	56,000			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045490	Far Eastern Polychem Industries Ltd.	4,800	4,800			
					8,198				
					(Note E)				
					11,500				
Far Eastern Apparel (Suzhou) Ltd. (FEAS)	Far Eastern New Century Corporation	2010.04.19	No. 09900142680 (Note D)	Far Eastern Polychem Industries Ltd.	49,000	49,000			
	Far Eastern New Century Corporation	2010.09.06	No. 09900215910	Far Eastern Polychem Industries 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. (FEIW)	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Ltd. (OPSC)	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228	1,228			\$ 1,228
				PET Far Eastern (Holding) Ltd.	6,592				6,592
				HSBC International Trustee Ltd. (B.V.)	49,500	49,500			
				Pacific Petrochemical (Holding) Ltd. (B.V.)					

(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.	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	Far Eastern Polychem Industries Ltd.	\$ 4,800	\$ 4,800			
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd.	2,936 (Note F)				
	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.					
Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd.	9,352				\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	FEDPP	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	FEDPP	713				713
	Far Eastern New Century Corporation	2007.3.13	No. 09600059830	Far Eastern Polychem Industries Ltd.	5,288				5,288
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	FEDPP	4,524				4,524
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd.	4,800				4,800
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520	FEDPP	754 (Note G)				18,224
	Far Eastern New Century Corporation	2010.12.29	No. 09900470520	FEDPP	18,224				18,224
Oriental Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800				19,800
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200				30,200
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000				23,000
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500				32,500
Wu Han Far Eastern New Material Ltd.	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000				12,000
	Far Eastern New Century Corporation	2009.6.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000				10,000
	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000				48,000
	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000				18,000
Sino Belgium (Suzhou) Ltd.	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000				12,000
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000				12,000

(Continued)

Investee Company	Authorized by Investment Commission, MOEA					Investment Type			
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Martens Beer Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd. Yuan Tong Investment Co., Ltd.	2008.12.10 2010.07.29	No. 09700456110 No. 09900284200	Sino Belgium (Holding) Ltd. Bockhold N.V. Martens HK Ltd. Sino Belgium (Holding) Ltd.	\$ 3,800 4,304	\$ 3,800			\$ 4,304
Far Eastern Tech-info Ltd. (Shanghai)	Far Eastone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,700	2,700			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	2,100				2,100
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd.	1,200	1,200			

Notes:

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

(Concluded)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
3	An Ho Garment Co., Ltd.	Yuan Tong Investment Corp. Yuan Tong Investment Corp.	3 3	Other payables Interest expenses	\$ (360,000) (1,929)	Based on agreement Based on agreement	- -
4	Far Eastern Apparel (Suzhou) Limited	Far Eastern Apparel (Holding) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Far Eastern Industries (Wuxi) Ltd. Far Eastern Industries (Wuxi) Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Suzhou An He Apparel Ltd.	3 3 3 3 3 3 3 2 2 2 2 2 3	Other payables Cost of goods sold Accounts payable Interest revenue Other receivables Interest revenue Other receivables Sales Cost of goods sold Accounts receivable Unearned sales revenue Accounts payable Cost of goods sold	(347,302) (634,349) (144,251) 4,106 134,025 600 178,700 2,235,203 (1,616,259) 273,780 (30,026) (232,849) (258,817)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - - - - - - - - -
5	Far Eastern Industries (Shanghai) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Industries (Suzhou) Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Far Eastern New Century Corporation Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd.	3 3 3 3 3 3 3 3 3 3 3 3 3 3	Sales Sales Cost of goods sold Accounts payable Cost of goods sold Accounts payable Notes payable Cost of goods sold Cost of goods sold Sales Cost of goods sold Accounts receivable Cost of goods sold Sales Accounts receivable	258,622 104,989 (676,815) (257,531) (8,722,858) (729,924) (1,406,152) (1,123,110) (817,681) 1,420,259 (228,675) 387,816 (146,013) 5,168,497 1,093,919	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - 3 - - - - 1 - - - 3 -
6	Pet Far Eastern (M) Sdn. Bhd.	Far Eastern New Century Corporation Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd.	2 3 3	Cost of goods sold Accounts payable Cost of goods sold	(115,568) (281,960) (821,069)	Based on agreement Based on agreement Based on agreement	- - -
7	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd.	3 3 3 3 3	Sales Cost of goods sold Accounts payable Sales Cost of goods sold Accounts receivable	228,675 (1,420,259) (387,816) 344,477 (267,560) 107,738	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - -

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
8	Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited PET Far Eastern (Holding) Ltd.	3 3 3 3 3 3	Sales	\$ 8,722,858	Based on agreement	4
				Accounts receivable	729,924	Based on agreement	-
				Notes receivable	1,406,152	Based on agreement	-
				Sales	2,390,542	Based on agreement	1
				Accounts receivable	301,595	Based on agreement	-
				Notes receivable	437,551	Based on agreement	-
Other payables	(264,062)	Based on agreement	-				
9	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Wuxi) Ltd. Far Eastern Apparel (Holding) Ltd.	3 3 3 3 3	Sales	634,349	Based on agreement	-
				Accounts receivable	144,251	Based on agreement	-
				Cost of goods sold	(258,622)	Based on agreement	-
				Cost of goods sold	(120,754)	Based on agreement	-
				Sales	372,335	Based on agreement	-
				Accounts receivable	(3,178,067)	Based on agreement	-
10	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd.	3 3 3 3 3 3	Sales	817,681	Based on agreement	-
				Cost of goods sold	(3,178,067)	Based on agreement	1
				Accounts payable	(515,828)	Based on agreement	-
				Interest expenses	(600)	Based on agreement	-
				Other payables	(178,700)	Based on agreement	-
				Sales	1,237,167	Based on agreement	-
Accounts receivable	197,348	Based on agreement	-				
11	Far Eastern Industries (Suzhou) Limited	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd. Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd.	3 3 3 3 3 3 3 3	Sales	676,815	Based on agreement	-
				Cost of goods sold	(104,989)	Based on agreement	-
				Accounts receivable	257,531	Based on agreement	-
				Other payables	(292,578)	Based on agreement	-
				Cost of goods sold	(2,390,542)	Based on agreement	1
				Accounts payable	(301,595)	Based on agreement	-
				Notes payable	(437,551)	Based on agreement	-
				Cost of goods sold	(219,887)	Based on agreement	-
				Sales	3,178,067	Based on agreement	2
				Accounts receivable	515,828	Based on agreement	-
				Other receivables	347,302	Based on agreement	-
				Cost of goods sold	(372,335)	Based on agreement	-
12	Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Limited Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3 3	Other receivables	347,302	Based on agreement	-
				Cost of goods sold	(372,335)	Based on agreement	-
				Interest expenses	(24,480)	Based on agreement	-
				Other payables	(2,003,746)	Based on agreement	1
				Sales	105,605	Based on agreement	-
				Cost of goods sold	(1,237,167)	Based on agreement	-
13	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern New Century Corporation Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Industries (Wuxi) Ltd. Far Eastern Industries (Wuxi) Ltd.	3 3 2 3 3 3	Interest expenses	(24,480)	Based on agreement	-
				Other payables	(2,003,746)	Based on agreement	1
				Sales	105,605	Based on agreement	-
				Cost of goods sold	(1,237,167)	Based on agreement	-
				Accounts payable	(197,348)	Based on agreement	-
				Cost of goods sold	(835,804)	Based on agreement	-
Accounts payable	(107,080)	Based on agreement	-				
14	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	224,388	Based on agreement	-
				Accounts receivable	(107,080)	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
15	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd. Far Eastern Construction Co., Ltd.	3 3 3	Interest revenue Other receivables construction in progress	\$ 2,353 870,000 (200,786)	Based on agreement Based on agreement Based on agreement	- - -
16	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Limited Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation	3 3 2 2 2 2	Sales Sales Sales Commission cost Accounts receivable Other payables	1,123,110 219,887 9,537,895 (105,848) 996,636 (107,267)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	1 - 5 - - -
17	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co. Far Eastern Resources Development Co. Yuan Tong Investment Corp. Yuan Tong Investment Corp.	3 3 3 3	Interest expenses Other payables Other payables Interest expenses	(2,353) (870,000) (360,000) (936)	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
18	Yuan Tong Investment Corp.	An Ho Garment Co., Ltd. An Ho Garment Co., Ltd. Kai Yuan International Investment Co., Ltd. Kai Yuan International Investment Co., Ltd. Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd.	3 3 3 3 3 3	Interest revenue Other receivables Interest revenue Other receivables Interest revenue Other receivables	1,929 360,000 1,929 360,000 936 360,000	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - -
19	Kai Yuan International Investment Co., Ltd.	Yuan Tong Investment Corp. Yuan Tong Investment Corp.	3 3	Other payables Interest expenses	(360,000) (1,929)	Based on agreement Based on agreement	- -
20	Far Eastern Industries (Wuxi) Ltd.	Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd.	3 3 3 3 3	Interest expenses Other payables Sales Sales Accounts receivable	(4,106) (134,025) 120,754 835,804 107,080	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - -
21	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation Far Eastern New Century Corporation	2 2	Sales Accounts receivable	286,223 38,490	Based on agreement Based on agreement	- -
22	Far Eastern Construction Co., Ltd.	Far Eastern Resources Development Co.	3	construction in progress	200,786	Based on agreement	-
23	Suzhou An He Apparel Ltd.	Far Eastern Apparel (Suzhou) Limited	3	Sales	258,817	Based on agreement	-
24	PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	3	Other receivables	264,062	Based on agreement	-

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
0	2009 Far Eastern New Century Corporation	Oriental Resources Development Ltd. Far Eastern Apparel (Vietnam) Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited Far Eastern Apparel (Suzhou) Limited	1 1 1 1 1 1 1 1 1 1	Cost of goods sold Process expenses Cost of goods sold Accounts payable Sales Process expenses Accounts receivable Payment in advance Accrued expense - outsourced process	\$ (155,580) (161,386) (8,250,881) (572,155) 131,020 (910,245) 26,778 379,504 (73,092)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - 1 - - - - - -
1	Far Eastern Polychem Industries Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Industries (Suzhou) Limited Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd.	3 3 3 3 3 3	Other payables Accounts payable Interest expenses Other receivables Cost of goods sold Other payables Interest expenses	(1,610,002) (222,417) (40,054) 321,828 (666,948) (224,219) (3,076)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - - -
2	Far Eastern Investment (Holding) Ltd.	Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polytex (Holding) Ltd. Far Eastern Polytex (Holding) Ltd. Oriental Textile (Holding) Ltd. Oriental Textile (Holding) Ltd. Far Eastern Apparel (Holding) Ltd. Far Eastern Apparel (Holding) Ltd.	3 3 3 3 3 3 3 3	Other receivables Interest revenue Accounts receivable Other receivables Interest revenue Interest revenue Other receivables Interest expenses	1,610,002 40,054 222,417 387,349 3,583 11,530 748,961 (403,287) (10,712)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - - - -
3	An Ho Garment Co., Ltd.	Far Eastern Resources Development Co. Far Eastern Resources Development Co. Yuan Ding Investment Co., Ltd. Ding Yuan International Investment Corp.	3 3 3 3	Other payables Interest expenses Interest expenses Interest expenses	(400,000) (2,954) (72) (1,041)	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
4	Far Eastern Apparel (Suzhou) Limited	Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern New Century Corporation	3 3 3 3 3	Accounts payable Cost of goods sold Sales Cost of goods sold Accounts receivable Accounts payable	(183,719) (317,283) 2,095,328 (1,316,103) 193,875 (527,065)	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - -

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
5	Far Eastern Industries (Shanghai) Ltd.	Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Wu Han Far Eastern New Material Ltd. Far Eastern Industries (Suzhou) Limited Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Petrochemical (Taiwan) Co., Ltd. Oriental Industries (Suzhou) Ltd. Oriental Industries (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Limited	3	Cost of goods sold	\$ (8,084,484)	Based on agreement	1
				Accounts payable	(896,691)	Based on agreement	-
				Notes payable	(1,434,764)	Based on agreement	-
				Sales	957,264	Based on agreement	-
				Accounts receivable	366,844	Based on agreement	-
				Cost of goods sold	(113,969)	Based on agreement	-
				Cost of goods sold	(806,610)	Based on agreement	-
				Cost of goods sold	(2,715,896)	Based on agreement	-
				Accounts payable	(879,654)	Based on agreement	-
				Accounts payable	(215,214)	Based on agreement	-
Cost of goods sold	(1,729,210)	Based on agreement	-				
Sales	151,843	Based on agreement	-				
6	Wu Han Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd.	3	Accounts payable	(366,844)	Based on agreement	-
				Cost of goods sold	(957,264)	Based on agreement	-
				Sales	113,969	Based on agreement	-
7	Oriental Petrochemical (Shanghai) Ltd.	Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited	3	Sales	8,084,484	Based on agreement	1
				Accounts receivable	896,691	Based on agreement	-
				Notes receivable	1,434,764	Based on agreement	-
				Accounts receivable	270,327	Based on agreement	-
				Notes receivable	520,210	Based on agreement	-
				Sales	2,612,270	Based on agreement	-
				Accounts receivable	183,719	Based on agreement	-
Sales	317,283	Based on agreement	-				
Cost of goods sold	(151,843)	Based on agreement	-				
9	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Suzhou) Limited Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd.	3	Cost of goods sold	(3,073,071)	Based on agreement	-
				Accounts payable	(375,746)	Based on agreement	-
				Notes payable	(832,920)	Based on agreement	-
				Accounts receivable	215,214	Based on agreement	-
				Sales	1,729,210	Based on agreement	-
				Accounts payable	(270,327)	Based on agreement	-
Cost of goods sold	(2,612,270)	Based on agreement	-				
Notes payable	(520,210)	Based on agreement	-				
Sales	3,073,071	Based on agreement	-				
Accounts receivable	375,746	Based on agreement	-				
Notes receivable	832,920	Based on agreement	-				
Other payables	(321,828)	Based on agreement	-				
Sales	806,610	Based on agreement	-				
Cost of goods sold	(113,743)	Based on agreement	-				

(Continued)

No. (Note A)	Company Name	Related Party	Flow of Transaction (Note B)	Transaction Detail			% to Consolidated Revenue or Assets (Note C)
				Financial Statement Account	Amount	Term	
11	Far Eastern Apparel (Holding) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd.	3 3	Other receivables Interest revenue	\$ 403,287 10,712	Based on agreement Based on agreement	- -
12	Oriental Textile (Holding) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd. Far Eastern Polychem Industries Ltd. Far Eastern Polychem Industries Ltd.	3 3 3 3	Other payables Interest expenses Other receivables Interest revenue	(748,961) (11,530) 224,219 3,076	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
13	Oriental Resources Development Ltd.	Far Eastern New Century Corporation	2	Sales	155,580	Based on agreement	-
14	Ding Yuan International Investment Corp.	An Ho Garment Co., Ltd.	3	Interest revenue	1,041	Based on agreement	-
15	Far Eastern Resources Development Co.	Yuan Ding Investment Co., Ltd. Yuan Ding Investment Co., Ltd. An Ho Garment Co., Ltd. An Ho Garment Co., Ltd. Yuan Tong Investment Corp. Yuan Tong Investment Corp. Kai Yuan International Investment Co., Ltd. Kai Yuan International Investment Co., Ltd.	3 3 3 3 3 3 3 3	Other receivables Interest revenue Other receivables Interest revenue Other receivables Interest revenue Other receivables Interest revenue	361,000 1,606 400,000 2,954 400,000 489 400,000 584	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- - - - - - - -
16	Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Limited Far Eastern New Century Corporation Far Eastern New Century Corporation Far Eastern Industries (Shanghai) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Polychem Industries Ltd.	3 2 2 3 3 3	Sales Sales Accounts receivable Sales Accounts receivable Sales	113,743 8,250,881 572,155 2,715,896 879,654 666,948	Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement Based on agreement	- 1 - - - -
17	Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	2	Sales	161,386	Based on agreement	-
18	Yuan Ding Investment Co., Ltd.	Far Eastern Resources Development Co. Far Eastern Resources Development Co. An Ho Garment Co., Ltd. Yuan Tong Investment Corp.	3 3 3 3	Other payables Interest expenses Interest revenue Interest revenue	(361,000) (1,606) 72 366	Based on agreement Based on agreement Based on agreement Based on agreement	- - - -
19	Yuan Tong Investment Corp.	Far Eastern Resources Development Co. Far Eastern Resources Development Co. Yuan Ding Investment Co., Ltd.	3 3 3	Other payables Interest expenses Interest expenses	(400,000) (489) (366)	Based on agreement Based on agreement Based on agreement	- - -
20	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd. Far Eastern Investment (Holding) Ltd.	3 3	Other payables Interest expenses	(387,349) (3,583)	Based on agreement Based on agreement	- -
21	Kai Yuan International Investment Co., Ltd.	Far Eastern Resources Development Co. Far Eastern Resources Development Co.	3 3	Other payables Interest expenses	(400,000) (584)	Based on agreement Based on agreement	- -

(Continued)

Note A: The numbers of column:

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

Note B: The relationship:

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

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

(Concluded)

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

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

Industry Information	2010						2009									
	Polyester	Spinning, Weaving and Dyeing	Real Estate Development	Investment	Tele-communications	Construction	Adjustment and Eliminations	Total (Note A)	Polyester	Spinning, Weaving and Dyeing	Real Estate Development	Investment	Tele-communications	Construction	Adjustment and Eliminations	Total (Note A)
Sales from outside companies	\$ 95,985,679	\$ 28,309,220	\$ 389,478	\$ 449,838	\$ 64,390,124	\$ 10,679,889	\$ -	\$ 200,204,228	\$ 79,777,541	\$ 18,052,088	\$ 387,465	\$ 1,549,493	\$ 60,912,666	\$ 6,294,114	\$ -	\$ 166,973,367
Intracompany sales (Note B)	31,208,515	11,553,674	82,644	300,711	-	-	(43,145,544)	-	37,000,999	3,375,497	79,127	-	178,057	-	-	-
Total revenue	\$ 127,194,194	\$ 39,862,894	\$ 472,122	\$ 750,549	\$ 64,390,124	\$ 10,679,889	\$ (43,145,544)	\$ 200,204,228	\$ 116,778,540	\$ 21,427,585	\$ 466,592	\$ 1,549,493	\$ 60,912,666	\$ 6,472,171	\$ (40,633,680)	\$ 166,973,367
Segment operating income (Note C)	\$ 9,654,602	\$ 976,724	\$ 166,191	\$ 449,838	\$ 11,536,802	\$ 2,946,570	\$ -	\$ 25,700,727	\$ 3,921,971	\$ 749,615	\$ 246,679	\$ 1,532,113	\$ 12,209,710	\$ 493,833	\$ -	\$ 19,146,921
Equity in net income of investees	-	-	-	-	-	-	-	3,366,549	-	-	-	-	-	-	-	3,366,549
General income, net	-	-	-	-	-	-	-	1,508,013	-	-	-	-	-	-	-	1,508,013
Interest expense	-	-	-	-	-	-	-	(1,074,702)	-	-	-	-	-	-	-	(1,074,702)
General expenses (Note D)	-	-	-	-	-	-	-	(6,481,882)	-	-	-	-	-	-	-	(6,481,882)
Income before income tax	\$ 70,137,300	\$ 26,554,321	\$ 23,403,248	\$ 9,624,884	\$ 98,167,901	\$ 12,571,785	\$ -	\$ 27,915,739	\$ 67,879,652	\$ 22,193,626	\$ 22,113,457	\$ 4,375,090	\$ 82,536,716	\$ 8,722,826	\$ -	\$ 18,086,184
Identifiable assets (Note E)	-	-	-	-	-	-	-	41,526,716	-	-	-	-	-	-	-	41,526,716
Long-term stock investments	-	-	-	-	-	-	-	11,721,277	-	-	-	-	-	-	-	11,721,277
General assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 3,959,456	\$ 783,154	\$ 38,572	\$ 81,692	\$ 10,316,265	\$ 6,057	\$ -	\$ 24,059,509	\$ 4,383,166	\$ 575,534	\$ 33,770	\$ 889,566	\$ 10,934,347	\$ 5,114	\$ -	\$ 207,821,367
Depreciation expense	\$ 6,877,830	\$ 1,360,074	\$ 965,694	\$ 1,462,838	\$ 8,262,839	\$ 8,232	\$ -	41,526,716	\$ 2,433,315	\$ 371,158	\$ 713,529	\$ 889,566	\$ 6,853,288	\$ 3,334	\$ -	49,975,648
Capital expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

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

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

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

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

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

Industry Information	2010				2009					
	R.O.C.	P.R.C.	Other Oversea Areas	Adjustment and Eliminations	Total (Note A)	R.O.C.	P.R.C.	Other Oversea Areas	Adjustment and Eliminations	Total (Note A)
Sales from outside companies	\$ 153,549,485	\$ 42,841,719	\$ 3,813,024	\$ -	\$ 200,204,228	\$ 121,376,502	\$ 42,498,049	\$ 3,098,816	\$ -	\$ 166,973,367
Sales from the group (Note B)	<u>12,381,183</u>	<u>30,473,432</u>	<u>290,929</u>	<u>(43,145,544)</u>	<u>-</u>	<u>17,400,296</u>	<u>23,064,463</u>	<u>168,921</u>	<u>(40,633,680)</u>	<u>-</u>
Total revenue	\$ <u>165,930,668</u>	\$ <u>73,315,151</u>	\$ <u>4,103,953</u>	\$ <u>(43,145,544)</u>	\$ <u>200,204,228</u>	\$ <u>138,776,798</u>	\$ <u>65,562,512</u>	\$ <u>3,267,737</u>	\$ <u>(40,633,680)</u>	\$ <u>166,973,367</u>
Segment operating income (Note C)	\$ <u>21,580,431</u>	\$ <u>2,911,139</u>	\$ <u>1,209,157</u>	\$ <u>-</u>	\$ <u>25,700,727</u>	\$ <u>16,764,594</u>	\$ <u>2,440,174</u>	\$ <u>(57,847)</u>	\$ <u>-</u>	\$ <u>19,146,921</u>
Equity in net income of investees					3,266,549					3,921,059
General income, net					1,508,013					1,708,025
Interest expense					(1,074,702)					(1,449,745)
General expenses (Note D)					(6,484,848)					(5,240,076)
Income before income tax					\$ <u>22,915,739</u>					\$ <u>18,086,184</u>
Identifiable assets (Note E)	\$ <u>185,729,367</u>	\$ <u>51,494,742</u>	\$ <u>3,235,400</u>	\$ <u>-</u>	\$ <u>240,459,509</u>	\$ <u>156,211,264</u>	\$ <u>47,868,856</u>	\$ <u>3,741,247</u>	\$ <u>-</u>	\$ <u>207,821,367</u>
Long-term stock investments					41,526,716					49,975,648
General assets					<u>11,721,277</u>					<u>9,622,652</u>
Total assets					\$ <u>293,707,502</u>					\$ <u>267,419,667</u>
Depreciation expense	\$ <u>12,752,636</u>	\$ <u>2,239,955</u>	\$ <u>172,555</u>		\$ <u>13,551,135</u>	\$ <u>2,265,632</u>	\$ <u>115,164</u>			\$ <u>14,931,931</u>
Capital expenditures	\$ <u>15,806,148</u>	\$ <u>2,817,116</u>	\$ <u>313,523</u>		\$ <u>9,783,731</u>	\$ <u>1,156,822</u>	\$ <u>323,900</u>			\$ <u>11,263,453</u>

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

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

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

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

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

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

VII. Review and Analysis of the Financial Condition, Operating Performance and Risk Management

1. Review and Analysis of Financial Conditions

Unit: NT\$ thousands

Item	Year	2010	2009	Variance	
				Amount	%
Current assets		22,941,610	18,578,752	4,362,858	23.48
Funds and investments		122,861,543	113,066,432	9,795,111	8.66
Properties		14,422,982	13,361,364	1,061,618	7.95
Intangible assets		23,439	8,976	14,463	161.13
Other assets		1,202,454	1,527,708	(325,254)	(21.29)
Total assets		161,452,028	146,543,232	14,908,796	10.17
Current liabilities		16,878,906	15,739,025	1,139,881	7.24
Long-term liabilities		43,910,634	36,170,340	7,740,294	21.40
Reserve for land value appreciation tax		1,018,899	1,018,899	0	0.00
Other liabilities		1,094,978	1,103,780	(8,802)	(0.80)
Total liabilities		62,903,417	54,032,044	8,871,373	16.42
Paid-in capital		47,545,799	46,613,529	932,270	2.00
Capital surplus		10,228,131	10,181,403	46,728	0.46
Retained earnings		27,290,233	21,308,981	5,981,252	28.07
Other shareholders' equity		13,484,448	14,407,275	(922,827)	(6.41)
Total shareholders' equity		98,548,611	92,511,188	6,037,423	6.53

Notes: Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year

1. Increase in current assets and retained earnings: mainly for increase in cash balance reserving for expansions and investments.
2. Increase in intangible assets: mainly for the value appreciation of stocks owned by the employee pension scheme, and the accrued pension liabilities were increased.
3. Decrease in other assets: lower corporate income tax rate results in the reduction at the deferred income tax assets.
4. Increase in the long-term interest-bearing debts: mainly for the newly issued domestic corporate bonds.

2. Review and Analysis of Operating Performances

Unit: NT\$ thousands

Item	Year	2010	2009	Variance	
				Amount	%
Revenues		53,758,879	41,940,078	11,818,801	28.18
Cost of goods sold		47,759,684	38,490,410	9,269,274	24.08
Gross profit		5,999,195	3,449,668	2,549,527	73.91
Operating expenses		5,224,342	4,282,452	941,890	21.99
Operating profit (loss)		774,853	(832,784)	1,607,637	N.A.
Non-operating income		13,775,287	10,396,075	3,379,212	32.50
Non-operating expenses and losses		1,540,940	1,427,584	113,356	7.94
Income before income tax		13,009,200	8,135,707	4,873,493	59.90
Income tax expense (benefit)		159,030	47,011	112,019	238.28
Net Income		12,850,170	8,088,696	4,761,474	58.87

1. Analysis of variance:

- a. Revenues, cost of goods sold, gross profit, operating expenses, operating profit, income before tax, and net income: mainly for the increase in the unit price of products sold, and for the stronger demand compared to the previous year following the recovery of the global economy.
- b. Non-operating income: mainly for the increase in the affiliate earnings booked through equity method.
- c. Income tax expense: mainly for: 1) the change in regulations about lowering corporate income tax rate results in the decrease at deferred tax assets; 2) the operating result turns into profit from losses.

2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan:

The Company has long been committed to developing new products and new production processes. As the applications for polyester products have been created continuously, the Company is optimistic about the prospects of its operating performance in year 2011.

3. Review and Analysis of Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents - Beginning balance	Total cash inflows from operating activities	Total cash outflows	Cash and cash equivalents – Ending balance	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
5,928,545	8,380,237	(6,116,035)	8,192,747	-	-
<p>1. Cash Flow Analysis for year 2010:</p> <p>(1) Operating activities : A net cash inflow of NT\$8,380 million, mainly from operating activities and cash dividends received from invested companies.</p> <p>(2) Investing activities : A net cash outflow of NT\$6,382 million, for increasing capital expenditures and equity investments.</p> <p>(3) Financing activities : A net cash inflow of NT\$266 million, mainly for issuing domestic corporate bonds and cutback of cash dividend payout.</p> <p>2. Remedy plans for insufficient liquidity: Not applicable</p> <p>3. 2011 Estimated Cash Flow Analysis</p>					
Cash and cash equivalents – Beginning balance	Total cash inflows from operating activities	Total cash outflows	Cash and cash equivalents – Ending balance	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
8,192,747	11,250,950	(22,231,447)	(2,787,750)	-	5,000,000
<p>Analysis of variance in cash flow balance:</p> <p>1. The Company expects the affiliate earnings booked from each subsidiary through equity method in 2011 could exceed those in 2010. When including the cash dividends received from the aforesaid subsidiaries, the Company expects the net cash inflows from operating activities in 2011 to increase compared to 2010.</p> <p>2. When taking into consideration of the planned capital expenditures, corporate bonds principal payment, and the proposed cash dividends distribution, the Company expects total cash outflows in 2011 to exceed those in 2010, and the the cash inflows from operating activities could be insufficient to meet the needs. The company plans to issue coporate bonds or increase bank borrowings to finance the insufficient portion.</p>					

4. Major Capital Expenditures in Recent Years and Their Impacts on Financial and Operational situations

4.1 Major capital expenditures and sources of funding in 2010

Unit: NT\$ thousands

Plan Item		Actual or estimated source of capital	Actual or estimated project completion date	Total capital needed (note)	Capital utilization schedule			
					Actual		Estimated	
					2009	2010	2011	2012
Fiber Division	Construction of a new polymer production line (capacity: 600 tons/day)	Retained earnings and bank borrowings	Aug 2011	1,000,000	25,000	256,537	698,463	20,000
	Construction of a low-melt staple fiber production line (capacity: 250 tons/day)		Aug 2011	451,000	-	10,092	420,908	20,000
	Production line for heat-shrinkage films		Aug 2010	352,373	315,380	25,269	11,724	-
Solid-State Polymer Division	Expansion of SSP #9 production line		Oct 2010	486,000	53,239	386,983	45,778	-
	Re-start a mothballed factory acquired in 2010		Aug 2011	300,000	-	1,655	298,345	-
	Debottlenecking of a SSP production line to 1,200 tons/day		Aug 2010	173,000	33,288	108,941	30,771	-
	Expansion of recycled PET resins for bottles		Jun 2010	169,400	120,000	36,077	13,323	-
Hukou Mill	Installment of equipments for specialty OE yarn products	Apr 2012	481,000	-	-	419,000	62,000	
Banqiao Texturizing Plant	Relocating project	Dec 2011	740,340	-	450,509	289,831	-	

Note: Total capital needed mention herein does not include the working capital.

4.2 Expected benefit

4.2.1 Production volume, sales volume, sales revenue, and gross profit expected to increase:

Unit: NT\$ thousands

Year	Item	Unit	Production volume	Sales volume	Revenue	Gross profit
2011	Polyester polymers	Ton	129,602	Internal consumption	Internal consumption	578,758
	Solid-state polymers	Ton	157,500	157,500	8,386,875	396,112
	Heat-shrinkage films	Ton	5,100	5,100	586,500	178,500
	Polyester chips	Ton	12,000	12,000	720,000	36,000
	Low melt fibers	Ton	41,250	41,250	2,062,000	356,478
2012	Polyester polymers	Ton	245,000	Internal consumption	Internal consumption	708,398
	Solid-state polymers	Ton	157,500	157,500	8,386,875	396,112
	Heat-shrinkage films	Ton	6,000	6,000	690,000	198,000
	Polyester chips	Ton	20,000	20,000	1,200,000	60,000
	Low melt fibers	Ton	90,000	90,000	4,500,000	777,960
	OE yarns	Ton	64,800	64,800	797,040	88,646

4.2.2 Other expected benefits: with respect to the relocation of Banqiao Texturizing Plant, the purpose is to construct a knitting fabrics factory equipped with up-to-date technologies, reserve a larger space for further capacity upgrade, and enhance the competitiveness of products, in hopes that the textile industry in Taiwan can sustain its advantage over foreign competitors.

5. Investment Policies in Recent Years

5.1 Investment policies :

The Company co-ordinates and mobilizes all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the whole Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

5.2 Reasons for profit/loss in recent years and plans for improvement

The total affiliate earnings booked through equity method by the Company in 2010 was NT\$13.3 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future investment plan :

Please refer to page 4, sections in the Business report in regard to capacity upgrades and expansions. In principal, the core strategy of future investments and expansions is to achieve a vertical integration at the production process, from the upstream petrochemical plants, mid-stream chemical fiber mills, all the way to the downstream textile product factories.

6. Sources of Risks and Evaluations

6.1 Impacts from fluctuations of interest rate and currency exchange rate and inflation on the Company in the recent years, and measures the Company undertake to manage the risks

6.1.1 Over next 12 months, the Company expects the domestic interest rate to rise gradually. The reasons are: 1) Global economy is on the way of recovery, leading by the strong growth of emerging markets. There are many controversies about the prospects of developed economies – the insolvency risk at the over-debted countries in Euro zone and the mass wealth destruction by earthquake in Japan may cause fears of the return of a recession. However, we believe the return of consumers' confidence and continual increase at the corporate capital expenditure in the United States would counterbalance such fears. 2) In the domestic market, the forecast GDP figure in 2011 by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan is 4.92%, and the CPI is forecast to rise to 2% over the previous year. Therefore, it can be concluded that the domestic economy in Taiwan remains on the upward trend. 3) Prices of several commodities have increased in a substantial way. Crude oil price, fueled by the turmoil in the Middle East and North Africa, also rose significantly. Relying on the imports of crude oil and other major commodities, the inflationary expectations in Taiwan will emerge and, possibly, be exaggerated. In order to maintain a stable business and financial environment, the Central Bank in Taiwan, we believe, could hike the interest rate step by step, especially the short-term lending rate. In order to minimize the impact from fluctuation at the interest rate, the Company plans to manage the duration of its overall interest-bearing debts, and in the meantime, plans to issue long-term fixed rate corporate bonds to lock-in the low borrowing cost. By doing so, the Company believes it can remain its average cost of capital low, even when the economic recovery afterwards accelerates and results in higher-than-expected interest rates.

6.1.2 Most of the Company's products are exported; therefore a majority portion of accounts receivables is denominated in US dollars. The Company often chooses to sell the US dollars, based on the exchange rate at the date the aforesaid export occurred. The gain or loss from the fluctuation at the US dollar value can therefore be minimized. The Company expects to continue this policy to hedge the currency exchange risks.

6.2 Major reasons for transaction policies, gain or loss from engaging in high-risk and hyper-leveraged investments, fund lending to others, endorsement/guarantee and derivatives and correspondent procedures

6.2.1 The Company did not engage in any high-risk, hyper-leveraged investment. The trading of derivative products is to hedge the risks from fluctuations at the interest rates and currency exchange rates. Under this policy, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company; in other words, these positions of derivative products are not naked positions. Therefore, the risk of trading derivatives is minimized and can be effectively controlled. Gains or losses, if occur, often resulted from reasons such as investment horizon mis-match, and therefore, were little and negligible. The Company will insist on this policy, and will not proactively take naked position of high-risk, hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.

6.2.2 The Company has established a bylaw on the "Procedures for fund lending to others" in accordance with "Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies" promulgated by regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders' Meeting. All matters regarding fund lending to others shall comply with the said bylaw to avoid any likely negative impact on the Company.

6.2.3 The Company has established a bylaw on the “Procedures for endorsements/guarantees” in accordance with “Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies” promulgated by regulatory authority, and the said bylaw has been submitted to the Board of Directors and has also received approval from the Shareholders’ Meeting. All matters regarding making endorsements/guarantees shall comply with the said bylaw to avoid any likely negative impact on the Company.

6.3 R&D plans and estimated expenses in coming years

6.3.1 R&D projects and 2011 budgets :

- (1) High-molecule polymer research and development project: NT\$90 million
- (2) Polyester and fiber research and development project: NT\$101 million
- (3) Opto-electronic research and development project: NT\$129 million
- (4) Bio-medical research and development project: NT\$107 million
- (5) Bio-based/bio-degradable materials research and development project: NT\$112 million

6.3.2 R&D procedures and progress:

Research phase → Trial run → Scale-up production process development → Commercial operation and promotion

Projects mentioned above are now still in the research phase.

6.3.3 Major factors affecting the R&D results in the future:

- (1) Empirical verification of R&D results
- (2) Stability of the product quality after the production process being scaled up
- (3) The willingness of downstream companies and customers to accept the trial of the new products, and if the said trial can meet downstream customers’ requirements
- (4) Downstream customers’ overall confidence in the Company
- (5) Production technology and the cost competitiveness

6.4 Impacts and responses of the Company in regard to material changes of policies and regulations in Taiwan and foreign countries

The management team closely monitors changes in policies and regulations in the domestic and overseas markets, and evaluates their impacts on the Company. Responsive measures will be planned and undertaken by the management team.

6.5 Technology developments and impacts on the Company

The innovation and breakthrough of technology have changed the world in several ways, either good or bad. The innovation of plastics is one of the examples. Plastics products make people’s lives more convenient, but creates pollution as well for the inappropriate disposal of plastic wastes. Therefore, developing a new material, as convenient as plastics but more environmental friendly, is one of the most popular research projects in the world, and may also be the most important trend in the material development area in the future.

As the usage of plastics products is constrained by the Taiwanese government, and green products have already been promoted in the world, the Company believes the application of conventional petrochemical products will be restricted, and the enforcement of such restrictions is only a matter of time. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company now has already engaged in the production of several bio-based or bio-degradable products, such as PLA, a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies, and more applications are being innovated.

Review and Analysis of the Financial Condition, Operating Performance and Risk Management

Currently, non-textile products already comprise more than 60% of the Company's sales. Some examples of these products are, but not limited to, PLA materials, shoes materials, diapers, bio-degradable heat-shrinkage films, bio-degradable shopping bags, bio-medical products, special industrial yarns, PET bottles, PET packaging sheets, and various optoelectronic films. The Company has successfully converted itself from a virgin-product producer to a recycled product producer, and from a petroleum-based producer to a bio-based producer. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, high-tech optoelectronics films, bio-medical dressing. In the future, the Company aims to be the largest provider of these new products.

6.6 Changes of corporate image and impacts on the Company's crisis management: None.

6.7 Expected benefits and risks from mergers and acquisitions: None

6.8 Expected benefits and risks from plant expansion: Please refer to page 102.

6.9 Risks from concentration in supply and sales and measures the Company undertake:

The Company actively integrates upward its production process, in order to secure the supplies of raw materials. Subsidiaries like Oriental Petrochemical (Shanghai) Corporation and Oriental Petrochemical (Taiwan) Corporation are established for this purpose. The Company's products are sold worldwide with a diversified portfolio of customers. Please refer to page 65 of this annual report for disclosure of related information.

6.10 Impacts and risks from changes in Directors, Supervisors and shareholders with greater than 10% shareholding or their selling of a large number of shares in the recent years until the annual report being published: None.

6.11 Impact and risks from change of ownership in the recent year until the annual report being published: None.

6.12 Material impacts on shareholders' equity or share price from litigations, non-litigations or administrative actions in Directors, Supervisors, Chairman, President, shareholders with greater than 10% shareholding and subsidiaries in the recent year until the annual report being published:

Please refer to page 76 of this annual report for relevant information disclosed by the independent auditors' report.

6.13 Other major risks: None.

7. Others

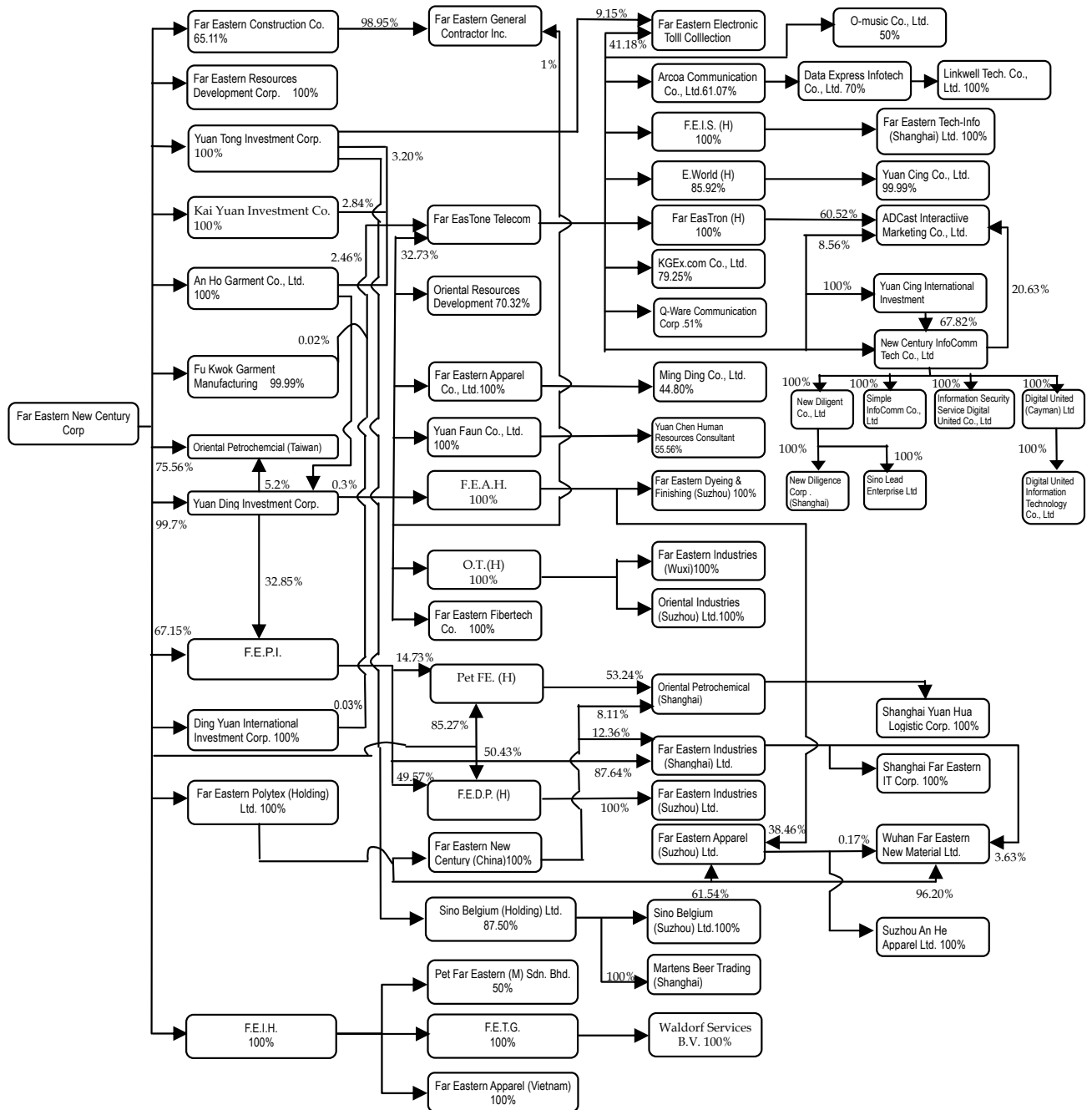
None

VIII. Special Disclosure

1. Affiliated Companies

1.1 Subsidiaries and affiliated companies in the consolidated financial report

1.1.1 Holding structure of the organization



Special Disclosure

1.1.2 Information of Far Eastern New Century and subsidiaries and affiliates:

Unit:NT\$ thousands, unless stated otherwise.

Company	Date of incorporation	Address	Paid-in capital	Major business activities
Far Eastern New Century Corp.	1954/1/13	36F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	47,545,799	Petrochemical and polyester materials, semi-finished products, finished goods, woven and knitted garments
Yuan Ding Investment Co., Ltd.	1986/11/7	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	18,338,262	Investment
Yuan Tong Investment Co., Ltd.	1999/12/3	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	7,051,468	Investment
Oriental Pertochemical (Taiwan) Ltd.	1987/1/26	47, Jingjian 4th Road, Kuanyin Industrial Park, Kuanyin, Taoyuan, Taiwan	5,105,464	Production and sales of PTA
Far Eastern Electronic Toll Collection Co., Ltd.	2004/4/7	28F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	3,830,000	Information software service, telecom hardware construction, engineering design of auto-controlling system
Far Eastern Resources Development Co., Ltd.	2003/9/30	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	4,872,793	Development, sales and lease of real estates
Kai Yuan Investment Co., Ltd.	1998/10/6	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	3,028,434	Investment
Ding Yuan International Investment Co., Ltd.	1998/10/2	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	2,050,000	Investment
Far Eastern Construction Co., Ltd.	1978/9/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	2,370,991	Construction contractor for residential housings; broker of housing rental and sales service
Far Eastern General Contractor Inc.	1982/10/4	5F, 267, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	1,269,724	Construction of housing and public infrastructures.
Far Eastern Fibertech Co., Ltd.	1995/4/10	No.17, Gongye 5th Rd., Guanyin Township, Taoyuan County, Taiwan	666,737	Production of man-made fibers
An Ho Garment Co., Ltd.	1977/1/24	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	663,462	Garment and apparel production
Oriental Resources Development Ltd.	1988/6/27	34F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	303,220	Production and wholesale of medical supplies; Waste recycling and re-processing
Far Eastern Apparel Co., Ltd.	1976/2/27	36F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	230,232	Sales of textile, garments, and clothings
Yuan Faun Co., Ltd.	1980/12/13	33F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	50,000	Sales of PET bottles and paper boxes
Fu Kwok Garment Manufacturing Co., Ltd.	1971/3/6	No.110, Neihuan S. Rd., Nanzi District, Kaohsiung City 811, Taiwan	40,000	Fabrics production and sales
Ming Ding Co., Ltd.	1990/8/7	1F., No.389, Sec. 1, Sichuan Rd., Banqiao City, New Taipei City 220, Taiwan	10,000	Sales of knitted garments and apparels
Yuan Cheng Human Resources Consultant Corp.	1999/6/8	19F.-1, No.1, Baosheng Rd., Yonghe City, New Taipei City 234, Taiwan	8,500	Personnel recruitment; temporary employment arrangement
Far Eastern Polychem Industries Ltd.	1995/4/13	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	379 HK\$101	Investment
Far Eastern Investment (H) Ltd.	1989/8/29	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	496 US\$17	Investment
FEDP(H) Ltd	2002/3/20	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	141 US\$4.8	Investment
PET Far Eastern(H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	71 US\$2.4	Investment
Oriental Textile (H) Ltd.	2001/1/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	25 US\$0.9	Investment
Far Eastern Apparel (H) Ltd.	1996/10/1	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	29 US\$1	Investment
Far Eastern Polytex (H) Ltd.	2006/3/22	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	13 US\$0.5	Investment
Sino Belgium (H) Ltd.	2007/8/10	Clarendon House 2 Church street, Hamilton HM 11, Bermuda	6 US\$0.2	Investment

Far Eastern New Century

Annual Report 2010

Company	Date of incorporation	Address	Paid-in capital	Major business activities
Far Eastern Industries (Shanghai) Ltd.	1996/9/25	33F, No. 800, Dongfang Road, Pudong New Area, Shanghai, China	8,400,684 RMB 1,880,399	Production and sales of polyester staple, filament, and resins.
Oriental Petrochemical (Shanghai) Ltd.	2003/1/21	Suite 3201, 32F, No. 800, Dongfang Road, Pudong New Area, Shanghai, China	6,709,604 RMB 1,501,870	Production and sales of PTA
Far Eastern New Century (China) Ltd.	2007/6/18	Suite 3301, 33F, No. 800, Dongfang Road, Pudong New Area, Shanghai, China	1,628,583 RMB 364,540	Investment
Martens Beers Trading (Shanghai) Co.	2007/10/26	Suite 2105, 21F, No. 800, Dongfang Road, Pudong New Area, Shanghai, China	111,688 RMB 25,000	Trading of beer and relevant beverages
Shanghai Yuan Hua Logistic Corp.	2006/3/2	No.198 Baisha Road, Spark Development Zone, Pudong, Shanghai, China	22,338 RMB 5,000	Transportation and storage
Shanghai Far Eastern IT Corp.	2003/4/15	Suite 1801, No. 800, Dongfang Road, Pudong New Area, Shanghai, China	8,935 RMB 2,000	Software development, equipment maintenance and consulting services
Oriental Industries (Suzhou) Ltd.	2005/6/24	No.1688, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China	3,516,281 RMB 787,080	Production and sales of polyester resins and industrial fabrics.
Far Eastern Industries (Suzhou) Ltd.	2004/3/22	No.6, Hengshan Road, New District, Suzhou, Jiangsu Province, China	1,761,847 RMB 394,370	Production and sales of polyester products
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	2003/10/22	No.1588, Yin Zhong South Road, HeDong Industrial Park, Wu Zhong Economic Development District, Suzhou, China	1,649,727 RMB 369,273	Spinning, weaving and dyeing of high-end apparels, and sales and production of specialty garments
Sino Belgium (Suzhou) Ltd.	2007/9/4	No.6, Hengshan Road, New District, Suzhou, Jiangsu Province, China	976,057 RMB 218,480	Development of beer brewing technology
Far Eastern Apparel (Suzhou) Ltd.	1996/10/24	No.88, Tian ling Rd. Wu Zhong District Economic Development Zone, Suzhou	913,948 RMB 204,577	Production of knitted and woven garments and beddings
Suzhou An He Apparel Ltd.	2008/1/31	No.88, Tian Ling Rd. Wu Zhong District Economic Development Zone, Suzhou	4,468 RMB 1,000	Production of knitting and weaving garments
Far Eastern Industries (Wuxi) Ltd.	2002/6/5	WinZhouLoad 89, WuXi, Jiangsu, China	2,150,970 RMB 481,471	Production of cotton yarn, other natural fibers, and chemical fibers
Wuhan Far Eastern New Material Ltd.	2003/7/9	No.93, Zhushanhu Rd., Wuhan Economical-Technical Development Zone, Hubei, Wuhan, China	764,155 RMB 171,048	Production and sales of PET sheet, chip, filament, staple fibers, and apparels
PET Far Eastern (M) Sdn Bhd	1995/7/22	Plo 69 ,Kawasan Perindustrian Senai III, 81400 Senai, Johor Bahru, Johor Malaysia	145,104 MYR 16,000	Production of PET bottles and preforms
Far Eastern Apparel (Vietnam) Ltd.	2002/7/4	11 VSIP Street 4, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	175,110 US\$6,000	Apparel production
Waldorf Services B.V.	1990/1/10	Naritaweg 165, 1043 BW Amsterdam, The Netherlands	555 US\$19	Investment
F.E.T.G. Investment Antilles N.V.	1989/10/5	Kaya W.F.G. Mensing 14, Curacao, Nederlandse Antillen	175 US\$6	Investment
Far Eastone Telecommunications Co., Ltd.	1997/4/11	28F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	32,585,008	Wireless telecommunications service, leased circuit service, ISR and internet services and sale of cellular phone equipments and accessories
New Century InfoComm Tech Co., Ltd.	2000/6/1	1-11Fl., No.218, Ruei-Guang Rd., Nei Hu, Taipei, Taiwan	25,994,490	Type I & II telecom services
Yuan Cing InfoComm Tech Co., Ltd.	2009/12/30	4F, No.468, Ruei-Guang Rd., Nei Hu, Taipei, Taiwan	15,001,000	Production and sale of communication products
ARCOA Communication Co., Ltd.	1981/5/4	36F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	1,342,800	Type II telecom services; sale of cell phones and other telecom equipments
KGEx.com Co., Ltd.	2000/8/9	4F, No.468, Ruei-Guang Rd., Nei Hu, Taipei, Taiwan	1,124,080	Type II telecommunications service
New Diligent Co., Ltd.	2001/5/2	1F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan	800,000	Business consulting and souvenir selling
Q-Ware Communication Corp.	2007/2/13	8F, No.220, Kang Chien Road, Neihu, Taipei, Taiwan	714,901	Type II telecommunications services
Yuan Cing Co., Ltd.	2000/8/5	28F, 207, Tun Hwa South Road, Sec.2, Taipei, Taiwan.	193,500	Phone subscriber service

Special Disclosure

Company	Date of incorporation	Address	Paid-in capital	Major business activities
Information Security Service Digital United	2004/12/22	6F, No 71, Zhou Ze Street, Neihu, Taipei, Taiwan	148,777	Security and monitoring services via Internet
Data Express Infotech Co., Ltd.	2004/7/22	6F-1, No. 778, Ba Der Road, Section 4, Taipei, Taiwan	87,750	Sale of communication products
O-music Co., Ltd.	2010/10/5	12F, No.468, Ruei-Guang Rd., Nei Hu, Taipei, Taiwan	50,000	Electronic information providing services
ADCast Interactive Marketing Co., Ltd.	2000/6/12	1F, No.220, Kang Chien Road, Neihu, Taipei, Taiwan	45,182	Marketing and advertisement service on Internet
Simple InfoComm Co., Ltd.	2001/10/23	12F, No.468, Ruei-Guang Rd., Nei Hu, Taipei, Taiwan	34,000	Type II telecommunications services
Linkwell Tech Co., Ltd.	2005/4/8	2F, No. 2, Guan-Chien Road, Taipei, Taiwan	10,000	Sales of communication products
E. World (H) Ltd.	2000/4/7	4F, One Capital Place. P.O. Box 847 G.T., Grand, Cayman Island	204,295 US\$7,000	International investments
Far EasTron (H) Ltd.	2005/8/30	Marguee Place, Suite 300, 430 West Bay Road, P.O. Box30691 SMB, Grand Cayman, Cayman Islands,British West Indies	130,953 US\$4,487	International investments
Digital United (Cayman) Ltd.	2000/8/16	P.O. Box 2681, Zephyt House, Mary Street, George Town, Grand Cayman, British West Indies	96,894 US\$3,320	General investments
Far Eastern Info Service (H) Ltd.	2002/7/17	Clarendon House 2 Church Street Hamilton HM11 Bermuda	350 US\$12	International investments
Far Eastern Tech-Info Ltd. (Shanghai)	2002/11/18	3F, No.23, Podong Software Park, No. 498, Guo Shou Jing Road, Pudong New Area, Shanghai, China	92,366 RMB 20,675	Computer software, data processing and internet content providing services
Digital United Information Technology (Shanghai) Co., Ltd.	2000/10/8	Suite 22301-918, House 14, Podong Software Park, No. 498, Guo Shou Jing Road, Pudong New Area, Shanghai, China	77,656 RMB 17,382	Design and research of computer system
New Diligence Corporation (Shanghai)	2005/8/23	Room 215, No. 2299, Yan'an West Road, Shanghai, China	41,039 RMB 9,186	Consulting services, supporting services, and wholesale of machine equipment
Sino Lead Enterprise Ltd.	2006/4/11	Hong Kong Trade Center, 7/F, 161-167, Des Voeux Road, Central, Hong Kong	113 HK\$30	Telecommunication services

1.1.3 Companies presumed to have a relationship of control and subordination with Far Eastern New Century under Article369-3 of the R.O.C. Company Law: None.

1.1.4 Industries covered by the business operated by the affiliates and description of the mutual dealings and division of work among such affiliates:

Petrochemical, Chemical fiber, Textile, Garment and apparel, Investment, Construction, General Contractor, Leasing, Management consultant, Human resources consultant, Wireless telecommunication service, 3G telecommunication services, wholesale and retail sale of telecom related products and equipments etc.

1.1.5 Information about Directors, Supervisors, and managers at each subsidiary and affiliate:

Unit: Number of shares; %

Company	Title	Name or representative	Registered shares owned	
			Shares	%
Far Eastern New Century Corp.	Directors	Douglas Tong Hsu (Chairman)	53,998,662	1.14
		Asia Cement Corp.	1,060,713,631	22.31
		Peter Hsu, Shaw Y. Wang, Champion Lee, K.M. Wang	-	-
		Yue Ding Industry Co., Ltd.	2,183,462	0.05
		Johnny Shih, Raymond Hsu	-	-
	Supervisors	Far Eastern Department Stores Co., Ltd.	17,732,938	0.37
		Y.H. Tseng, Richard Yang, Kuan Tao Li	-	-
		Bai Yang Investment Co., Ltd.	1,968,779	0.04
		Tonia Katherine Hsu	-	-
		U-Ming Marine Transport Corp.	27,696,294	0.58
President	Alice Hsu, T.H. Chang	-	-	
	Yuan Ding Co., Ltd.	692,265	0.01	
Yuan Ding Investment Co., Ltd.	Directors	Ching Ing Hou	-	-
		Johnny Shih	2,072,425	0.04
	Supervisors	Far Eastern New Century Corp.	1,828,323,555	99.70
Yuan Ding Investment Co., Ltd.	Directors	Douglas Tong Hsu (Chairman), C.S. Tu, Johnny Shih, Champion Lee, Shaw Y. Wang	-	-
		An Ho Garment Co., Ltd.	5,502,000	0.30
	Supervisors	Humphrey Cheng, Mark Lu	-	-
Yuan Tong Investment Co., Ltd.	Directors	C.S. Tu	-	-
		Far Eastern New Century Corp.	705,146,840	100.00
	Supervisors	David Wang (Chairman), Humphrey Cheng, Bill Yang	-	-
Oriental Petrochemical (Taiwan) Corporation	Directors	Far Eastern New Century Corp.	705,146,840	100.00
		Alan Tsai	-	-
	Supervisors	David Wang	-	-
Oriental Petrochemical (Taiwan) Corporation	Directors	Yuan Ding Investment Co., Ltd.	26,527,918	5.20
		Douglas Tong Hsu (Chairman), Johnny Shih, K.S. Wu, H.D. Zhou, David Shih	-	-
		Oriental Union Chemical Corp.	91,942,864	18.01
	Supervisors	Alex Kuo	-	-
		Yuan Ding Investment Co., Ltd.	26,527,918	5.20
President	David Wang, Humphrey Cheng	-	-	
Far Eastern Electronic Toll Collection Co., Ltd.	Directors	Eric Chueh	-	-
		Far Eastone Telecommunications Co., Ltd.	157,714,020	41.18
		Douglas Tong Hsu (Chairman), Jan Nilsson, Y.C. Chang	-	-
		Yuan Tong Investment Co., Ltd.	35,047,560	9.15
		Champion Lee (Vice Chairman)	-	-
		SYSTEX	36,970,000	9.65
		S. C. Yang	-	-
		TECO	52,571,340	13.73
		Sophia Chiu	-	-
		MiTAC	41,271,340	10.78
	Supervisors	Kuo Yun	-	-
		C.F. Deng	-	-
		F.C. Lee	-	-
		Far Eastone Telecommunications Co., Ltd.	157,714,020	41.18
		T. Y. Yin	-	-
President	SYSTEX	36,970,000	9.65	
	J.H. Lai	-	-	
	TECO	52,571,340	13.73	
	W.C. Ye	-	-	
	MiTAC	41,271,340	10.78	
Simon Chiang	-	-		
Mike Lee	-	-		

Special Disclosure

Company	Title	Name or representative	Registered shares owned	
			Shares	%
Far Eastern Resources Development Co., Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu (Chairman), Johnny Shih, Champion Lee	487,279,340	100.00
	Supervisors	Far Eastern New Century Corp. Shaw Y. Wang	-	-
	President	C.S. Tu	487,279,340	100.00
Kai Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp. Humphrey Cheng (Chairman), David Wang, Bill Yang	302,843,390	100.00
	Supervisors	Far Eastern New Century Corp. Li-Chi Chen	-	-
	President	Humphrey Cheng	302,843,390	100.00
Ding Yuan International Investment Co., Ltd.	Directors	Far Eastern New Century Corp. Bill Yang (Chairman), Benjamin Shih, David Wang	205,000,000	100.00
	Supervisors	Far Eastern New Century Corp. Alan Tsai	-	-
Far Eastern Construction Co., Ltd.	Directors	Far Eastern New Century Corp. S.S Hsu (Chairman), Shaw Y. Wang, Douglas Tong Hsu, D.F. Yang, B.S. Hong, S.F. Cheng, Lin Kuo, C.Y. Lee, C.M. Chen, Peter Hsu, T.Z. Chang	154,373,062	65.11
	Supervisors	Der Ching Investment Co., Ltd. Charles Wang, H.K. Ni	79,535,966	33.55
	President	S.F. Cheng	-	-
Far Eastern General Contractor Inc.	Directors	Far Eastern Construction Co., Ltd. S.S Hsu (Chairman), Douglas Tong Hsu, Shaw Y. Wang, S.F. Cheng, Wei Ying Lin Kuo, D.F. Yang, T.C. Lin You, Z.C. Ku	125,638,715	98.95
	Supervisors	Yuan Ding Investment Co., Ltd. Jackson Wu, Y.M. Shih	1,270,063	1.00
	President	S.F. Cheng	10,600	-
Far Eastern Fibertech Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu (Chairman), Johnny Shih, Fred Chu, Humphrey Cheng, C.Y. Huang	66,673,660	100.00
	Supervisors	Yuan Ding Investment Co., Ltd. Y.H. Tseng, David Wang	-	-
	President	Fred Chu	66,673,660	100.00
An Ho Garment Co., Ltd.	Directors	Far Eastern New Century Corp. Raymond Hsu (Chairman), Benjamin Shih, David Wang, Bill Yang	66,346,200	100.00
	Supervisors	Far Eastern New Century Corp. Alan Tsai	66,346,200	100.00
Oriental Resources Development Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. Ru Yu Wu (Chairman), T.H. Liu, Humphrey Cheng, Y.H. Tseng, David Wang	21,322,000	70.32
	Supervisors	Oriental Union Chemical Corporation Alex Kuo, Y.K. Pan	9,000,000	29.68
		Yuan Ding Investment Co., Ltd. Bill Yang	21,322,000	70.32
		Oriental Union Chemical Corporation Judy Wang	9,000,000	29.68
	President	Fanny Liao	-	-
Far Eastern Apparel Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. C.S. Tu (Chairman), Eric Hu, Austin Lee, Benjamin Shih, Li-Chi Chen, M.F. Chen, Sandy Chiou	22,023,188	100.00
	Supervisors	Yuan Ding Investment Co., Ltd. Y.H. Chen, Alan Tsai	22,023,188	100.00

Far Eastern New Century

Annual Report 2010

Company	Title	Name or representative	Registered shares owned	
			Shares	%
Yuan Faun Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. L.T. Chang (Chairman), Y.H. Tseng, T.H. Liu, Fred Chu, Eric Hu	5,000,000	100.00
	Supervisors	Yuan Ding Investment Co., Ltd. Humphrey Cheng, David Wang	5,000,000	100.00
Fu Kwok Garment Manufacturing Co., Ltd.	Directors	Far Eastern New Century Corp. Raymond Hsu (Chairman), Eric Hu, Austin Lee, Stanley Hu	3,999,465	99.99
	Supervisors	Far Eastern New Century Corp. Alan Tsai	3,999,465	99.99
	President	Raymond Hsu	-	-
Ming Ding Co., Ltd.	Directors	Far Eastern Apparel Co., Ltd. Bill Yang (Chairman)	448,000	44.80
		Da Ju Fiber Co., Ltd. F.Z. Yu	414,000	41.40
	Supervisors	Yue Ming Co., Ltd. M.F. Chen	138,000	13.80
		Far Eastern Apparel Co., Ltd. C.C. Ding	448,000	44.80
		-	-	-
Yuan Cheng Human Resources Consultant Corp	Directors	Yuan Faun Co., Ltd. Benjamin Shih(Chairman), Humphrey Cheng, Emily Wu, David Wang, B.T. Cheng, C.Y. Lin	472,222	55.56
		Chang Cheng Human Resources Consultant Co., Ltd. J.C. Wang, M.L. Yan, C.W. Wang, L.C. Lee, C.C. Wang	377,778	44.44
	Supervisors	Yuan Faun Co., Ltd. Bill Yang	472,222	55.56
		-	-	-
Far Eastern Ploychem Industries Ltd.	Directors	Yuan Ding Investment Co., Ltd. Far Eastern New Century Corp. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, L.T. Chang, Champion Lee C.S. Tu, Tsong P. Perng	331,717,633	32.85
		-	678,205,962	67.15
Far Eastern Investment (H) Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	1,700,000	100.00
FEDP (H) Ltd.	Directors	Far Eastern Ploychem Industries Ltd. Far Eastern New Century Corp. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	240,304	49.57
		-	244,480	50.43
PET Far Eastern (H) Ltd.	Directors	Far Eastern Ploychem Industries Ltd. Far Eastern New Century Corp. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	34,793	14.73
		-	201,445	85.27
Oriental Textile(H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	85,250	100.00
Far Eastern Apparel (H) Ltd.	Directors	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	111,200	100.00
Far Eastern Polytex(H) Ltd.	Directors	Far Eastern New Century Corp. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	45,650	100.00
Sino Belgium (H) Ltd.	Directors	Yuan Tong Investment Co., Ltd. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, Champion Lee, C.S. Tu	16,900	87.50
		Martens HK Limited Jan Martens	2,415	12.50
-	-	-	-	-

Special Disclosure

Company	Title	Name or representative	Registered shares owned	
			Shares	%
Far Eastern Industries (Shanghai) Ltd.	Directors	Far Eastern Ploychem Industries Ltd. Far Eastern New Century (China) Ltd. L.T. Chang (Chairman), C.S. Tu, Champion Lee, D.C. Wu, K.S. Wu, Humphrey Cheng, Donald Fan	-	87.64
	Supervisors President	Yvonne Lee C.Y. Dai	-	12.36
Oriental Petrochemical (Shanghai) Ltd.	Directors	PET Far Eastern (H) Ltd. Pacific Petrochemical (H) Ltd. Far Eastern New Century (China) Ltd. L.T. Chang (Chairman), Y.H. Tseng, Paul Chuang, D.C. Wu, Humphrey Cheng, K.S. Wu, Alex Kuo	-	53.24
	Supervisors President	R.H. Shao Paul Chuang	-	38.65
Far Eastern New Century (China) Ltd.	Directors	Far Eastern Polytex(H) Ltd. L.T. Chang (Chairman), C.S. Tu, Eric Hu, Humphrey Cheng, D.C. Wu	-	8.11
	Supervisors President	Charles Wang C.S. Tu	-	100.00
Martens Beer (Shanghai) Ltd.	Directors	Sino Belgium (H) Ltd. Eric Hu, Jan Martens, Alfons Martens, S.Y. Lai, Fanny Liao	-	100.00
	Supervisors President	Brian Lee S.Y. Lai	-	-
Shanghai Yuan Hua Logistic Corp.	Directors	Far Eastern Industries (Shanghai) Ltd. L.T. Chang (Chairman), C.Y. Dai, K.S. Wu, Mo Jyi Wu, W.Y. Yun	-	100.00
	Supervisors	Y.P. Hung, Brian Lee	-	-
Shanghai Far Eastern IT Corp.	Directors	Far Eastern Industries (Shanghai) Ltd. L.T. Chang (Chairman), C.Y. Dai, Emily Wu, Mo Jyi Wu, Mike Wu	-	100.00
	Supervisors	Y.P. Hung, Brian Lee	-	-
Oriental Industries (Suzhou) Ltd.	Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), Humphrey Cheng, David Wang, Mo Jyi Wu, K.J. Chen Steve Liu, T.H. Tsai	-	100.00
	Supervisors President	Emily Wu Mo Jyi Wu	-	-
Far Eastern Industries (Suzhou) Ltd.	Directors	FEDP (H) Ltd. Eric Hu (Chairman), Humphrey Cheng, S.Y. Lai, Benjamin Shih, David Wang Steve Liu, Mo Jyi Wu	-	100.00
	Supervisors President	Alan Tsai Donald Fan	-	-
Far Eastern Dyeing and Finishing (Suzhou) Ltd.	Directors	Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Humphrey Cheng, Benjamin Shih, Kwen Lin Ho, Steve Liu, David Wang, Bill Yang	-	100.00
	Supervisors President	Brian Lee Kwen Lin Ho	-	-
Sino Belgium (Suzhou) Ltd.	Directors	Sino Belgium (H) Ltd. Eric Hu (Chairman), David Wang, Humphrey Cheng	-	100.00
	Supervisors President	Alan Tsai Donald Fan	-	-

Far Eastern New Century

Annual Report 2010

Company	Title	Name or representative	Registered shares owned	
			Shares	%
Far Eastern Apparel (Suzhou) Ltd.	Directors	Far Eastern Polytex (H) Ltd. Far Eastern Apparel (H) Ltd. Eric Hu (Chairman), Austin Lee, Mike Wu, H.B. Liang, Hans Kuo, Tony Liang, Steve Liu	-	61.54
	Supervisors	Brian Lee	-	-
	President	Austin Lee	-	38.46
Suzhou An He Apparel Ltd.	Directors	Far Eastern Apparel (Suzhou) Ltd. Eric Hu (Chairman), Austin Lee, Mike Wu, Hans Kuo, Steve Liu	-	100.00
	Supervisors	Brian Lee	-	-
	President	Austin Lee	-	-
Far Eastern Industries (Wuxi) Ltd.	Directors	Oriental Textile (H) Ltd. Eric Hu (Chairman), Benjamin Shih, T.Y. Hsieh, Humphrey Cheng, David Wang Bill Yang, Mingo A. Chen	-	100.00
	Supervisors	Brian Lee	-	-
	President	T.Y. Hsieh	-	-
Wuhan Far Eastern New Material Ltd.	Directors	Far Eastern Polytex(H) Ltd. Far Eastern Industries (Shanghai) Ltd. Far Eastern Apparel (Suzhou) Ltd. L.T. Chang (Chairman), Donald Fan, Mo Jyi Wu, C.Y. Dai, M.Y. Yeah, B.C. Chang, M.C. Chu	-	96.20
	Supervisors	Brian Lee	-	3.63
	President	C.Y. Dai	-	0.17
Far Eastern Apparel (Vietnam) Ltd.	Directors	Far Eastern Investment (H) Ltd. Austin Lee (Chairman), T.D. Wu, T. H. Huang, Hans Kuo, Mike Wu	-	100.00
	Supervisors	Alan Tsai	-	-
	President	T.D. Wu	-	-
PET Far Eastern (M) SDN BHD	Directors	Far Eastern Investment (H) Ltd. L.T. Chang, Donald Fan, Y.H. Tseng, David Wang, Chuck Tseng, M.S. Chen Tan Soi Lim	Common shares: 5,000,000 Preferred shares: 3,000,000	50.00
	President	Donald Fan	-	-
Waldorf Services B.V.	Directors	F.E.T.G. Investment (Antilles)N.V. Douglas Tong Hsu, Johnny Shih, Van Maurik, Patrick Trust International Management(T.I.M.) B.V.	1,750	100.00
			-	-
F.E.T.G. Investment Antilles N.V.	Directors	Far Eastern Investment (H) Ltd. Douglas Tong Hsu, Johnny Shih, Shaw Y. Wang, C.S. Tu, Champion Lee Orangefield Trust (Antilles) N.V.	6,000	100.00
			-	-
Far Eastone Telecommunications Co., Ltd.	Directors	Yuan Ding Investment Co., Ltd. Douglas Tong Hsu (Chairman), Jan Nilsson, Champion Lee	1,066,657,614	32.73
		Yuan Ding Co., Ltd. Johnny Shih, Peter Hsu	4,163,500	0.13
		Yue Ding Industry Co., Ltd. Toon Lim, Kazuhiro Toda	837,940	0.03
		Lawrence Juen-Yee Lau, Kurt Roland Hellstrom	-	-
	Supervisors	Far Eastern International Leasing Co., Ltd. Eli Hong	26,650,908	0.82
		Asia Investment Corporation Morton Mate Huang	856,303	0.03
		Chen-en Ko	-	-
	President	Yvonne Li	138,950	-

Special Disclosure

Company	Title	Name or representative	Registered shares owned	
			Shares	%
New Century InfoComm Tech Co., Ltd.	Directors	Far Eastern International Leasing Co., Ltd. Douglas Tong Hsu (Chairman)	17,436,284	0.67
		Der Ching Investment (H) Co., Ltd. Jan Nilsson, Peter Hsu	64,225,202	2.47
	Supervisors	Far Eastone Telecommunications Co., Ltd. Tze Chi Hsu, Jin Lin Liang	695,096,070	26.74
		Yu Tong Investment (H) Co., Ltd. T.Y. Yin	9,018,532	0.35
Yuan Cing InfoComm Tech Co., Ltd.	Directors	Far Eastone Telecommunications Co., Ltd. Douglas Tong Hsu (Chairman), Champion Lee, Jan Nilsson	1,500,100,000	100.00
	Supervisors	Far Eastone Telecommunications Co., Ltd. Yvonne Li	1,500,100,000	100.00
ARCOA Communication Co., Ltd.	Directors	Far Eastone Telecommunications Co., Ltd. Yvonne Li (Chairman), Alan Tsai, Maxwell Cheng, Guang-Ruey Chiang, A.Y Deng	82,009,242	61.07
		Wan-Shih-Shin Co., Ltd. Gary Lin	470,325	0.35
		Taiwan Incubator SME Development Co.	1,122,979	0.84
	Supervisors	Far Eastone Telecommunications Co., Ltd. Li-Chi Chen, David Tsai, Sharon Lin	82,009,242	61.07
		President	Guang-Ruey Chiang	-
KGEx.com Co., Ltd.	Directors	Far Eastone Telecommunications Co., Ltd. Jeffrey Gee (Chairman), Jan Nilsson, S.C. Lee, Jessica Chen, Samuel Yuan	89,088,470	79.25
	Supervisors	Far Eastone Telecommunications Co., Ltd. T.Y. Yin	89,088,470	79.25
	President	Jeffrey Gee	-	-
New Diligent Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Jeffrey Gee (Chairman), Daniel Chang, P.L. Chiang	80,000,000	100.00
	Supervisors	New Century InfoComm Tech Co., Ltd. T.Y. Yin	80,000,000	100.00
Q-ware Communications	Directors	President Chain Store Co., Ltd. James Heieh (Chairman), Nan Bey Lai, Chia Hua Chang	8,059,091	11.27
		Far Eastone Telecommunications Co., Ltd. Yvonne Li, Belinda Chen, Jeffrey Gee, Maxwell Cheng	36,459,930	51.00
	Supervisors	Uni-President Enterprises Co., Ltd. Jin Xing Chen	9,875,060	13.81
		Far Eastone Telecommunications Co., Ltd. Sharon Lin	36,459,930	51.00
	President	Pai Ling Chiang	-	-
Yuan Cing Co., Ltd.	Directors	E. World (H) Ltd. Jan Nilsson (Chairman), Eton Shu, Jessica Chen	19,349,994	99.99
	Supervisors	E. World (H) Ltd. T.Y. Yin	19,349,994	99.99
	President	Maggie Mei	-	-
Information Security Service Digital United	Directors	New Century InfoComm Tech Co., Ltd. Jeffrey Gee (Chairman), Daniel Chang, Daniel Wang	14,877,747	100.00
	Supervisors	New Century InfoComm Tech Co., Ltd. T.Y. Yin	14,877,747	100.00
Data Express Infotech Co., Ltd.	Directors	ARCOA Communications Co., Ltd. Benjamin Ho (Chairman), H.J. Liu, Shing Chu, Grace Chu	6,142,500	70.00
	Supervisors	ARCOA Communications Co., Ltd. B.Y. Lai	6,142,500	70.00

Far Eastern New Century

Annual Report 2010

Company	Title	Name or representative	Registered shares owned			
			Shares	%		
O-music Co., Ltd.	Directors	Universal Music Ltd. Sunny Chang (Chairman)	225,000	4.50		
		Far EastTone Telecommunications Co., Ltd. Yvonne Li, Jeffrey Gee, Eton Shu, Benjamin Ho	2,500,000	50.00		
		Gold Typhoon Music Co., Ltd. Joanna Huang	225,000	4.50		
		Forward Music Co., Ltd. Barry Lee	225,000	4.50		
		Supervisors	Far EastTone Telecommunications Co., Ltd. T.Y. Yin	2,500,000	50.00	
	President	Otiga Technologies Limited Ipang Lin	1,375,000	27.50		
		HIM International Music Inc. Lydia Ho	225,000	4.50		
		Belung Chang	-	-		
		ADCast Interactive Marketing Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Benjamin Ho (Chairman), Sharon Chao	932,327	20.63
		Supervisors	Far EastTone Telecommunications Co., Ltd. Eton Shu, Roger Chen	386,870	8.56	
President	Far EastTone Telecommunications Co., Ltd. Sharon Lin	386,870	8.56			
Sharon Chao	-	-				
Simple InfoComm Co., Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Jeffrey Gee (Chairman), Johnson Hsieh P.L. Chiang	3,400,000	100.00		
Supervisors	New Century InfoComm Tech Co., Ltd. T.Y. Yin	3,400,000	100.00			
Linkwell Tech. Co., Ltd.	Directors	Data Express Infotech Co., Ltd. Grace Chu (Chairman)	1,000,000	100.00		
E. World (H) Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Douglas Tong Hsu (Chairman), Champion Lee, Joseph O'Konek, Jordan M. Roderick Laurence Yang (note)	6,014,622	85.92		
Far EasTron (H) Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Jan Nilsson (Chairman)	4,486,988	100.00		
Digital United (Cayman) Ltd.	Directors	New Century InfoComm Tech Co., Ltd. Jeffrey Gee (Chairman), T.Y. Yin	3,320,000	100.00		
Far Eastern Info Service (H) Ltd.	Directors	Far EastTone Telecommunications Co., Ltd. Yvonne Li (Chairman), Jessica Chen, Eton Shu, Robert Liu, Maggie Mei	1,200	100.00		
Far Eastern Tech-info Ltd. (Shanghai)	Directors	Far Eastern Info Service (H) Ltd. Yvonne Li (Chairman), Jessica Chen, Eton Shu, Robert Liu, Maggie Mei	-	100.00		
Digital United Information Technology (Shanghai) Co., Ltd.	Directors	Digital United (Cayman) Ltd. Daniel Chang (Chairman), P.L. Chiang Eric Li	-	100.00		
	Supervisors	Digital United (Cayman) Ltd. T.Y. Yin	-	100.00		
		Digital United (Cayman) Ltd. P.L. Chiang	-	100.00		
		-	-	-		
New Diligence Corporation (Shanghai)	Directors	New Diligent Co., Ltd. Daniel Chang	-	100.00		
Sino Lead Enterprise Limited	Directors	New Diligent Co., Ltd. T.Y. Yin	-	100.00		

Note: Far EastTone Telecommunications Co., Ltd. has not yet appointed another individual to replace Laurence Yang who passed away in 2005.

Special Disclosure

1.1.6 Operation results of each subsidiary and affiliate

Unit:NT\$ thousands, unless stated otherwise

	Name	Paid-in Capital	Total assets	Total liability	Net worth	Operating revenue	Operating income (loss)	Net income (loss)	EPS (NT\$)
0	Far Eastern New Century Corp.	47,545,799	161,452,028	62,903,417	98,548,611	53,758,879	774,853	12,850,170	2.70
1	Yuan Ding Investment Co., Ltd.	18,338,262	48,976,330	12,334,079	36,632,251	4,767,074	4,519,179	4,382,083	2.39
2	Yuan Tong Investment Co., Ltd.	7,051,468	7,321,515	22,066	7,299,449	5,265,486	33,340	27,607	0.04
3	Oriental Petrochemical (Taiwan) Ltd.	5,105,464	14,125,210	7,109,368	7,015,842	28,120,418	2,288,726	1,824,935	3.57
4	Far Eastern Electronic Toll Collection Co., Ltd.	3,830,000	1,172,304	758,834	413,471	954,220	(146,772)	(149,682)	(0.39)
5	Far Eastern Resources Development Co., Ltd.	4,872,793	24,485,916	6,902,057	17,583,859	472,121	169,130	132,258	0.27
6	Kai Yuan Investment Co., Ltd.	3,028,434	6,136,507	1,612,438	4,524,069	600,589	599,103	589,251	1.95
7	Ding Yuan International Investment Co., Ltd.	2,050,000	2,625,263	24,188	2,601,075	116,841	114,447	118,534	0.58
8	Far Eastern Construction Co., Ltd.	2,370,992	11,162,282	6,275,197	4,887,085	4,720,061	1,590,229	1,855,221	7.82
9	Far Eastern General Contractor Inc.	1,269,724	4,529,892	2,860,805	1,669,087	7,807,129	264,045	214,699	1.69
10	Far Eastern Fibertech Co., Ltd.	666,737	2,022,034	1,213,698	808,336	1,897,285	106,492	104,694	1.57
11	An Ho Garment Co., Ltd.	663,462	2,751,153	1,087,162	1,663,991	898	(3,371)	252,127	3.80
12	Oriental Resources Development Ltd.	303,220	316,304	123,971	192,333	529,565	1,041	517	0.02
13	Far Eastern Apparel Co., Ltd.	220,232	842,235	487,863	354,372	1,404,042	23,370	19,624	0.89
14	Yuan Faun Co., Ltd.	50,000	113,921	370	113,551	3,584	(3,230)	193	0.04
15	Fu Kwok Garment Manufacturing Co., Ltd.	40,000	216,283	83,277	133,006	868,756	(8,760)	910	0.22
16	Ming Ding Co., Ltd.	10,000	15,875	1,210	14,665	932	44	106	0.10
17	Yuan Cheng Human Resources Consultant Corp.	8,500	51,007	33,668	17,339	525,620	6,232	6,085	7.16
18	Far Eastern Polychem Industries Ltd.	379 HK\$101	12,650,784 3,372,643	4,329,554 1,154,240	8,321,230 2,218,403	5,748,179 1,417,833	(89,687) (22,122)	587,799 144,985	0.58 0.14
19	Far Eastern Investment (H) Ltd.	496 US\$17.0	5,808,486 199,023	620,210 21,251	5,188,276 177,772	2,450,914 77,931	435,548 13,849	435,533 13,849	2.45 0.08
20	F.E.D.P. (H) Ltd	141 US\$4.8	2,071,435 70,976	640,377 21,942	1,431,058 49,034	-	7,674 244	992 32	2.05 0.07
21	PET Far Eastern (H) Ltd.	71 US\$2.4	6,462,631 221,437	1,082,940 37,106	5,379,691 184,331	1,391,854 44,256	1,640,125 52,151	1,605,417 51,047	6,795.76 216.08
22	Oriental Textile (H) Ltd	25 US\$0.9	9,394,561 320,355	4,043,903 138,561	5,305,658 181,794	2,756,449 87,646	604,214 19,212	539,275 17,147	6325.18 201.14
23	Far Eastern Apparel (H) Ltd.	29 US\$1.0	3,209,725 109,979	1,003,835 34,396	2,205,890 75,583	488,021 15,517	65,350 2,078	62,649 1,992	563.39 17.91
24	Far Eastern Polytex(H)Ltd.	13 US\$0.5	3,850,027 131,918	251,779 8,627	3,598,248 123,291	435,580 13,850	433,850 13,795	427,029 13,578	9,354.42 297.44
25	Sino Belgium (H) Ltd.	6 US\$0.2	1,262,893 43,272	1,237,211 42,392	25,682 880	-	(710,954) (22,606)	(746,302) (23,730)	(36,638.47) (1,228.58)
26	Far Eastern Industries (Shanghai) Ltd.	8,400,684 RMB1,880,399	17,026,423 3,811,175	9,758,733 2,184,384	7,267,690 1,626,791	24,245,275 5,181,500	537,313 114,830	625,701 134,015	N/A N/A
27	Oriental Petrochemical (Shanghai) Ltd.	6,709,604 RMB1,501,870	16,241,175 3,635,406	6,435,986 1,440,624	9,805,189 2,194,782	21,237,686 4,538,743	3,023,451 646,147	2,614,306 558,708	N/A N/A
28	Far Eastern New Century (China) Ltd.	1,628,583 RMB 364,540	1,576,353 352,849	134 30	1,576,219 352,819	2,479 530	293 63	474 101	N/A N/A
29	Martens Beers Trading (Shanghai) Ltd.	111,688 RMB 25,000	29,875 6,687	140,622 31,477	(110,747) (24,790)	29,820 6,373	(95,311) (20,369)	(95,242) (20,354)	N/A N/A
30	Shanghai Yuan Hua Logistic Corp.	22,338 RMB 5,000	71,060 15,906	41,844 9,366	29,216 6,540	57,132 12,210	4,374 935	3,125 668	N/A N/A
31	Shanghai Far Eastern IT Corp.	8,935 RMB 2,000	9,949 2,227	263 59	9,686 2,168	48,723 10,413	1,963 420	1,295 277	N/A N/A
32	Oriental Industries (Suzhou) Ltd.	3,516,281 RMB 787,080	6,575,798 1,471,919	3,913,681 876,034	2,662,117 595,885	4,919,220 1,051,295	(446) (95)	1,486 317	N/A N/A
33	Far Eastern Industries (Suzhou) Ltd.	1,761,847 RMB 394,370	3,559,816 796,825	2,378,787 532,465	1,181,029 264,360	4,211,602 900,069	26,802 5,728	8,319 1,778	N/A N/A
34	Far Eastern Dyeing and Finishing (Suzhou) Ltd.	1,649,727 RMB 369,273	2,592,976 580,409	831,390 186,097	1,761,586 394,312	2,084,108 445,398	76,374 16,322	71,679 15,319	N/A N/A

	Name	Paid-in Capital	Total assets	Total liability	Net worth	Operating revenue	Operating income (loss)	Net income (loss)	EPS (NT\$)
35	Sino Belgium (Suzhou) Ltd.	976,057 RMB 218,480	1,030,629 230,695	892,278 199,726	138,351 30,969	77,213 16,501	(176,526) (37,726)	(578,024) (123,530)	N/A N/A
36	Far Eastern Apparel (Suzhou) Ltd.	913,948 RMB 204,577	2,980,668 667,189	1,679,465 375,930	1,301,203 291,259	4,713,671 1,007,367	165,273 35,321	131,378 28,077	N/A N/A
37	Suzhou An He Apparel Ltd.	4,468 RMB 1,000	75,322 16,860	59,770 13,379	15,552 3,481	258,817 55,312	9,128 1,951	6,971 1,490	N/A N/A
38	Far Eastern Industries (Wuxi) Ltd.	2,150,970 RMB 481,471	5,341,544 1,195,645	2,601,805 582,385	2,739,739 613,260	3,151,914 673,601	597,369 127,665	592,380 126,599	N/A N/A
39	Wuhan Far Eastern New Material Ltd.	764,155 RMB 171,048	1,708,322 382,389	872,798 195,366	835,524 187,023	1,974,307 421,933	78,747 16,829	75,446 16,124	N/A N/A
40	Far Eastern Apparel (Vietnam) Ltd.	175,110 US\$6,000	293,601 10,060	124,416 4,263	169,185 5,797	305,095 9,701	37,268 1,185	35,318 1,123	6.09 0.19
41	PET Far Eastern (M) SDN BHD	145,104 MYR 16,000	1,093,431 120,568	695,465 76,686	397,966 43,882	1,520,683 161,792	30,641 3,260	22,492 2,393	0.51 0.05
42	Waldorf Services B.V.	555 US\$19.3	514,823 17,640	50,782 1,740	464,041 15,900	197,347 6,275	195,366 6,212	195,366 6,212	12.29 0.39
43	FETG Investment Antilles N.V.	175 US\$6.0	474,052 16,243	7,034 241	467,018 16,002	2,139 68	195,177 6,206	195,177 6,206	12.20 0.39
44	Far EasTone Telecommunications Co., Ltd.	32,585,008	91,285,716	20,004,884	71,280,832	58,177,343	11,204,863	8,848,565	2.72
45	New Century InfoComm Tech Co., Ltd.	25,944,490	29,375,219	3,553,146	25,822,073	9,757,962	(378,716)	(125,895)	(0.05)
46	Yuan Cing InfoComm Tech Co., Ltd.	15,001,000	19,383,138	4,306,468	15,076,670	-	(6,434)	48,405	0.03
47	ARCOA Communication Co., Ltd.	1,342,800	2,282,628	714,823	1,567,805	5,177,510	101,268	141,064	1.05
48	KGEx.com Co., Ltd.	1,124,080	1,566,330	649,582	916,748	1,381,631	(75,656)	(86,036)	(0.77)
49	New Diligent Co., Ltd.	800,000	718,498	136	718,362	-	(272)	19,561	0.24
50	Q-Ware Communication Corp.	714,901	359,068	473,533	(114,465)	107,399	(159,222)	(170,231)	(2.38)
51	Yuan Cing Co., Ltd.	193,500	91,801	8,409	83,392	33,521	9,927	8,732	0.45
52	Information Security Service Digital United	148,777	180,460	53,088	127,372	207,070	(2,742)	(2,335)	(0.16)
53	Data Express Infotech Co., Ltd.	87,750	423,760	340,331	83,429	1,081,636	20,337	12,682	1.45
54	O-music Co., Ltd.	50,000	48,225	558	47,667	-	(2,395)	(2,333)	(0.47)
55	ADCast Interactive Marketing Co., Ltd.	45,182	56,933	12,159	44,774	41,485	885	1,847	0.41
56	Simple InfoComm Co., Ltd.	34,000	26,415	2,300	24,115	182,960	849	978	0.29
57	Linkwell Tech Co., Ltd.	10,000	46,295	39,930	6,365	123,065	(4,352)	(3,462)	(3.46)
58	E. World (H) Ltd.	204,295 US\$7,000	90,988 3,118	62 2	90,926 3,116	- -	- -	8,458 268	1.26 0.04
59	Far Easton (H) Ltd.	130,953 US\$4,487	27,181 931	210 7	26,971 924	- -	- -	884 28	0.31 0.01
60	Digital United (Cayman) Ltd.	96,894 US\$3,320	27,008 925	2,738 94	24,270 831	- -	- -	(6,804) (216)	(2.20) (0.07)
61	Far Eastern Info Service (H) Ltd	350 US\$12	157,210 5,389	62 2	157,208 5,387	- -	- -	22,179 704	18,442.16 586.40
62	Far Eastern Tech-Info Ltd. (Shanghai)	92,366 RMB 20,675	184,343 41,263	27,725 6,206	156,617 35,057	166,337 35,548	32,341 6,912	22,497 4,832	N/A N/A
63	Digital United Information Technology (Shanghai) Co., Ltd.	77,656 RMB 17,382	14,399 3,223	274 61	14,125 3,162	1,650 353	(3,971) (849)	(3,673) (785)	N/A N/A
64	New Diligence Corporation (Shanghai)	41,039 RMB 9,186	2,079 465	- -	2,079 465	- -	(153) (33)	(42) (9)	N/A N/A
65	Sino Lead Enterprise Ltd.	113 HK\$ 30	16,889 4,503	16,354 4,360	535 143	49,623 12,240	(45) (11)	(43) (11)	N/A N/A

Special Disclosure

1.2 Declaration for the consolidated financial statements of affiliated enterprises of the Company

REPRESENTATION LETTER

The affiliates of Far Eastern New Century Corp. (FENC) that should be included in the combined financial statements of FENC and its affiliates as of and for the year ended December 31, 2010 in accordance with the "Regulations Governing the Preparation of Combined Financial Statements of Public Companies and their Affiliates" in the Republic of China (ROC) are the same as those already included in the consolidated financial statements of FENC and its subsidiaries as of and for the year ended December 31, 2010. The consolidated financial statements have been prepared under the ROC Statement of Financial Accounting Standards No. 7 - "Consolidated Financial Statements." The information required to be disclosed in the combined financial statements has already been disclosed in the consolidated financial statements. Thus, preparing separate combined financial statements of FENC and its affiliates for the same period is not needed.

Very truly yours,

Douglas Tong Hsu
Chairman
Far Eastern New Century Corp.
March 1, 2011

1.3 Affiliation Report: Not applicable

2. Private Placement Securities in the Most Recent Years

None

3. The Company's Shares Held or Disposed by Subsidiaries in Recent Years until the Annual Report being Published

None

4. Other Supplementary Information

None

5. Pursuant to the Article 2-2-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Most Recent Year until the Annual Report being Published

None



FAR EASTERN NEW CENTURY

36F, Taipei Metro Tower 207, Tun Hwa South Rd., Sec.2, Taipei, Taiwan, R.O.C
Tel +886 2 2733-8000