

Far Eastern New Century Corporation
(Formerly Far Eastern Textile Ltd.)

**Financial Statements for the
Years Ended December 31, 2010 and 2009 and
Independent Auditors' Report**

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.

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.

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		LIABILITIES AND STOCKHOLDERS' EQUITY	2010		2009	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 4)	\$ 8,192,747	5	\$ 5,928,545	4	Short-term bank loans (Notes 13 and 21)	\$ 4,451,842	3	\$ 3,422,461	2
Financial assets at fair value through profit or loss - current (Notes 2 and 5)	17,416	-	53,228	-	Financial liabilities at fair value through profit or loss - current (Notes 2, 5 and 14)	4,461	-	20,750	-
Notes receivable (Note 2)	702,541	1	480,684	1	Notes payable	3,005	-	1,871	-
Accounts receivable - less allowance for bad debts of \$100,099 thousand, net (Note 2)	6,972,796	4	6,011,795	4	Accounts payable	3,777,023	2	2,550,406	2
Notes and accounts receivable from affiliates (Note 20)	321,825	-	227,106	-	Accounts payable to affiliates (Note 20)	1,290,014	1	703,179	1
Other receivables	200,796	-	260,552	-	Accrued expenses (Note 20)	3,162,837	2	2,578,141	2
Other receivables from affiliates (Note 20)	291,486	-	227,478	-	Receipts in advance	299,679	-	270,576	-
Inventories, net (Notes 2, 3 and 6)	5,640,168	4	4,436,524	3	Current portion of long-term liabilities (Notes 2, 14 and 21)	3,260,000	2	5,592,343	4
Prepaid expenses (Note 20)	271,983	-	631,524	1	Other current liabilities	630,045	-	599,298	-
Deferred income taxes assets - current (Notes 2 and 16)	45,829	-	98,038	-					
Other current assets	284,023	-	223,278	-	Total current liabilities	16,878,906	10	15,739,025	11
Total current assets	22,941,610	14	18,578,752	13					
FUNDS AND INVESTMENTS (Notes 2, 7, 8, 9 and 21)					LONG-TERM LIABILITIES, NET OF CURRENT PORTION				
Available-for-sale financial assets - noncurrent	919,563	1	722,890	-	Bonds payable (Notes 2, 14 and 21)	17,201,351	11	7,800,000	5
Financial assets carried at cost - noncurrent	53,667	-	53,667	-	Long-term debts (Notes 14 and 21)	26,709,283	16	28,370,340	19
Investment accounted for by the equity method	121,888,313	75	112,289,875	77	Total long-term liabilities	43,910,634	27	36,170,340	24
Total funds and investments	122,861,543	76	113,066,432	77					
PROPERTIES (Notes 2, 10, 17, 20 and 21)					RESERVE FOR LAND VALUE INCREMENT TAX (Note 10)	1,018,899	1	1,018,899	1
Cost									
Land	1,428,688	1	1,076,981	1	OTHER LIABILITIES				
Buildings and equipment	5,904,996	4	5,869,427	4	Accrued pension cost (Notes 2 and 19)	1,038,860	1	1,050,392	1
Machinery and equipment	40,867,130	25	40,209,266	27	Deferred income (Notes 2, 9 and 20)	55,503	-	52,773	-
Furniture and miscellaneous equipment	2,625,260	1	2,568,397	2	Guarantee deposits received	615	-	615	-
Total cost	50,826,074	31	49,724,071	34	Total other liabilities	1,094,978	1	1,103,780	1
Revaluation increment	3,016,483	2	3,016,844	2	Total liabilities	62,903,417	39	54,032,044	37
Total cost and revaluation increment	53,842,557	33	52,740,915	36					
Less: Accumulated depreciation	42,039,316	26	40,550,392	28	STOCKHOLDERS' EQUITY				
Accumulated impairment losses	159,730	-	1,615	-	Capital stock - NT\$10.00 par value				
	11,643,511	7	12,188,908	8	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
Constructions in progress	2,560,702	2	1,006,817	1	Capital surplus				
Prepayments for equipment	218,769	-	165,639	-	Premium on capital stock	932,814	-	932,814	1
Net properties	14,422,982	9	13,361,364	9	Equity in capital surplus reported by investees	9,287,645	6	9,240,917	6
					Others	7,672	-	7,672	-
INTANGIBLE ASSETS					Total capital surplus	10,228,131	6	10,181,403	7
Other intangible assets (Notes 2 and 17)	23,439	-	8,976	-	Retained earnings				
					Legal reserve	9,413,371	6	8,602,110	6
OTHER ASSETS					Special reserve	3,034,766	2	3,034,766	2
Nonoperating properties, net (Notes 2, 10, 11 and 21)	513,381	1	697,857	1	Unappropriated earnings	14,842,096	9	9,672,105	6
Deferred income taxes assets - noncurrent (Notes 2 and 16)	220,619	-	356,873	-	Total retained earnings	27,290,233	17	21,308,981	14
Farmland (Note 12)	276,661	-	276,661	-	Other stockholders' equity				
Miscellaneous (Notes 2, 17 and 20)	191,793	-	196,317	-	Unrealized gain on financial instruments	5,370,206	3	3,276,309	2
Total other assets	1,202,454	1	1,527,708	1	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	TOTAL	\$ 161,452,028	100	\$ 146,543,232	100

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

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

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 INCOME (LOSS)	<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>

(Continued)

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	%
NONOPERATING EXPENSES AND LOSSES				
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)

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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 (Notes 2, 15 and 16)				Other Equity				
				Shares in Thousands	Amount	Legal Reserve	Special Reserve	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)
BALANCE, JANUARY 1, 2009	4,569,954	\$ 45,699,538	\$ 10,060,658	\$ 8,196,285	\$ 3,034,766	\$ 6,535,276	\$ 17,766,327	\$ (866,020)	\$ 3,696,557	\$ 8,843,128	\$ (656,261)	\$ 84,543,927
Appropriation of the 2008 earnings												
Legal reserve	-	-	-	405,825	-	(405,825)	-	-	-	-	-	-
Stock dividends - NT\$0.2 per share	91,399	913,991	-	-	-	(913,991)	(913,991)	-	-	-	-	-
Cash dividends - NT\$0.8 per share	-	-	-	-	-	(3,655,963)	(3,655,963)	-	-	-	-	(3,655,963)
	4,661,353	46,613,529	10,060,658	8,602,110	3,034,766	1,559,497	13,196,373	(866,020)	3,696,557	8,843,128	(656,261)	80,887,964
Net income in 2009	-	-	-	-	-	8,088,696	8,088,696	-	-	-	-	8,088,696
Adjustments due to changes in investees' equity in long-term investments	-	-	194,351	-	-	18,862	18,862	4,000,948	(789,566)	(121,909)	(13,090)	3,289,596
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	146,473	-	-	-	146,473
Translation adjustments on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	(332,652)	-	-	(332,652)
Reversal of net loss not recognized as pension cost	-	-	-	-	-	-	-	-	-	-	585,239	585,239
Change in unrealized gain (loss) on cash flow hedging financial instruments	-	-	-	-	-	-	-	7,656	-	-	-	7,656
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	(73,606)	-	-	5,050	5,050	(12,748)	(84,329)	-	3,849	(161,784)
BALANCE, DECEMBER 31, 2009	4,661,353	46,613,529	10,181,403	8,602,110	3,034,766	9,672,105	21,308,981	3,276,309	2,490,010	8,721,219	(80,263)	92,511,188
Appropriation of the 2009 earnings												
Legal reserve	-	-	-	811,261	-	(811,261)	-	-	-	-	-	-
Stock dividends - NT\$0.2 per share	93,227	932,270	-	-	-	(932,270)	(932,270)	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	-	(6,059,759)	(6,059,759)	-	-	-	-	(6,059,759)
	4,754,580	47,545,799	10,181,403	9,413,371	3,034,766	1,868,815	14,316,952	3,276,309	2,490,010	8,721,219	(80,263)	86,451,429
Net income in 2010	-	-	-	-	-	12,850,170	12,850,170	-	-	-	-	12,850,170
Adjustments due to changes in investees' equity in long-term investments	-	-	46,728	-	-	123,111	123,111	1,895,558	(1,214,252)	(16,092)	(17,996)	817,057
Translation adjustments on foreign-currency equity-method investments	-	-	-	-	-	-	-	-	(1,768,381)	-	-	(1,768,381)
Change in unrealized gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	198,365	-	-	-	198,365
Adjustments on stockholders' equity due to the sale of long-term equity investments	-	-	-	-	-	-	-	(26)	(3)	-	-	(29)
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>	<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>

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

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

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) provision for losses 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	<u>31,010</u>	<u>(81,656)</u>
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	<u>(48,104)</u>	<u>(51,788)</u>
Net cash used in investing activities	<u>(6,382,436)</u>	<u>(270,872)</u>

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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><u>\$ 8,192,747</u></u>	<u><u>\$ 5,928,545</u></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><u>\$ 461,511</u></u>	<u><u>\$ 583,968</u></u>
Income tax paid	<u><u>\$ 632</u></u>	<u><u>\$ 1,549</u></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><u>\$ 2,827,279</u></u>	<u><u>\$ 1,169,063</u></u>
NONCASH FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u><u>\$ 3,260,000</u></u>	<u><u>\$ 5,592,343</u></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>	
	2010	2009
<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>	
	2010	2009
<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

	December 31	
	2010	2009
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

	December 31	
	2010	2009
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.	\$ 53,667	3.73	\$ 53,667	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.	1,112	0.03	1,540	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.	-	-	26,078	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)	<u>Accumulated Depreciation</u>		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)	<u>Accumulated Depreciation</u>		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

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
<u>December 31, 2010</u>			
Long-term debts			
Bank loans	\$ -	\$ 26,210,536	\$ 26,210,536
Commercial paper	<u>-</u>	<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>-</u>	<u>(28,699)</u>	<u>(28,699)</u>
	3,260,000	16,011,301	19,271,301
Exchangeable bonds	-	1,239,300	1,239,300
Exchangeable bonds discount	<u>-</u>	<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>-</u>	<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 depository 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>
	<u>579,981</u>	<u>356,873</u>
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>Earnings Per Share</u>	
	<u>Before Income Tax</u>	<u>After Income Tax</u>	<u>Shares in Thousands (Denominator)</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)		Shares in Thousands (Denominator)	Earnings Per Share	
	Before Income Tax	After Income Tax		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>-</u>	<u>-</u>	<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:

	December 31	
	2010	2009
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 its 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.

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					
Freundenberg 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)

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
Freundenberg 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					
Freundenberg 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)

	Notes	December 31			
		2010		2009	
		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	b.	<u>218</u>	<u>-</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	b.	<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	b.	<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.	c.	\$ 35,445	64	\$ 35,445	67
Yuan Cing Infocomm Tech Co., Ltd.	d.	2,730	5	-	-
Yue Ding Industry Co., Ltd.	e.	2,579	5	2,579	5
Sale of land					
Far Eastern Construction Co., Ltd.	f.	<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:

- 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.
- 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.
- The deferred income was made by selling the stock of NCIC to YCIC in 2010.
- The deferred income was made by selling the stocks of OPTC to Yue Ding Industry Co., Ltd. in March 2008.
- 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	\$ -	\$ 4,927,431 (Note B)	\$ 49,274,306 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
	Yuan Ding Investment Co., Ltd.	"	1,800,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note B)	49,274,306 (Note E)
Yuan Ding Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	"	180,000	180,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Far Eastern Resources Development Co.	"	650,000	650,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	An Ho Garment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Da Ju Fiber Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
	Yuan Tong Investment Co., Ltd.	"	400,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,831,613 (Note B)	18,316,126 (Note E)
Far Eastern Investment (Holding) Ltd.	Oriental Petrochemical (Shanghai) Co., Ltd.	Receivables from affiliates	US\$ 30,000	US\$ 30,000	-	1%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Flying Dutchman Ltd.	Other receivables	US\$ 5,000	US\$ 5,000	-	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Waldorf Services B.V.	Receivables from affiliates	US\$ 10,000	US\$ 10,000	US\$ 800	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	F.E.T.G. Investment Antilles N.V.	"	US\$ 15,000	US\$ 15,000	US\$ 236	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Oriental Textile (Holding) Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 68,600	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Pet Far Eastern (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,500	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Malaysia Garment	"	US\$ 10,000	US\$ 10,000	US\$ 3,786	0%-1.44571%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	PET Far Eastern (M) Sdn. Bhd.	"	US\$ 20,000	US\$ 20,000	MYR 19,206	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Polytex (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 2,000	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Apparel (Vietnam) Ltd.	"	US\$ 5,000	US\$ 5,000	US\$ 2,500	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
	Far Eastern Polychem Industries Ltd.	"	US\$ 80,000	US\$ 80,000	US\$ 30,800	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)
FEDP (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	US\$ 1,900	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	24,637,153 (Note G)	

(Continued)

Financier	Counter-party	Financial Statement Account	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Appropriation for Ending Period	Interest Rate (%)	Nature of Financing (Note A)	Transaction Amount	Reason for the Financing	Allowance for Doubtful Accounts	Collateral		Amount of Individual Company's Financial Limits	Amount of Financing Company's Financial Limits
											Item	Value		
Ding Yuan International Investment Co., Ltd.	Yuan Tong Investment Co., Ltd.	Receivables from related parties	\$ 90,000	\$ -	\$ -	1.57%-1.71%	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 130,054 (Note B)	\$ 1,300,538 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	90,000	90,000	87,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	An Ho Garment Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Da Ju Fiber Co., Ltd.	"	90,000	90,000	90,000	0.99%-1.76%	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
	Yue Ding Industry Co., Ltd.	"	90,000	90,000	-	-	2	-	For revolving fund	-	Promissory note	-	130,054 (Note B)	1,300,538 (Note E)
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	Receivables from affiliates	US\$ 98,000	US\$ 98,000	US\$ 98,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Industries (Shanghai) Ltd.	"	US\$ 66,000	US\$ 66,000	US\$ 30,000	-	1	HK\$ 1,191,416	-	-	Promissory note	-	4,469,001 (Note H)	4,469,001 (Note H)
	Far Eastern Industries (Suzhou) Ltd.	"	US\$ 10,000	US\$ 10,000	US\$ 10,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Petrochemical (Shanghai) Corp.	"	US\$ 4,000	US\$ 4,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	"	US\$ 25,000	US\$ 25,000	US\$ 18,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Apparel (Suzhou) Ltd.	"	US\$ 30,000	US\$ 30,000	US\$ 11,900	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Investment (Holding) Ltd.	"	US\$ 20,000	US\$ 20,000	-	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	"	US\$ 15,000	US\$ 15,000	US\$ 340	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Yuan Tong Investment Co., Ltd.	An Ho Garment Co., Ltd.	Receivables from related parties	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Kai Yuan International Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
	Yuan Ding Investment Co., Ltd.	"	360,000	360,000	360,000	1%-1.76%	2	-	For revolving fund	-	Promissory note	-	364,972 (Note B)	3,649,725 (Note E)
Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	RMB 60,000	RMB 60,000	RMB 60,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Industries (Wuxi) Ltd.	"	RMB 40,000	RMB 40,000	RMB 30,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	RMB 40,000	RMB 40,000	RMB 40,000	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Far Eastern Industries (Suzhou) Ltd.	"	RMB 20,000	RMB 20,000	-	3%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Sino Belgium (Suzhou) Ltd.	"	RMB 10,000	RMB 10,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Waldorf Services B.V.	Malaysia Garment	Receivables from affiliates	US\$ 5,000	US\$ 5,000	US\$ 4,600	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Chuang Yuan Co., Ltd.	Other receivables	US\$ 10,000	US\$ 10,000	US\$ 6,380	1.44571%-1.75%	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
Oriental Textile (Holding) Ltd.	Far Eastern Industries (Wuxi) Ltd.	Receivables from affiliates	US\$ 64,900	US\$ 64,900	US\$ 48,800	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)
	Oriental Industries (Suzhou) Ltd.	"	US\$ 138,000	US\$ 138,000	US\$ 70,000	-	2	-	For revolving fund	-	Promissory note	-	4,927,431 (Note C)	14,782,292 (Note D)

(Continued)

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

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

(Concluded)

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

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

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

(Continued)

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD

DECEMBER 31, 2010

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

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Equity method investments	686,631	\$ 12,740,990	22.33	\$ 22,143,872	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	208,750	4,168,670	16.80	10,176,534	-
	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,833	1,229,666	9.17	2,776,107	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	129	1,112	0.03	996	-
	Yuan Ding Investment Co., Ltd.	(Note A)	Equity method investments	1,828,323	36,135,804	99.70	36,522,355	-
	Far Eastern Resources Development Co.	(Note A)	Equity method investments	487,279	16,626,087	100.00	17,583,860	-
	Yuan Tong Investment Co., Ltd.	(Note A)	Equity method investments	705,147	6,992,662	100.00	7,299,449	-
	Far Eastern Investment (Holding) Ltd.	(Note A)	Equity method investments	1,700	5,188,276	100.00	5,188,276	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	678,205	5,866,919	67.15	5,866,919	-
	Kai Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	302,844	4,524,100	100.00	4,524,069	-
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Equity method investments	385,760	5,263,384	75.56	5,301,170	-
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Equity method investments	46	3,609,797	100.00	3,598,247	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	186,926	3,387,234	37.13	3,461,684	-
	Far Eastern Construction Co., Ltd.	(Note A)	Equity method investments	154,372	3,126,343	65.11	3,181,981	-
	Ding Yuan International Investment Co., Ltd.	(Note A)	Equity method investments	205,000	2,601,135	100.00	2,601,075	-
	Oriental Securities Corp.	(Note A)	Equity method investments	140,278	2,050,470	19.65	2,043,996	-
	PET Far Eastern (Holding) Ltd.	(Note A)	Equity method investments	202	4,514,131	85.28	4,587,800	-
	An Ho Garment Co., Ltd.	(Note A)	Equity method investments	66,346	1,595,014	100.00	1,663,991	-
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	67,500	1,383,864	16.83	1,291,775	-
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Equity method investments	3,999	129,833	99.99	132,993	-
	Ding Ding Hotel Co., Ltd.	(Note A)	Equity method investments	5,386	31,143	19.00	31,145	-
	FEDP (Holding) Ltd.	(Note A)	Equity method investments	244	721,679	50.43	721,680	-
	Hantech Venture Capital Corp.	-	Financial assets carried at cost	4,939	53,667	3.73	64,732	-
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - noncurrent	62,343	919,563	3.11	919,563	-	
Yuan Ding Investment Co., Ltd.	Oriental Union Chemical Corporation	(Note A)	Equity method investments	73,454	1,306,374	9.12	2,761,880	-
	Everest Textile Co., Ltd.	(Note A)	Equity method investments	118,869	796,141	25.23	916,482	-
	Asia Cement Corporation	(Note A)	Equity method investments	5,358	103,986	0.17	172,783	-
	Far Eastern Department Stores Co., Ltd.	(Note A)	Equity method investments	4,926	139,451	0.40	240,131	-
	Far EastTone Telecommunications Co., Ltd.	(Note A)	Equity method investments	1,066,658	23,285,632	32.73	45,119,617	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Textile (Holding) Ltd.	(Note A)	Equity method investments	86	5,305,641	100.00	5,305,641	-
	Far Eastern Polychem Industries Ltd.	(Note A)	Equity method investments	331,717	2,870,116	32.85	2,870,116	-
	Oriental Securities Corp.	(Note A)	Equity method investments	185,247	2,813,063	25.96	2,699,878	105,125 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Equity method investments	111	2,203,064	100.00	2,203,064	-
	Air Liquide Far Eastern Ltd.	(Note A)	Equity method investments	69,115	1,214,109	35.00	1,211,046	-
	Yuan Ding Company Ltd.	(Note A)	Equity method investments	64,759	1,170,931	12.86	1,198,957	43,500 thousand shares pledged or mortgaged as collaterals for loans
	Pacific Liu Tung Investment Corp. (Note G)	(Note A)	Equity method investments	59,827	1,140,123	14.92	1,145,127	-
	Far Eastern International Leasing Corp.	(Note A)	Equity method investments	75,269	1,026,282	16.87	1,037,815	-
	Far Eastern Fibertech Co., Ltd.	(Note A)	Equity method investments	66,673	818,300	100.00	808,336	-
	Yuan Ding Leasing Corp.	(Note A)	Equity method investments	36,706	376,448	46.20	378,085	-
	Far Eastern Apparel Co., Ltd.	(Note A)	Equity method investments	22,024	354,443	100.00	354,371	-
	Da Ju Fiber Co., Ltd.	(Note A)	Equity method investments	17,182	544,894	41.86	555,110	-
Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Equity method investments	13,053	303,613	29.80	303,332	-	

(Continued)

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

(Continued)

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

(Continued)

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

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	<u>Under asset management contracts (Note E)</u>							
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	999	\$ 32,767	-	\$ 32,767	-
	USI Corporation	-	Financial assets at fair value through profit or loss - current	540	15,768	-	15,768	-
	Chung Hwa Pulp Corporation	-	Financial assets at fair value through profit or loss - current	1,242	19,437	-	19,437	-
	Hsin Kuang Steel Co., Ltd.	-	Financial assets at fair value through profit or loss - current	423	13,705	-	13,705	-
	CSBC Corp., Taiwan	-	Financial assets at fair value through profit or loss - current	108	2,970	-	2,970	-
	Macronix International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,339	27,316	-	27,316	-
	Accton Technology Corporation	-	Financial assets at fair value through profit or loss - current	1,296	26,438	-	26,438	-
	Stark Technology Inc.	-	Financial assets at fair value through profit or loss - current	410	12,587	-	12,587	-
	EVA Airways Corporation	-	Financial assets at fair value through profit or loss - current	450	16,560	-	16,560	-
	HannStar Touch Solution Incorporated	-	Financial assets at fair value through profit or loss - current	540	13,446	-	13,446	-
	Green Energy Technology Inc.	-	Financial assets at fair value through profit or loss - current	288	24,192	-	24,192	-
	Giga Solution Tech. Co.	-	Financial assets at fair value through profit or loss - current	207	4,606	-	4,606	-
	Rechi Precision Co., Ltd.	-	Financial assets at fair value through profit or loss - current	645	11,868	-	11,868	-
	Gloria Material Technology Corporation	-	Financial assets at fair value through profit or loss - current	895	24,299	-	24,299	-
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	54	1,534	-	1,534	-
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss - current	350	32,410	-	32,410	-
	Taiwan Cooperative Bank	-	Financial assets at fair value through profit or loss - current	990	25,047	-	25,047	-
	Wistron Neweb Corporation	-	Financial assets at fair value through profit or loss - current	533	37,257	-	37,257	-
	Prime View International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	648	38,297	-	38,297	-
	Wah Hong Industrial Corp.	-	Financial assets at fair value through profit or loss - current	107	7,629	-	7,629	-
Far EasTone Telecommunications Co., Ltd.	<u>Stocks</u>							
	Yuan Cing Infocomm Tech Co., Ltd.	(Note A)	Equity method investments	1,500,100	15,076,670	100.00	15,076,670	-
	New Century InfoComm Tech Co., Ltd.	(Note A)	Equity method investments	695,096	6,170,177	26.74	6,170,177	-
	ARCOA Communication Co., Ltd.	(Note A)	Equity method investments	82,009	1,175,797	61.07	1,175,797	-
	KGEx.com Co., Ltd.	(Note A)	Equity method investments	89,089	726,564	79.25	726,564	-
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Equity method investments	1	174,185	100.00	174,185	-
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Equity method investments	157,714	169,347	41.18	169,347	-
	E. World (Holdings) Ltd.	(Note A)	Equity method investments	6,015	77,979	85.92	77,979	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments	4,725	34,346	15.00	34,346	-
	Far EasTron Holding Ltd.	(Note A)	Equity method investments	4,487	26,920	100.00	26,920	-
	iScreen Corporation	(Note A)	Equity method investments	4,000	24,247	40.00	24,247	-
	O-music Co., Ltd.	(Note A)	Equity method investments	2,500	23,833	50.00	23,833	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments	387	3,834	8.56	3,834	-
	Q-ware Communications Co., Ltd.	(Note A)	Other liabilities - other	36,460	(114,466)	51.00	(114,466)	-
	TCC	-	Available-for-sale financial assets - current	550	18,040	-	18,040	-
	ACC	-	Available-for-sale financial assets - current	2,091	67,432	-	67,432	-

(Continued)

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

(Continued)

Holding Company	Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2009				Note	
				Shares or Units (All Common Shares unless Stated Otherwise) (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
	<u>Open-end mutual funds</u>								
	PCA Well Pool Money Market Fund	-	Available-for-sale financial assets - current	4,612	\$ 60,076	-	\$ 60,076	-	
	Bond Fund	-	Available-for-sale financial assets - current	9,510	120,357	-	120,357	-	
	Capital Income Fund	-	Available-for-sale financial assets - current	7,778	120,272	-	120,272	-	
	Fuh Hwa Bond Fund	-	Available-for-sale financial assets - current	4,340	60,167	-	60,167	-	
	Fuh Hwa Global Fixed Income Fund of Funds	-	Available-for-sale financial assets - current	3,095	40,946	-	40,946	-	
	Fuh Hwa Global Short-Term Income Fund	-	Available-for-sale financial assets - current	4,709	50,070	-	50,070	-	
	<u>Bonds</u>								
	The First Private Placement of Unsecured Corporation Bond Issued by Yuan Ding Investment Co., Ltd.	-	Held-to-maturity financial assets - noncurrent	10.00	10,000	-	10,000	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 219,138	12.36	RMB 201,071	-	
	Oriental Petrochemical (Shanghai) Ltd.	(Note A)	Equity method investments	(Note H)	RMB 115,232	8.11	RMB 177,997	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Equity method investments	(Note H)	US\$ 4,844	100.00	RMB 30,968	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Other liabilities - other	(Note H)	US\$ (2,309)	100.00	RMB (24,790)	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai YuanHua Logistic Ltd.	(Note A)	Equity method investments	(Note H)	RMB 5,000	100.00	RMB 6,540	-	
New Century InfoComm Tech Co., Ltd.	<u>Stock</u>								
	New Diligent Co., Ltd.	(Note A)	Equity method investments		80,000	718,362	100.00	718,362	-
	Information Security Service Digital United Co., Ltd.	(Note A)	Equity method investments		14,878	127,013	100.00	127,013	-
	Simple InfoComm Co., Ltd.	(Note A)	Equity method investments		3,400	24,116	100.00	24,116	-
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Equity method investments		1,575	11,460	5.00	11,460	-
	ADCast Interactive Marketing Co., Ltd.	(Note A)	Equity method investments		932	9,237	20.63	9,237	-
	Kaohsiung Rapid Transit Corporation	-	Financial assets carried at cost - noncurrent		30,000	40,797	3.00	40,797	-
	BankPro E-service Technology Co., Ltd.	-	Financial assets carried at cost - noncurrent		450	4,500	3.33	4,500	-
	C2C Holdings Pte. Ltd.	-	Financial assets carried at cost - noncurrent		30,000	-	6.38	-	-
	MetaEdge Corp.	-	Financial assets carried at cost - noncurrent		39	-	1.59	-	-
	YeServ Com. Limited	-	Financial assets carried at cost - noncurrent		160	-	1.32	-	-
	Auto TOOLS Co., Ltd.	-	Financial assets carried at cost - noncurrent		153	-	1.53	-	-
	TCC	-	Financial assets at fair value through profit or loss - current		111	3,635	-	3,635	-
	GPPC	-	Financial assets at fair value through profit or loss - current		287	5,984	0.04	5,984	-
	SHINKO. TEXTILE	-	Financial assets at fair value through profit or loss - current		90	4,995	0.03	4,995	-
	LP	-	Financial assets at fair value through profit or loss - current		177	2,858	0.03	2,858	-
	ECLAT	-	Financial assets at fair value through profit or loss - current		65	2,499	0.03	2,499	-
	YUNGTAY	-	Financial assets at fair value through profit or loss - current		96	4,205	0.02	4,205	-
	WALSIN	-	Financial assets at fair value through profit or loss - current		1,389	25,696	0.04	25,696	-
	TSRC	-	Financial assets at fair value through profit or loss - current		60	4,050	0.01	4,050	-
	YL	-	Financial assets at fair value through profit or loss - current		325	20,053	0.02	20,053	-
	SY	-	Financial assets at fair value through profit or loss - current		287	5,310	0.03	5,310	-
	CSBC	-	Financial assets at fair value through profit or loss - current		142	3,905	0.02	3,905	-
	ASE	-	Financial assets at fair value through profit or loss - current		90	3,037	-	3,037	-

(Continued)

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

(Continued)

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

(Continued)

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

Notes: A. Equity-method investee.

B. Investor company and investee have the same chairman.

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

D. The subsidiary of equity-method investee.

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

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

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

H. The private company.

I. Institutional director of the investee is FENC.

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

(Concluded)

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

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS100 MILLION OR 20% OF THE CAPITAL STOCK
YEAR ENDED DECEMBER 31, 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

(Continued)

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

(Continued)

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

(Continued)

Company Name	Securities Type and Issuer	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Investment Income under the Equity Method	Ending Balance	
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands) (Note A)	Amount	Shares (Thousands)	Price	Book Value	Disposal Gain		Shares (Thousands)/ Thousand Units	Amount
	Far Eastern Department Stores Co., Ltd.	Equity-method investments	Open market	-	5,496	\$ 125,275	5,184	\$ 156,762	-	\$ -	\$ -	\$ -	\$ 14,205	10,947	\$ 296,242
	Yi Jinn Industrial Co., Ltd.	Available-for-sale financial assets - noncurrent	Stock dividend	-	-	-	267	-	-	-	-	-	-	-	-
			-	-	16,430	137,188	-	-	16,430	156,621	137,188	59,686	-	-	-
Far Eastern Apparel (Holding) Ltd.	Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	Equity-method investment	Issuance of stock by cash	-	(Note E)	US\$ 25,672	-	US\$ 30,000	-	-	-	-	US\$ 4,615	(Note E)	US\$ 60,287

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

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

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

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

E. The private company.

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

G. The parent company.

H. Subsidiary.

I. The same ultimate parent company.

J. Equity-method investee.

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

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

(Concluded)

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

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

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

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

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

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

(Continued)

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

(Continued)

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

Notes:

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

(Concluded)

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

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

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

(Continued)

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

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

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

Note C: The same ultimate parent company.

Note D: The subsidiary.

Note E: The parent company.

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

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

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

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

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

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

**NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
YEAR ENDED DECEMBER 31, 2010**

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern New Century Corporation	Asia Cement Corporation	Taipei, Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	686,631	22.33	\$ 12,740,990	\$ 7,676,310	\$ 1,093,753	Gain or loss recognized under the treasury stock method
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	1,254,158	1,254,158	208,750	16.80	4,168,670	2,567,143	431,280	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,176,211	1,176,211	73,833	9.17	1,229,666	2,096,627	191,702	Including write off and reversed by upstream transactions (\$559)
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	1,689	1,689	129	0.03	1,112	(1,415,319)	(424)	
	Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Investment	100,294	100,294	1,828,323	99.70	36,135,804	4,382,083	4,346,734	Including write off and reversed by side-stream transactions (\$22,202)
	Far Eastern Resources Development Co.	Taipei, Taiwan	Real estate Investment	14,931,733	14,931,733	487,279	100.00	16,626,087	132,258	944,439	Including write off and reversed by side-stream transactions \$812,181
	Yuan Tong Investment Co., Ltd.	Taipei, Taiwan	Investment	5,850,000	5,850,000	705,147	100.00	6,992,662	27,607	(279,202)	Including write off and reversed by side-stream transactions (\$306,810)
	Far Eastern Investment (Holding) Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,833,333	5,833,333	1,700	100.00	5,188,276	435,533	435,533	
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM 11, Bermuda	Investment	5,846,795	4,306,228	678,205	67.15	5,866,919	587,799	338,017	Including write off by side-stream transactions (\$24,331)
	Kai Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	999,993	999,993	302,844	100.00	4,524,100	589,251	589,251	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	Petrochemical materials production	4,875,315	4,875,315	385,760	75.56	5,263,384	1,824,935	1,388,139	Including write off and reversed by upstream transactions and side-stream transactions \$9,218
	Far Eastern Polytex (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	2,984,602	2,984,602	46	100.00	3,609,797	427,029	430,036	Including write off and reversed by side-stream transactions \$3,007
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	857,447	857,447	186,926	37.13	3,387,234	302,274	112,348	
	Far Eastern Construction Co., Ltd.	Taipei, Taiwan	Real estate construction and selling	143,450	143,450	154,372	65.11	3,126,343	1,855,221	1,207,935	
	Ding Yuan International Investment Co., Ltd.	Taipei, Taiwan	Investment	2,000,062	2,000,062	205,000	100.00	2,601,135	118,534	130,129	Including write off by side-stream transactions \$11,595
	Oriental Securities Corp.	Taipei, Taiwan	Broker	159,823	159,823	140,278	19.65	2,050,470	531,278	104,396	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Church St. Hamilton HM 11, Bermuda	Investment	2,827,853	1,509,008	202	85.28	4,514,131	1,605,417	1,356,044	Including write off and reversed by side-stream transactions \$27,651; discount amortization of \$7,295
	An Ho Garment Co., Ltd.	Taipei, Taiwan	Garment production	1,023	1,023	66,346	100.00	1,595,014	252,127	252,127	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	810,000	810,000	67,500	16.83	1,383,864	1,616,339	272,030	
	Fu Kwok Garment Manufacturing Co., Ltd.	Kaohsiung, Taiwan	Garment production	9,129	9,129	3,999	99.99	129,833	910	910	
Ding Ding Hotel Co., Ltd.	Taipei, Taiwan	Hotel	249,795	249,795	5,386	19.00	31,143	11,738	2,230		
New Century Information Communication Co., Ltd.	Taipei, Taiwan	Telecommunications	-	40,560	-	-	-	(125,895)	(196)	Fully sold by August 2010	
FEDP (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Investment	676,315	-	244	50.43	721,679	992	17		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	116,594	81,967	5,358	0.17	103,986	7,676,310	7,952	Gain or loss recognized under the treasury stock method and discount amortization of \$605
	Far EastTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	32.73	23,285,632	8,848,565	2,896,135	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	470,103	470,103	118,869	25.23	796,141	(1,415,319)	(357,085)	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	1,130,169	1,132,851	73,454	9.12	1,306,374	2,096,627	191,743	Including discount amortization of \$530
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	123,123	123,123	4,926	0.40	139,451	2,567,143	10,269	
	Oriental Textile (Holding) Ltd.	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	Investment	5,606,913	5,861,253	86	100.00	5,305,641	539,275	537,228	Including unrealized gross profit of (\$2,047)
	Far Eastern Polychem Industries Ltd.	Clarendon House, Hamilton HM11, Bermuda	Investment	1,620,452	1,620,452	331,717	32.85	2,870,116	587,799	225,028	Including unrealized gross profit of (\$422)
	Oriental Securities Corp.	Taipei, Taiwan	Broker	255,424	253,359	185,247	25.96	2,813,063	531,278	138,359	Including discount amortization of \$439

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	Far Eastern Apparel (Holding) Ltd.	Clarendon House, Hamilton Hm 11, Bermuda	Sale of textile, garments, and clothing	\$ 2,179,442	\$ 1,858,657	111	100.00	\$ 2,203,064	\$ 62,649	\$ 62,649	Fully sold by August 2010 Including discount amortization of \$1,638 and unrealized gross profit of (\$116) Including discount amortization of \$26 Fully sold by February 2010
	Air Liquide Far Eastern Ltd.	Taipei, Taiwan	Industrial gas production and selling	329,814	329,814	69,115	35.00	1,214,109	617,066	215,973	
	New Century InfoComm Tech Co., Ltd.	Taipei, Taiwan	Telecommunications	-	1,549,473	-	-	-	(125,895)	-	
	Yuan Ding Company Ltd.	Taipei, Taiwan	Real estate construction and selling	188,846	188,846	64,759	12.86	1,170,931	302,274	38,912	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	796,491	796,491	59,827	14.92	1,140,123	1,616,339	241,158	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing of real estate and movable property, etc.	1,012,057	1,012,057	75,269	16.87	1,026,282	146,824	24,769	
	Far Eastern Fibertech Co., Ltd.	Taoyuan, Taiwan	Nylon production	585,000	585,000	66,673	100.00	818,300	104,694	104,694	
	Yuan Ding Leasing Corp.	Taipei, Taiwan	Real estate construction and selling	319,380	319,380	36,706	46.20	376,448	16,599	7,669	
	Far Eastern Apparel Co., Ltd.	Taipei, Taiwan	Sale of textile, garments, and clothing	287,984	287,984	22,024	100.00	354,443	19,624	19,624	
	Da Ju Fiber Co., Ltd.	Taipei, Taiwan	Polyester production	263,790	263,790	17,182	41.86	544,894	49,923	20,898	
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taoyuan, Taiwan	Production of nonwoven industrial fabrics	144,797	144,797	13,053	29.80	303,613	249,150	74,247	
	Oriental Resources Development Ltd.	Taipei, Taiwan	Waste recycling and processing	279,901	279,901	21,322	70.32	131,326	517	363	
	Oriental Petrochemicals (Taiwan) Co., Ltd.	Taoyuan, Taiwan	PTA production and sale	-	-	26,528	5.20	354,636	1,824,935	96,419	
	Yuan Faun Ltd.	Taipei, Taiwan	PET bottle production and selling	51,671	51,671	5,000	100.00	115,574	193	193	
	Yue Ming Co., Ltd.	Taipei, Taiwan	Trading	36,482	36,482	1,280	45.50	93,904	2,112	961	
Far Eastern General Constructor Inc.	Taipei, Taiwan	Real estate construction	14,682	14,682	1,270	1.00	17,980	214,699	2,173		
Pacific Petrochemical (Holding) Co., Ltd.	P.O. Box 3140 Tortola British Virgin Islands	Investment	-	681,000	-	-	-	-	-		
Far Eastern Investment (Holding) Ltd.	F.E.T.G. Investment Antilles N.V.	Kaya W.F.G. Mensing 14, Curacao, Nederlandse Antillen	Investment	US\$ 6	US\$ 6	6	100.00	US\$ 15,726	US\$ 6,206	-	
	Filsyn Corporation	Unit 8, 5B Pearlbank Centre 146 Valero St. Makati City 1227, Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	21.85	US\$ -	PESO(1,677,138)	-	
	PET F.E. (M) Sdn Bhd.	Plo 69, Kawasan Perindustrian Senai 3, 81400 Senai, Johor Bahru, Johor Malaysia	Bottle production	MYR 8,000	MYR 8,000	(Note A)	50.00	US\$ 6,818	US\$ 715	-	
	Com 2B Corp.	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20.00	US\$ 884	US\$ 7	-	
Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel (Vietnam) Ltd.	11 VSIP Street 4, Vietnam	Clothing production	US\$ 6,000	US\$ 6,000	(Note B)	100.00	US\$ 6,244	US\$ 1,123	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	85,591	34,795	4,526	0.36	111,815	2,567,143	-	
	Everest Textile Co., Ltd.	Tainan, Taiwan	Chemical fiber production	146,380	146,283	8,523	1.81	48,985	(1,415,319)	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	206,243	200,463	10,045	1.25	222,374	2,096,627	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	38,457	38,457	920	0.03	40,444	8,848,565	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
	Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Department store operations	95,624	95,624	9,683	13.20	199,579	40,961	-	
	Asia Cement Corporation	Taipei, Taiwan	Cement production	375,512	100,711	12,096	0.39	382,665	7,676,310	-	
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taipei, Taiwan	Cement production	280,375	151,277	16,096	0.52	375,174	7,676,310	-	
	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	1,934,181	2,135,682	92,462	2.84	2,407,026	8,848,565	-	
	Oriental Union Chemical Corporation	Taipei, Taiwan	Petrochemical materials production	566,438	569,344	25,303	3.14	490,870	2,096,627	-	
	Far Eastern Department Stores Co., Ltd.	Taipei, Taiwan	Department store operations	290,078	133,316	10,947	0.88	296,242	2,567,143	-	
	Kowloon Cement Co., Ltd.	Hong Kong	Cement production	226,896	226,896	1,127	49.00	348,189	3,958	-	
	Far Eastern International Leasing Corp.	Taipei, Taiwan	Leasing	1,026,489	1,026,489	74,970	16.80	1,026,984	146,824	-	
	Pacific Liu Tung Investment Corp. (Note C)	Taipei, Taiwan	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	China	Chemical fiber production	HK\$ 693,257	HK\$ 604,500	(Note B)	87.64	HK\$ 1,698,003	RMB 134,015	-	
	PET Far Eastern (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	14.72	HK\$ 210,439	US\$ 51,047	-	
	FEDP (Holding) Ltd.	Clarendon House, 2 Charch St. Hamilton HM 11, Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	49.57	HK\$ 189,587	US\$ (32)	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Construction Co., Ltd.	Far Eastern General Constructor Inc. Asia Cement Corporation	Taipei, Taiwan	Construction	\$ 271,587	\$ 271,587	125,639	98.95	\$ 1,606,386	\$ 214,699	\$ -	
		Taipei, Taiwan	Cement production	216,959	216,959	16,217	0.53	416,558	7,676,310	-	
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd. Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd.	China	Garment production	US\$ 10,000	US\$ 10,000	(Note B)	38.46	US\$ 17,147	RMB 28,353	-	
		China	Dyeing and finishing	US\$ 50,000	US\$ 20,000	(Note B)	100.00	US\$ 60,287	RMB 15,319	-	
Far Eastern Apparel Co., Ltd.	Ming Ding Co. Yue Ding Industry Co., Ltd.	Taipei, Taiwan	Underwear selling	2,174	2,174	448	44.80	6,570	106	-	
		Taipei, Taiwan	Department store operations	29	29	6	0.01	60	41,407	-	
F.E.T.G. Investment Antilles N.V.	Waldorf Services B.V.	Leidesplein 9, 1017 PS Amsterdam, The Netherlands	Investment	US\$ 19	US\$ 19	2	100.00	US\$ 15,900	US\$ 6,212	-	
Waldorf Services B.V.	Cemtex Apparel Inc. Malaysia Garment Manufactures Pte. Ltd. Far Eastern International Garments	#100 Marc Alvarez Ave. Talon Las Pinas City Filipino	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50.00	US\$ (233)	PESO (4,145)	-	
		No. 5-9, Little Rd, Singapore (536985)	Garment production	SGD 3,000	SGD 3,000	30	37.90	US\$ 1,749	US\$ 3,603	-	
		Bldg. #5 Cor. Sirloinand Bagsakan Ave, FTI Taguig, MM Filipino	Garment production	US\$ 290	US\$ 290	59	41.00	US\$ (364)	PESO (2,430)	-	
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd. Asia Cement Corporation Oriental Securities Corp. Yue Ding Industry Co., Ltd. Pacific Liu Tung Investment Corp. (Note C) Yuan Ding Investment Co., Ltd.	Taipei, Taiwan	Telecommunications	1,469,123	1,469,123	80,172	2.46	1,936,940	8,848,565	-	
		Taipei, Taiwan	Cement production	99,925	99,925	2,843	0.09	107,153	7,676,310	-	
		Taipei, Taiwan	Broker	86,200	86,200	5,000	0.70	79,061	531,278	-	
		Taipei, Taiwan	Department store operations	111,997	111,997	11,494	15.66	138,663	40,961	-	
		Taipei, Taiwan	Investment	67,285	67,285	4,841	1.21	94,508	1,616,339	-	
		Taipei, Taiwan	Investment	148,994	148,994	5,502	0.30	152,568	4,382,083	-	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Co., Ltd.	Taipei, Taiwan	Personnel recruitment	6,271	6,271	472	55.56	9,634	6,085	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taipei, Taiwan	Telecommunications	19,663	7,588	520	0.02	19,574	8,848,565	-	
Yuan Tong Investment Co., Ltd.	Pacific Liu Tung Investment Corp. (Note C) Far EasTone Telecommunications Co., Ltd. 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	Investment	90,000	90,000	9,000	2.24	166,346	1,616,339	-	
		Taipei, Taiwan	Telecommunications	2,287,705	2,458,607	104,216	3.20	2,838,098	8,848,565	-	
		Taipei, Taiwan	Electronic toll collection service	350,476	350,476	35,048	9.15	32,995	(149,682)	-	
		Taipei, Taiwan	Department store operations	189,735	34,245	7,094	0.57	202,452	2,567,143	-	
		Taipei, Taiwan	Chemical materials production	9,543	9,543	439	0.05	9,977	2,096,627	-	
		Taipei, Taiwan	Cement production	548,453	310,806	16,781	0.55	574,317	7,676,310	-	
		Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Investment	1,086,142	1,086,142	17	87.50	22,471	(746,302)	-	
		Taiwan	Production and sale of communications products	15,001,000	1,000	1,500,100	100.00	15,076,670	48,405	-	
Far EasTone Telecommunications Co., Ltd.	Yuan Cing Infocomm Tech Co., Ltd. New Century InfoComm Tech Co., Ltd. ARCOA Communication Co., Ltd. KGE.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. Far EasTron Holding Ltd. iScreen Corporation (Note D) O-music Co., Ltd. ADCast Interactive Marketing Co., Ltd. (Note D)	Taiwan	Type I, II telecommunications services	6,422,241	6,395,041	695,096	26.74	6,170,177	(125,895)	-	
		Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,295,035	1,295,035	82,009	61.07	1,175,797	141,064	-	
		Taiwan	Type II telecommunications services	2,355,649	2,355,649	89,088	79.25	726,564	(86,036)	-	
		Bermuda	Investment	92,616	92,616	1	100.00	174,185	22,179	-	
		Taiwan	Electronic toll collection service	1,577,140	1,577,140	157,714	41.18	169,347	(151,902)	-	
		Cayman Islands	Investment	82,883	82,883	6,015	85.92	77,979	8,458	-	
		Taiwan	Marketing	90,000	90,000	4,725	15.00	34,346	(44,373)	-	
		Cayman Islands	Investment	150,000	150,000	4,487	100.00	26,920	884	-	
		Taiwan	Information service	100,000	100,000	4,000	40.00	24,247	(14,250)	-	
		Taiwan	Electronic information providing services	25,000	-	2,500	50.00	23,833	(2,333)	-	
Taiwan	Internet advertisements and marketing	4,652	4,652	387	8.56	3,834	1,847	-			

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
	Q-ware Communications Co., Ltd. KG Telecommunications Co., Ltd.	Taiwan Taiwan	Type II telecommunications services Type I telecommunications services	\$ 495,855 -	\$ 495,855 29,629,139	36,460 -	51.00 -	\$ (114,466) -	\$ (170,231) -	\$ - -	
Far Eastern Apparel (Suzhou) Ltd.	Wu Han Far Eastern New Material Ltd. An Ho Garment (Suzhou) Ltd.	China China	Garment production and sales Garment production	RMB 350 RMB 1,000	RMB 350 RMB 1,000	(Note B) (Note B)	0.17 100.00	RMB 350 RMB 2,143	RMB 16,124 RMB 1,490	- -	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Ltd.	China	PTA production and sale	US\$ 105,055	US\$ 105,055	(Note B)	53.24	US\$ 178,870	RMB 558,708	-	
Far Eastern Industries (Shanghai) Ltd.	Wu Han Far Eastern New Material Ltd. Shanghai Yuan Zi Information Co., Ltd.	China China	Garment production and sales Software development, equipment maintenance and consulting	RMB 6,650 RMB 2,000	RMB 6,650 RMB 1,900	(Note B) (Note B)	3.63 100.00	RMB 3,700 RMB 2,180	RMB 16,124 RMB 277	- -	
	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB -	RMB 5,000	(Note B)	-	RMB -	-	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd. Oriental Industries (Suzhou) Ltd.	China China	Fiber and textile production Textile production	US\$ 59,960 US\$ 138,000	US\$ 59,960 US\$ 138,000	(Note B) (Note B)	100.00 100.00	US\$ 93,875 US\$ 91,216	RMB 126,599 RMB 317	- -	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	China	Garment production	US\$ 49,800	US\$ 49,800	(Note B)	100.00	US\$ 40,467	RMB 1,778	-	
Far Eastern Polytex (Holding) Ltd.	Wu Han Far Eastern New Material Ltd. Far Eastern Apparel (Suzhou) Ltd. FEDP (Holding) Ltd.	China China Clarendon House 2 Church Street, Hamilton HM11, Bermuda	Garment production and sales Garment production Investment	US\$ 22,000 US\$ 16,000 US\$ -	US\$ 22,000 US\$ 16,000 US\$ 6,408	(Note B) (Note B) -	96.20 61.54 -	US\$ 27,541 US\$ 27,438 -	RMB 16,124 RMB 28,077 -	- - -	
	Far Eastern New Century (China) Investment Ltd.	China	Investment	US\$ 48,000	US\$ 48,000	(Note B)	100.00	US\$ 63,466	RMB 101	-	
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	-	6,143	70.00	142,401	12,682	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd. Oriental Petrochemical (Shanghai) Ltd.	China China	Fiber and silk production PTA production and sale	RMB 219,138 RMB 115,232	RMB 219,138 RMB 115,232	(Note B) (Note B)	12.36 8.11	RMB 219,138 RMB 115,232	RMB 134,015 RMB 558,708	- -	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd. Martens Beer Trading (Shanghai) Ltd.	China China	Brewer Beer sale	US\$ 30,000 US\$ 3,633	US\$ 30,000 US\$ 3,633	(Note B) (Note B)	100.00 100.00	US\$ 4,844 US\$ (2,309)	RMB (123,530) RMB (20,354)	- -	
Oriental Petrochemical (Shanghai) Ltd.	Shanghai Far Eastern Petrochemical Logistic Ltd.	China	Transportation	RMB 5,000	\$ -	(Note B)	100.00	RMB 5,000	RMB 668	-	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	Taiwan	Business consulting and souvenir selling	800,000	800,000	80,000	100.00	718,362	19,561	-	Note E
	Information Security Service Digital United	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100.00	127,013	(2,335)	-	Note E
	Digital United (Cayman) Ltd.	Cayman Islands	General investment	102,442	102,442	3,320	100.00	24,224	(6,804)	-	Note E
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications	34,000	34,000	3,400	100.00	24,116	978	-	Note E
	Ding Ding Integrated Marketing Service Co., Ltd.	Taiwan	Market Sales	30,000	30,000	1,575	5.00	11,460	(44,373)	-	Note E
	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	54,275	54,275	932	20.63	9,237	1,847	-	Note E
Digital United (Cayman) Ltd.	Digital United Information Technology (Shanghai) Co., Ltd.	Shanghai	Design and research of computer system	US\$ 2,100,000	US\$ 2,100,000	-	100.00	US\$ 480,000	US\$ (116,000)	-	Note E
New Diligent Co., Ltd.	New Diligence Corporation (Shanghai)	Shanghai	Consulting services, supporting services, and wholesale of machine equipment	39,630	39,630	-	100.00	2,057	(42)	-	Note E
	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100.00	535	(43)	-	Note E
Data Express Infotech Co., Ltd.	Linkwell Tech. Co., Ltd.	Taiwan	Sale of communications products	10,000	10,000	1,000	100.00	6,366	(3,462)	-	Note F
Yuan Cing Infocomm Tech Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I, II telecommunications services	19,275,948	-	1,762,945	67.82	19,314,233	(125,895)	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-info Ltd. (Shanghai)	Shanghai	Computer software, data processing and network information providing services	US\$ 2,500,000	US\$ 2,500,000	-	100.00	US\$ 5,320,000	22,497	-	

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2009			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2009	December 31, 2008	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far EasTron Holding Ltd.	ADCast Interactive Marketing Co., Ltd.	Taiwan	Internet advertisements and marketing	US\$ 4,532,000	US\$ 4,532,000	2,734	60.52	US\$ 930,000	\$ 1,847	\$ -	
E. World (Holdings) Ltd.	Yuan Cing Co., Ltd.	Taiwan	Call center services	193,500	193,500	19,350	100.00	US\$ 2,863,000	8,732	-	

Notes:

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

(Concluded)

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

INVESTMENT IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2010

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

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

(Continued)

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

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

Notes:

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

(Continued)

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

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

(Formerly Far Eastern Textile Ltd. and Subsidiaries)

INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE

YEAR ENDED DECEMBER 31, 2010

(In Thousands of U.S. Dollars)

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

(Continued)

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

(Continued)

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

Notes:

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

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)

Industry information

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

