

Far Eastern New Century Corporation

**Financial Statements for the
Years Ended December 31, 2014 and 2013 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") as of December 31, 2014, December 31, 2013 and January 1, 2013 and the related statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2014 and 2013. These financial statements are the responsibility of the Far Eastern New Century Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Far Eastern New Century Corporation as of December 31, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the years then ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

As disclosed in Note 3 to the financial statements, Far Eastern New Century Corporation changed its accounting policy for investment properties effective January 1, 2014 and subsequently measured investment properties using the fair value model. This accounting policy was retrospectively applied; thus, the balance sheets as of December 31, 2014 and the balance sheets as of December 31, 2013 and as of January 1, 2013 have been restated.

The accompanying schedules of major accounting items of Far Eastern New Century Corporation as of and for the year ended December 31, 2014 are presented for the purpose of additional analysis. These schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, these schedules are consistent, in all material respects, with the financial statements referred to in the first paragraph.

March 19, 2015

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

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014		December 31, 2013 (Restated)		January 1, 2013 (Restated)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 9,630,098	3	\$ 9,542,173	4	\$ 4,381,262	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	87,055	-	46,516	-	25,345	-
Bond investments with no active market - current (Note 8)	585,979	-	145,947	-	-	-
Notes and accounts receivable, net (Notes 4, 5 and 9)	8,705,703	3	8,849,369	3	9,505,874	4
Other receivables	52,380	-	220,365	-	210,325	-
Other receivables from related parties (Note 26)	4,740,209	2	4,401,485	2	338,194	-
Current tax assets	16,074	-	2,314	-	45,593	-
Inventories (Notes 4, 5 and 10)	6,499,650	2	6,605,481	2	6,363,829	2
Prepayments	180,825	-	467,163	-	275,259	-
Other current assets	210,557	-	352,909	-	188,733	-
Total current assets	<u>30,708,530</u>	<u>10</u>	<u>30,633,722</u>	<u>11</u>	<u>21,334,414</u>	<u>8</u>
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent (Notes 4 and 12)	794,978	-	902,112	-	804,484	-
Financial assets carried at cost - noncurrent (Notes 4 and 13)	-	-	-	-	53,667	-
Investments accounted for using equity method (Notes 4, 11 and 27)	235,549,257	81	227,000,975	80	216,820,163	83
Property, plant and equipment, net (Notes 4, 5 and 14)	24,198,238	8	21,969,289	8	19,962,782	8
Investment properties, net (Notes 4, 15 and 27)	1,455,418	1	1,429,000	1	1,343,036	1
Other intangible assets (Note 4)	21,607	-	16,392	-	20,332	-
Deferred tax assets (Notes 4, 5 and 23)	189,922	-	291,062	-	344,910	-
Prepayments for equipment (Note 14)	234,306	-	327,575	-	298,135	-
Guarantee deposits (Note 26)	61,249	-	62,792	-	67,515	-
Other financial assets - noncurrent (Note 27)	48,205	-	34,381	-	34,381	-
Other noncurrent assets	114,081	-	86,981	-	186,048	-
Total noncurrent assets	<u>262,667,261</u>	<u>90</u>	<u>252,120,559</u>	<u>89</u>	<u>239,935,453</u>	<u>92</u>
TOTAL	<u>\$ 293,375,791</u>	<u>100</u>	<u>\$ 282,754,281</u>	<u>100</u>	<u>\$ 261,269,867</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 2,229,422	1	\$ 6,260,388	2	\$ 6,116,442	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	272	-	619	-
Notes and accounts payable	2,596,714	1	4,145,447	2	3,449,797	1
Notes and accounts payable to related parties (Note 26)	748,460	-	948,175	-	933,977	1
Payables to suppliers of machinery and equipment	2,113	-	1,173	-	790	-
Other payable	3,797,299	2	3,644,611	1	3,783,002	2
Provisions - current (Note 17)	8,340	-	12,171	-	2,581	-
Receipts in advance	344,143	-	328,753	-	374,931	-
Current portion of long-term liabilities (Note 18)	8,743,734	3	7,246,540	3	2,380,000	1
Other current liabilities	739,966	-	754,607	-	677,080	-
Total current liabilities	<u>19,210,191</u>	<u>7</u>	<u>23,342,137</u>	<u>8</u>	<u>17,719,219</u>	<u>7</u>
NONCURRENT LIABILITIES						
Bonds payable (Note 18)	31,453,279	11	34,790,061	12	32,343,579	12
Long-term borrowings (Note 18)	39,864,033	13	27,961,684	10	22,860,463	9
Deferred tax liabilities (Notes 4, 5 and 23)	1,986,224	1	2,045,892	1	2,072,008	1
Accrued pension liabilities (Notes 4, 5 and 19)	1,322,578	-	1,245,392	1	1,777,425	-
Guarantee deposits received	3,059	-	3,059	-	2,259	-
Deferred credit - gain on inter-related parties accounts (Note 26)	35,998	-	50,795	-	55,850	-
Total noncurrent liabilities	<u>74,665,171</u>	<u>25</u>	<u>66,096,883</u>	<u>24</u>	<u>59,111,584</u>	<u>22</u>
Total liabilities	<u>93,875,362</u>	<u>32</u>	<u>89,439,020</u>	<u>32</u>	<u>76,830,803</u>	<u>29</u>
EQUITY						
Capital stock						
Common stock	52,479,168	18	51,450,165	18	50,441,338	19
Capital surplus	3,666,948	1	4,681,042	2	4,744,045	2
Retained earnings						
Legal reserve	13,408,217	5	12,687,509	5	11,820,720	5
Special reserve	105,911,942	36	25,449,697	9	25,472,425	10
Unappropriated earnings	17,218,149	6	94,418,185	33	89,555,174	34
Total retained earnings	<u>136,538,308</u>	<u>47</u>	<u>132,555,391</u>	<u>47</u>	<u>126,848,319</u>	<u>49</u>
Other equity	6,841,068	2	4,653,726	1	2,430,425	1
Treasury shares	(25,063)	-	(25,063)	-	(25,063)	-
Total equity	<u>199,500,429</u>	<u>68</u>	<u>193,315,261</u>	<u>68</u>	<u>184,439,064</u>	<u>71</u>
TOTAL	<u>\$ 293,375,791</u>	<u>100</u>	<u>\$ 282,754,281</u>	<u>100</u>	<u>\$ 261,269,867</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 19, 2015)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 26)				
Net sales	\$ 58,095,688	100	\$ 61,905,623	100
Other operating revenue	<u>12,786</u>	<u>-</u>	<u>13,459</u>	<u>-</u>
Total operating revenue	<u>58,108,474</u>	<u>100</u>	<u>61,919,082</u>	<u>100</u>
OPERATING COSTS (Notes 22 and 26)				
Cost of goods sold	53,289,077	92	57,691,879	93
Other operating cost	<u>17,294</u>	<u>-</u>	<u>12,609</u>	<u>-</u>
Total operating costs	<u>53,306,371</u>	<u>92</u>	<u>57,704,488</u>	<u>93</u>
GROSS PROFIT	<u>4,802,103</u>	<u>8</u>	<u>4,214,594</u>	<u>7</u>
OPERATING EXPENSES (Notes 22 and 26)				
Selling and marketing	2,850,667	5	2,786,486	5
General and administrative	1,216,581	2	1,204,129	2
Research and development	<u>704,130</u>	<u>1</u>	<u>664,283</u>	<u>1</u>
Total operating expenses	<u>4,771,378</u>	<u>8</u>	<u>4,654,898</u>	<u>8</u>
PROFIT (LOSS) FROM OPERATIONS	<u>30,725</u>	<u>-</u>	<u>(440,304)</u>	<u>(1)</u>
NONOPERATING INCOME AND EXPENSES				
Share of profit of associates (Note 11)	11,196,928	19	13,934,413	22
Interest income	129,615	-	82,448	-
Rental income	22,728	-	21,954	-
Dividend income	18,115	-	15,883	-
Other income - other	332,956	1	580,288	1
Gain on disposal of property plant and equipment	12,902	-	20,181	-
Gain on disposal of investment	48	-	5,626	-
Gain on financial assets (liabilities) at fair value through profit or loss, net (Note 7)	211,806	-	189,620	-
Gain on change in fair value of investment properties (Note 15)	26,418	-	66,510	-
Interest expense	(929,809)	(2)	(860,591)	(1)
Other expense	(199,931)	-	(240,896)	-
Exchange gain (loss), net (Note 4)	287,254	1	(89,281)	-
Impairment loss on assets	<u>(1,334)</u>	<u>-</u>	<u>(8,546)</u>	<u>-</u>
Total nonoperating income and expenses	<u>11,107,696</u>	<u>19</u>	<u>13,717,609</u>	<u>22</u>

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FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 11,138,421	19	\$ 13,277,305	21
INCOME TAX (EXPENSE) BENEFIT (Notes 4, 5 and 23)	<u>(105,000)</u>	<u>-</u>	<u>(61,551)</u>	<u>-</u>
NET INCOME	<u>11,033,421</u>	<u>19</u>	<u>13,215,754</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME				
Unrealized gain on available-for-sale financial assets	(107,134)	-	97,628	-
Revaluation gain	-	-	5,544	-
Actuarial gain (loss) arising from defined benefit plans	(373,695)	(1)	60,778	-
Share of other comprehensive income (loss) of associates	2,273,244	4	2,199,898	4
Income tax (loss) gain relating to components of other comprehensive income	<u>63,528</u>	<u>-</u>	<u>(10,948)</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>1,855,943</u>	<u>3</u>	<u>2,352,900</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 12,889,364</u>	<u>22</u>	<u>\$ 15,568,654</u>	<u>25</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 21)				
Basic	<u>\$ 2.25</u>		<u>\$ 2.69</u>	
Diluted	<u>\$ 2.24</u>		<u>\$ 2.69</u>	

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

(With Deloitte & Touche audit report dated March 19, 2015)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars; Except Dividend Per Share)

	Common Stock (Note 20)	Capital Surplus (Notes 4 and 20)	Legal Reserve (Note 20)	Special Reserve (Note 20)	Unappropriated Earnings (Note 20)	Other Equity					Total Equity
						Exchange Differences on Translating Foreign Operations (Notes 4 and 20)	Unrealized Gain (Loss) on Available-for- sale Financial Assets (Notes 4 and 20)	Unrealized Loss on Cash Flow Hedge (Notes 4 and 20)	Unrealized Revaluation Surplus (Notes 4 and 20)	Treasury Stocks (Note 20)	
BALANCE AT JANUARY 1, 2013	\$ 50,441,338	\$ 4,744,045	\$ 11,820,720	\$ 25,471,594	\$ 15,100,772	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ (25,063)	\$ 109,983,831
Effect of retrospective and retrospection restatement	-	-	-	831	74,454,402	-	-	-	-	-	74,455,233
BALANCE AT JANUARY 1, 2013 A RESTATED	<u>50,441,338</u>	<u>4,744,045</u>	<u>11,820,720</u>	<u>25,472,425</u>	<u>89,555,174</u>	<u>(2,534,967)</u>	<u>5,038,679</u>	<u>(73,287)</u>	<u>-</u>	<u>(25,063)</u>	<u>184,439,064</u>
Appropriation of the 2012 earnings											
Legal reserve	-	-	866,789	-	(866,789)	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,557,374)	-	-	-	-	-	(6,557,374)
Stock dividends - NT\$0.2 per share	1,008,827	-	-	-	(1,008,827)	-	-	-	-	-	-
Net income for the year ended December 31, 2013	-	-	-	-	13,215,754	-	-	-	-	-	13,215,754
Other comprehensive income for the year ended December 31, 2013	-	-	-	-	129,599	2,826,163	(565,947)	(45,076)	8,161	-	2,352,900
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	<u>13,345,353</u>	<u>2,826,163</u>	<u>(565,947)</u>	<u>(45,076)</u>	<u>8,161</u>	-	<u>15,568,654</u>
Change in equity in associates	-	(63,958)	-	(9,952)	(62,128)	-	-	-	-	-	(136,038)
Change in capital surplus from dividends distributed to subsidiaries	-	955	-	-	-	-	-	-	-	-	955
Reversal of special reserve	-	-	-	(12,776)	12,776	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2013	51,450,165	4,681,042	12,687,509	25,449,697	94,418,185	291,196	4,472,732	(118,363)	8,161	(25,063)	193,315,261
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	80,462,245	(80,462,245)	-	-	-	-	-	-
Appropriation of the 2013 earnings											
Legal reserve	-	-	720,708	-	(720,708)	-	-	-	-	-	-
Cash dividends - NT\$1.3 per share	-	-	-	-	(6,688,522)	-	-	-	-	-	(6,688,522)
Stock dividends - NT\$0.2 per share	1,029,003	(1,029,003)	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	11,033,421	-	-	-	-	-	11,033,421
Other comprehensive loss for the year ended December 31, 2014	-	-	-	-	(331,399)	2,580,664	(843,080)	(54,688)	504,446	-	1,855,943
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	<u>10,702,022</u>	<u>2,580,664</u>	<u>(843,080)</u>	<u>(54,688)</u>	<u>504,446</u>	-	<u>12,889,364</u>
Change in equity in associates	-	13,935	-	-	(30,548)	-	-	-	-	-	(16,613)
Net changes from subscription for new shares of the associate at a percentage different from its existing ownership percentage	-	-	-	-	(35)	-	-	-	-	-	(35)
Change in capital surplus from dividends distributed to subsidiaries	-	974	-	-	-	-	-	-	-	-	974
BALANCE, DECEMBER 31, 2014	<u>\$ 52,479,168</u>	<u>\$ 3,666,948</u>	<u>\$ 13,408,217</u>	<u>\$ 105,911,942</u>	<u>\$ 17,218,149</u>	<u>\$ 2,871,860</u>	<u>\$ 3,629,652</u>	<u>\$ (173,051)</u>	<u>\$ 512,607</u>	<u>\$ (25,063)</u>	<u>\$ 199,500,429</u>

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

(With Deloitte & Touche audit report dated March 19, 2015)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,138,421	\$ 13,277,305
Adjustments for:		
Depreciation	1,795,070	1,610,693
Amortization	12,692	9,223
Interest expenses	929,809	860,591
Interest income	(129,615)	(82,448)
Dividend income	(18,115)	(15,883)
Share of the profit of associates	(11,196,928)	(13,934,413)
Gain on disposal of property, plant and equipment	(12,902)	(20,181)
Gain on disposal of investments, net	(48)	(5,626)
Impairment loss recognized on assets	1,334	8,546
Net loss on unrealized foreign currency exchange	20,500	-
Revaluation gain on investment properties	(26,418)	(66,510)
Reversal of write-down	(10,549)	-
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(40,539)	(21,171)
Notes and accounts receivable	154,215	656,505
Other receivables	50,891	(10,040)
Other receivables from affiliates	(365,923)	(97,288)
Inventories	105,831	(241,652)
Prepayments	286,338	(191,904)
Other current assets	142,352	(164,176)
Financial liabilities at fair value through profit or loss	(272)	(347)
Notes and accounts payable	(1,548,733)	695,650
Notes and accounts payable to affiliates	(199,715)	14,198
Other payables	188,289	(178,426)
Receipts in advance	15,390	(46,178)
Other current liabilities	(14,641)	77,527
Accrued pension liabilities	(296,508)	(471,255)
Cash generated from operations	980,226	1,662,740
Interest received	129,033	15,445
Dividend received	8,602,565	9,900,829
Interest paid	(945,544)	(816,980)
Income tax paid	(13,760)	(1,488)
Net cash generated from operating activities	<u>8,752,520</u>	<u>10,760,546</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in bond investments with no active market	(440,032)	(145,947)
Proceeds of the disposal of financial assets carried at cost	-	36,953
Proceeds of capital reduction from financial assets carried at cost	-	17,285

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FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
Acquisition of investments accounted for using the equity-method	\$ (3,560,110)	\$ (4,066,530)
Acquisition of property, plant, equipment and prepayment for equipment	(3,933,612)	(3,688,496)
Proceeds of the disposal of property, plant and equipment	1,955	48,510
Decrease in guarantee deposits	1,543	4,723
(Increase) decrease in other receivable from related parties	1,250	(3,870,000)
Acquisition of intangible assets	(17,907)	(5,283)
Increase in other financial assets	(13,824)	-
Increase in other noncurrent assets	<u>(28,434)</u>	<u>90,521</u>
Net cash used in investing activities	<u>(7,989,171)</u>	<u>(11,578,264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(4,030,966)	143,946
Proceeds of the issue of bonds	5,400,000	9,670,000
Repayments of bonds payable	(7,250,000)	(2,380,000)
Proceeds of long-term borrowings	167,007,094	132,077,235
Repayment of long-term borrowings	(155,104,745)	(126,976,014)
Increase in guarantee deposits received	-	800
Dividends paid	<u>(6,696,807)</u>	<u>(6,557,338)</u>
Net cash generated from (used in) financing activities	<u>(675,424)</u>	<u>5,978,629</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,925	5,160,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,542,173</u>	<u>4,381,262</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,630,098</u>	<u>\$ 9,542,173</u>

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

(With Deloitte & Touche audit report dated March 19, 2015)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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

1. GENERAL INFORMATION

Far Eastern New Century Corporation (FENC or the “Company”), which was incorporated in 1954, manufactures and sells polyester materials, semifinished products and finished goods such as cotton, synthetic or blended fabrics, towels and bedsheets, and woven and knitted garments; PET (polyethylene terephthalate) bottles and PET sheets; and natural, synthetic or blended yarns and polyester textured yarns. It also does yarn, silk and cloth printing and dyeing as well as manufactures wide-view film, antiglare film, antireflection film and other optical films. The Company’s stock is listed on the Taiwan Stock Exchange. On October 19, 1999, the Company issued global depositary receipts (GDRs), which became listed on the Luxembourg Stock Exchange.

On October 13, 2009, the stockholders resolved to change their Group name of Far Eastern Textile Ltd. to Far Eastern New Century Corporation; thus, the original stock symbol of FETL was changed to FENC.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar. For greater comparability and consistency of financial reporting, the financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 19, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. Initial application of new accounting policy

The management of Far Eastern New Century Corporation considered that the fair value model can provide reliable and more relevant information. Thus, on March 19, 2014, the Company’s board of directors resolved to change the Company’s accounting policy for investment properties effective January 1, 2014. Under the new accounting policy, investment properties are subsequently measured using the fair value model, and a special reserve should be appropriated in accordance with Rule No. 1030006415 issued by the Financial Supervisory Commission (FSC).

The impact in the current year is set out below:

	December 31, 2014
	Investment Properties under the Fair Value Model
Impact on Assets, Liabilities and Equity	
Increase in investments accounted for using equity method	\$ 85,345,849
Increase in investment properties	<u>641,493</u>
Increase in assets	<u>\$ 85,987,342</u>
Increase in deferred tax liabilities	<u>\$ 51,380</u>
Increase in unappropriated earnings	\$ 4,931,237
Increase in special reserve	80,464,691
Increase in other equity	<u>540,034</u>
Increase in equity	<u>\$ 85,935,962</u>
	For the Year Ended December 31, 2014
	Investment Properties under the Fair Value Model
Impact on Total Comprehensive Income	
Increase in share of the profit of associates and joint venture	\$ 4,903,114
Increase in adjusting gain on investment properties under fair value model	26,418
Decrease in other expenses	8,662
Increase in income tax expense	<u>(6,172)</u>
Increase in net profit for the year	<u>4,932,022</u>
Share of the other comprehensive (loss) income of associates and joint venture	<u>520,409</u>
Increase (decrease) in other comprehensive income for the year, net of tax	<u>520,409</u>
Increase in total comprehensive income for the year	<u>\$ 5,452,431</u>
Impact on earnings per share	
Increase (decrease) in basic earnings per share	<u>\$1.01</u>
Increase (decrease) in diluted earnings per share	<u>\$1.00</u>

The impact in the prior year is set out below:

Impact on Assets, Liabilities and Equity	As Originally Stated	Investment Properties under the Fair Value Model	Restated
<u>December 31, 2013</u>			
Investments accounted for using the equity method	\$ 147,078,649	\$ 79,922,326	\$ 227,000,975
Investment properties	<u>822,587</u>	<u>606,413</u>	<u>1,429,000</u>
Total effect on assets	<u>\$ 147,901,236</u>	<u>\$ 80,528,739</u>	<u>\$ 228,429,975</u>
Deferred tax liabilities	<u>\$ 2,000,684</u>	<u>\$ 45,208</u>	<u>\$ 2,045,892</u>
Unappropriated earnings	\$ 13,955,940	\$ 80,462,245	\$ 94,418,185
Special reserve	25,448,036	1,661	25,449,697
Other equity	<u>4,634,101</u>	<u>19,625</u>	<u>4,653,726</u>
Total effect on equity	<u>\$ 44,038,077</u>	<u>\$ 80,483,531</u>	<u>\$ 124,521,608</u>
<u>January 1, 2013</u>			
Investments accounted for using the equity method	\$ 142,834,850	\$ 73,985,313	\$ 216,820,163
Investment properties	<u>816,604</u>	<u>526,432</u>	<u>1,343,036</u>
Total effect on assets	<u>\$ 143,651,454</u>	<u>\$ 74,511,745</u>	<u>\$ 218,163,199</u>
Deferred tax liabilities	<u>\$ 2,015,496</u>	<u>\$ 56,512</u>	<u>\$ 2,072,008</u>
Unappropriated earnings	\$ 15,100,772	\$ 74,454,402	\$ 89,555,174
Special reserve	<u>25,471,594</u>	<u>831</u>	<u>25,472,425</u>
Total effect on equity	<u>\$ 40,572,366</u>	<u>\$ 74,455,233</u>	<u>\$ 115,027,599</u>
For the Year Ended December 31, 2013			
Impact on Total Comprehensive Income	As Originally Stated	Investment Properties under the Fair Value Model	Restated
Share of profit associates and joint venture	\$ 8,012,097	\$ 5,922,316	\$ 13,934,413
Revaluation gain on investment properties	\$ -	\$ 66,510	\$ 66,510
Other expenses	\$ (248,823)	\$ 7,927	\$ (240,896)
Income tax expenses	\$ (73,471)	\$ 11,920	\$ (61,551)
Net profit	<u>\$ 7,207,081</u>	<u>\$ 6,008,673</u>	<u>\$ 13,215,754</u>
Share of other comprehensive income (loss) of associates and joint venture	<u>\$ 2,185,201</u>	<u>\$ 14,697</u>	<u>\$ 2,199,898</u>
Gain on revaluation	<u>\$ -</u>	<u>\$ 5,544</u>	<u>\$ 5,544</u>

(Continued)

Impact on Total Comprehensive Income	For the Year Ended December 31, 2013		
	As Originally Stated	Investment Properties under the Fair Value Model	Restated
Income tax loss relating to components of other comprehensive income	\$ (10,332)	\$ (616)	\$ (10,948)
Total other comprehensive income	\$ 2,333,275	\$ 19,625	\$ 2,352,900
Total comprehensive income for the period	\$ 9,540,356	\$ 6,028,298	\$ 15,568,654
Impact on earnings per share			
Basic	\$1.47	\$1.22	\$2.69
Diluted	\$1.46	\$1.23	\$2.69

(Concluded)

b. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities

Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective.

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014 stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”	July 1, 2010
Amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”	July 1, 2011
Amendment to IFRS 1 “Government Loans”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Transfer of Financial Assets”	July 1, 2011
IFRS 10 “Consolidated Financial statements”	January 1, 2013
IFRS 11 “Joint Arrangements”	January 1, 2013
IFRS 12 “Disclosure of Interests in Other Entities”	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 “Consolidated Financial statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”	January 1, 2013

(Continued)

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IFRS 12 and IAS 27 “Investment Entities”	January 1, 2014
IFRS 13 “Fair Value Measurement”	January 1, 2013
Amendment to IAS 1 “Presentation of Other Comprehensive Income”	July 1, 2012
Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”	January 1, 2012
IAS 19 (Revised 2011) “Employee Benefits”	January 1, 2013
IAS 27 (Revised 2011) “Separate Financial Statements”	January 1, 2013
IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”	January 1, 2013
Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”	January 1, 2014
IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine”	January 1, 2013

(Concluded)

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, whenever applied, the initial application of the above 2013 IFRSs and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Company’s accounting policies:

1) IFRS 10 “Financial statements”

IFRS 10 replaces IAS 27 “Consolidated and Separate Financial Statements” and SIC 12 “Consolidation - Special Purpose Entities”. The Company considers whether it has control over other entities for consolidation. The Company has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 11 “Joint Arrangements”

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities - Non-monetary Contributions by Ventures”. Joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. Joint ventures are accounted for using the equity method. Under IAS 31, Joint arrangements are classified as jointly controlled entities, jointly controlled assets, and jointly controlled operations, and the Company accounts for its jointly controlled entities using the proportionate consolidation method.

3) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

4) Revision to IAS 28 “Investments in Associates and Joint Ventures

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

Under revised IAS 28, when a portion of an investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organization, the Company elects to measure the investment at fair value through profit or loss. Any remaining portion of its investment in that associate that is not held through a venture capital organization is accounted for using the equity method. Under current IAS 28, the entire investment in the associate is accounted for using equity method regardless of whether the investments are held by, or are held indirectly through, an entity that is a venture capital organization.

5) Amendments to IFRS 10, IFRS 12 and IAS 27 “Investment Entities”

The amendments to IFRS 10 define an investment entity and introduce an exemption from the requirement for a parent that is an investment entity to consolidate all of its subsidiaries. Before the amendments, a parent that is an investment entity was required to consolidate all of its subsidiaries. Under the amendments, an investment entity is instead required to measure its interests in subsidiaries at fair value through profit or loss.

6) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

7) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Company will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

8) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities and retained earnings. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Company would elect not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The anticipated impact of the initial application of the revised IAS 19 is detailed as follows:

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on assets, liabilities and equity</u>			
<u>December 31, 2014</u>			
Accrued pension liabilities	<u>\$ 1,322,578</u>	<u>\$ (165,557)</u>	<u>\$ 1,157,021</u>
Unappropriated Earnings	<u>\$ 17,218,149</u>	<u>\$ 165,557</u>	<u>\$ 17,383,706</u>
<u>January 1, 2014</u>			
Accrued pension liabilities	<u>\$ 1,245,392</u>	<u>\$ (188,006)</u>	<u>\$ 1,057,386</u>
Unappropriated Earnings	<u>\$ 94,418,185</u>	<u>\$ 188,006</u>	<u>\$ 94,606,191</u>
<u>Impact on total comprehensive income for the year ended December 31, 2014</u>			
Operating cost	<u>\$ (53,306,371)</u>	<u>\$ (130,404)</u>	<u>\$ (53,436,775)</u>
Operating expense	<u>\$ (4,771,378)</u>	<u>\$ (49,926)</u>	<u>\$ (4,821,304)</u>
Net profit for the year	<u>\$ 11,033,421</u>	<u>\$ (180,330)</u>	<u>\$ 10,853,091</u>
Actuarial loss arising from defined plans	<u>\$ (373,695)</u>	<u>\$ 157,881</u>	<u>\$ (215,814)</u>
Other comprehensive income	<u>\$ 1,855,943</u>	<u>\$ 157,881</u>	<u>\$ 2,013,824</u>
Total comprehensive income for the year	<u>\$ 12,889,364</u>	<u>\$ (22,449)</u>	<u>\$ 12,866,915</u>

9) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

10) Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets

Under the amendments, investment properties that are measured using the fair value model are presumed to be recovered through sale for the purposes of measuring deferred taxes. However, the presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embedded in the investment property over time, rather than through sale, and accordingly, the recognition of the tax consequences should reflect the expected manner of recovering the asset.

The Company measures its investment properties using the fair value model. As the investment property is held within a business model whose objective is to consume substantially all of the economic benefits over time, the measurement of deferred tax reflects the tax consequences of recovering the carrying amount through use.

11) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

12) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation” and IAS 34 “Interim Financial Reporting” were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the consolidated balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the consolidated balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 “Income Taxes”.

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Company and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version in 2015 is expected to have material effect on the consolidated balance sheet as of January 1, 2014. In preparing the consolidated financial statements for the year ended December 31, 2015, the Company would present the consolidated balance sheet as of January 1, 2014 in accordance of the above amendments to IAS 1 and disclose related information in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, but not required to make disclosures about the line items of the consolidated balance sheet as of January 1, 2014.

13) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

c. New IFRSs in issue but not yet endorsed by the FSC

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the financial statements were authorized for issue, the FSC has not announced their effective dates.

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

Note 1: Unless stated otherwise, the above new, revised or amended standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, the initial application of the above new standards and interpretations has not had any material impact on the Company's accounting policies:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Company's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Company takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees’ service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

3) Amendments to IAS 36, “Recoverable Amount Disclosures for Non-financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Company is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

4) IFRIC 21 “Levies”

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Company accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

5) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” were amended in this annual improvement.

The amended IFRS 2 changes the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition”. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Company or another entity in the same group or the market price of the equity instruments of the Company or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Company as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Company, but also of other entities outside the Company.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Company is a related party of the Company. Consequently, the Company is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

6) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 “Investment Property”, were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

7) Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”

The amendments require that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3. Accordingly, a joint operator that is an acquirer of such an interest has to measure most identifiable assets and liabilities at fair value; recognize expense acquisition-related costs (other than debt or equity issuance costs); recognize deferred taxes and perform impairment tests for the cash generating units to which goodwill has been allocated. In addition, the acquirer of an interest in a joint operation has to disclose information required relevant for business combinations.

The amendments also apply to the formation of a joint operation if, and only if, an existing business is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

The amendments do not apply on the acquisition of an interest in a joint operation when the parties sharing control are under common control before and after the acquisition.

8) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

- a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

9) IFRS 15, “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18, “Revenue,” IAS 11, “Construction Contracts,” and a number of revenue-related interpretations.

When applying IFRS 15, the Company shall recognize revenue by applying the following steps:

- a) Identify the contract with the customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contracts; and

e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

10) IAS 16 and IAS 41 “Agriculture: Bearer Plants”

The amended standards require that bearer plants should be accounted for in accordance with IAS 16. When applying the amended standards, the Company will initially recognize bearer plants at cost and subsequently measure them using cost model. A bearer plant is a living plant that expects to produce or supply agricultural produce for more than one period and that has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Under current IAS 41 “Agriculture”, all biological assets should be measured at fair value.

11) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”

The amendments stipulated that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

12) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) “held for sale” and non-current assets “held for distribution to owners” does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for “held for distribution to owners” and do not meet the criteria for “held for sale” should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

IAS 19 was amended to clarify that the depth of the market for high quality corporate bonds used to estimate discount rate for post-employment benefits should be assessed by the market of the corporate bonds denominated in the same currency as the benefits to be paid, i.e. assessed at currency level (instead of country or regional level).

13) Amendment to IAS 1 “Disclosure Initiative”

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Company should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Company should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

14) Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”

The amendments clarified that when the Company (non-investment entity) applies the equity method to an associate or a joint venture that is an investment entity, the Company may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and jointly controlled entities. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent Group only financial statements to be the same with the amounts attributable to the owner of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent Group only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent Group only financial statements

c. Classification of current and noncurrent assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and

- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Nonmonetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of nonmonetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including those of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies that differ from that used by the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and noncontrolling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to noncontrolling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is determined as normal market value minus predicted selling expenses. Cost is determined using the weighted-average method.

f. Investment in associates

Investments in subsidiaries, associates and jointly controlled entities are accounted for by the equity method.

1) Investment in subsidiaries

Subsidiaries (including special purpose entities) are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and is adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates attributable to the Company.

When the Company subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company remeasured the retained carrying amount of the associate at fair value from the date on which it ceases to have significant influence. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

The self-owned land is not depreciated.

The Company estimates and capitalizes the costs of dismantling and removing properties and restoring the dismantling site, recognizes these costs as property, plant and equipment, and accrues asset related provision.

An indefeasible right of use (IRU) is an irrevocable right to use a specified amount of capacity for a specific period. Costs of IRU acquired are included in property, plant and equipment and depreciated over the estimated useful lives of IRU.

Depreciation expense is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as that for owned assets. Assets are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

h. Investment properties

Investment properties are properties held for earning rentals and/or for capital appreciation; they include land held for an undetermined purpose.

Investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Gains or losses on changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value of the property at the transfer date and its previous carrying amount is recognized in other comprehensive income.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life.

When the Company has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognizes an intangible asset at fair value upon initial recognition. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss.

3) Derecognition of intangible assets

Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

j. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation, otherwise, corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into: Financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available-for-sale (AFS) financial assets and loans and receivables.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

ii. Held-to-maturity investments

Corporate bonds, which is above specific credit ratings and for which the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

iii. Available-for-sale financial assets (AFS financial assets)

AFS financial assets are nonderivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets at fair value through profit or loss.

AFS financial assets are measured at fair value. Change in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposal or is determined to be impaired.

Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Available-for-sale equity financial assets do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit or loss.

iv. Loans and receivables

Loans and receivables (including accounts receivable, cash and cash equivalents, debt investments with no active market and other financial assets) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they are assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered an objective evidence of impairment.

For all other financial assets, the objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will undergo bankruptcy or financial reorganisation, or the disappearance of an active market for that financial asset because of financial difficulties.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For available-for-sale equity investments, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. When accounts receivable are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and recognized in equity is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method at the end of subsequent reporting periods.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange swap contracts and cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

1. Provisions

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract, the present obligations arising under onerous contracts are recognized and measured as provisions.

m. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

2) Dividend and interest income

Dividend income from investments is recognized when the stockholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

n. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailement or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

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

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Income Taxes

As of December 31, 2014, December 31, 2013 and January 1, 2013, the realizability of the deferred tax asset (liability) mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

Estimated Impairment of Notes and Accounts Receivable

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Useful Lives of Property, Plant and Equipment

As described in Note 4(g), the Company reviews the estimated useful lives of property, plant and equipment at each balance sheet date.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Defined Benefit Plan

The pension cost and accrued pension liabilities recognized under a defined benefit plan are determined by actuarial valuations through the projected unit credit method. Under this method, the actuarial assumptions for pension plans are based on the estimation of appropriate discount rates for the plan obligation, employee turnover rates, and long-term average rates of salary increases. The expenses and liabilities recognized under the estimation of the defined benefit plan may be affected significantly by changes in the market and the economy.

6. CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013	January 1, 2013
Cash			
Cash on hand and petty cash	\$ 4,713	\$ 5,052	\$ 5,635
Demand and checking accounts	<u>4,303,506</u>	<u>4,038,122</u>	<u>2,399,450</u>
	<u>4,308,219</u>	<u>4,043,174</u>	<u>2,405,085</u>
Cash equivalents			
Time deposits with original maturities of less than three months	3,321,954	1,499,701	637,670
Commercial paper purchased under resell agreements	<u>1,999,925</u>	<u>3,999,298</u>	<u>1,338,507</u>
	<u>5,321,879</u>	<u>5,498,999</u>	<u>1,976,177</u>
	<u>\$ 9,630,098</u>	<u>\$ 9,542,173</u>	<u>\$ 4,381,262</u>

As of December 31, 2014, the deposits in foreign bank amounted to NT\$101,081 thousand (JPY384,048 thousand) in Japan. As of December 31, 2013, the deposits in foreign bank amounted to NT\$123,805 thousand (JPY439,180 thousand).

The market rates for bank deposits as of the balance sheet date were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Time deposits with original maturities of less than three months	0.88%-4.3%	0.4%-3.3%	0.718%
Commercial paper purchased under resell agreements	0.7%	0.6%	0.693%-0.6931%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Financial assets held for trading</u>			
Guarantee of cotton forwards contract	\$ 41,450	\$ 26,010	\$ 25,345
Forward exchange contracts	6,721	16,194	-
Combined foreign exchange options	<u>38,884</u>	<u>4,312</u>	<u>-</u>
	<u>\$ 87,055</u>	<u>\$ 46,516</u>	<u>\$ 25,345</u>
<u>Financial liabilities held for trading</u>			
Foreign exchange options	\$ -	\$ 272	\$ -
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>619</u>
	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 619</u>

a. Cotton futures contracts

The Company entered into cotton futures contracts mainly to hedge against the adverse fluctuation of cotton prices for the years ended December 31, 2014 and 2013. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading.

The Company had no outstanding cotton future contracts as of December 31, 2014, December 31, 2013 and January 1, 2013.

b. Forward exchange contracts

The Company entered into forward exchange contracts for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. Since these transactions did not meet the criteria for hedge accounting, they were classified as held for trading. The Company used non-hedging forward exchange contracts to profit from the pricing differences between exchange rate fluctuations for the years ended December 31, 2014 and 2013.

As of December 31, 2014, December 31, 2013 and January 1, 2013, the Company had outstanding forward exchange contracts, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2014</u>			
Sell	EUR/USD	2015.03.27-2015.05.28	EUR9,000/USD11,121
Buy	USD/JPY	2015.03.05-2015.4.28	USD5,000/JPY592,722
<u>December 31, 2013</u>			
Sell	EUR/USD	2014.01.06-2014.02.07	EUR5,000/USD6,708
Buy	USD/JPY	2014.01.27-2014.04.07	USD19,500/JPY1,968,307
<u>January 1, 2013</u>			
Sell	EUR/USD	2013.01.30-2013.02.26	EUR4,000/USD5,235
Sell	USD/NTD	2013.01.28-2013.02.26	USD14,620/NTD424,992
Buy	USD/JPY	2013.01.30	USD4,000/JPY342,185

c. Option contracts

The Company sold option contracts to profit on royalties and the difference between exchange rate fluctuations for the years ended December 31, 2014 and 2013.

The Company had no outstanding option contracts as of December 31, 2014 and 2013.

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2014</u>			
Sell EUR call options	EUR/USD	2014.01.27	EUR2,000/USD2,790

d. Combined foreign exchange options

The Company entered into combined foreign exchange options for the years ended December 31, 2014 and 2013 to hedge against the exchange risks on foreign currency assets and liabilities. As of December 31, 2014 and 2013, the Company had outstanding combined foreign exchange options, as follows:

	Currency	Maturity	Contract Amount (Thousands)
<u>December 31, 2014</u>			
Sell EUR call options	EUR/USD	2015.01.27-2015.03.27	EUR76,650/USD98,139
Buy EUR put options	EUR/USD	2015.01.27-2015.03.27	EUR25,550/USD32,713
Sell USD call options	USD/JPY	2015.01.28-2015.03.24	USD81,900/JPY9,042,152
Buy USD put options	USD/JPY	2015.01.28-2015.03.24	USD27,300/JPY3,014,051
<u>December 31, 2013</u>			
Buy USD put options	USD/JPY	2014.01.02-2014.05.28	USD14,000/JPY1,385,356
Sell USD call options	USD/JPY	2014.01.02-2014.05.28	USD42,000/JPY4,156,068

As of December 31, 2013 and January 1, 2013, the Company had no outstanding combined foreign exchange options.

8. BOND INVESTMENTS WITH NO ACTIVE MARKET

	December 31, 2014	December 31, 2013	January 1, 2013
Time deposits with original maturities more than 3 months	<u>\$ 585,979</u>	<u>\$ 145,947</u>	<u>\$ -</u>

As of December 31, 2014 and 2013, the interest rates of time deposit with original maturities more than 3 months were from 3.1% to 3.5% and 3.1% to 3.42%.

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Notes and accounts receivable</u>			
Notes and accounts receivable	\$ 8,750,773	\$ 8,904,988	\$ 9,561,493
Less: Allowance for doubtful accounts	<u>(45,070)</u>	<u>(55,619)</u>	<u>(55,619)</u>
	<u>\$ 8,705,703</u>	<u>\$ 8,849,369</u>	<u>\$ 9,505,874</u>

Movements of allowance for doubtful accounts were as follows:

	December 31, 2014
Beginning balance	\$ 55,619
Gain on reversal of bad debts	<u>(10,549)</u>
Ending balance	<u>\$ 45,070</u>

When deciding the recoverability of accounts receivable, the Company considers any change in the credit quality from the date credit was initially granted up to the end of the reporting period. Allowance for doubtful accounts is recognized against accounts receivable on the basis of estimated irrecoverable amounts determined by reference to past defaults by counter-parties and the analysis of its current financial position.

The concentration of credit risk is limited because the Company's customer base is wide and is not focused on certain customers and companies involved are unrelated. The Company does not have accounts receivable with the aging being past due but not impaired.

10. INVENTORIES

	December 31, 2014	December 31, 2013	January 1, 2013
Finished goods	\$ 1,743,714	\$ 1,512,449	\$ 1,513,533
Work in progress	1,864,868	1,582,363	1,420,280
Raw materials in transit	281,225	652,066	657,692
Raw materials	2,221,115	2,413,037	2,495,141
Supplies	<u>388,728</u>	<u>445,566</u>	<u>277,183</u>
	<u>\$ 6,499,650</u>	<u>\$ 6,605,481</u>	<u>\$ 6,363,829</u>

The allowance for inventory devaluation as of December 31, 2014, December 31, 2013 and January 1, 2013 were NT\$410,175 thousand, NT\$304,053 thousand and NT\$273,275 thousand, respectively.

For the years ended 2014 and 2013, the costs of inventories sold were NT\$53,289,077 thousand and NT\$57,619,879 thousand, respectively. The costs of inventories recognized as cost of goods sold, which included inventory write-down for the years ended December 31, 2014 and 2013 were NT\$106,122 thousand and NT\$30,778 thousand, respectively. Previous write-down were reversed as a result of increased selling prices in certain markets.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2014	December 31, 2013	January 1, 2013
Investments in subsidiaries	<u>\$ 204,854,308</u>	<u>\$ 197,683,576</u>	<u>\$ 188,627,780</u>
Investments in associates	<u>\$ 30,694,949</u>	<u>\$ 29,317,399</u>	<u>\$ 28,192,383</u>

a. Investments in subsidiaries

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship	Carrying Value	% of Owner- ship
Unlisted companies						
Yuan Ding Investment Co., Ltd.	\$ 41,067,513	99.40	\$ 40,833,464	99.40	\$ 38,133,063	99.40
Far Eastern Resources Development Co.	96,565,010	100.00	92,125,513	100.00	88,195,644	100.00
Far Eastern Polytex (Holding) Ltd.	8,753,563	100.00	8,320,143	100.00	7,858,567	100.00
Far Eastern Polychem Industries Ltd.	8,116,141	73.04	7,861,193	73.04	7,473,128	73.04
Yuan Tong Investment Co., Ltd.	7,932,131	100.00	7,896,737	100.00	7,633,733	100.00
Kai Yuan International Investment Co., Ltd.	5,182,313	100.00	5,299,623	100.00	6,970,212	100.00
Far Eastern Investment (Holding) Ltd.	8,281,047	100.00	7,017,949	100.00	6,374,267	100.00
PET Far Eastern (Holding) Ltd.	6,621,648	90.54	5,785,936	88.35	4,927,478	86.73
Oriental Petrochemical (Taiwan) Co., Ltd.	6,665,722	75.56	6,565,878	75.56	4,528,217	75.56

(Continued)

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Far Eastern Construction Co., Ltd.	\$ 7,097,316	65.11	\$ 6,947,293	65.11	\$ 6,426,183	65.11
Yuan Ding Co., Ltd.	3,365,650	37.13	3,568,798	37.13	3,622,518	37.13
An Ho Garment Co., Ltd.	1,805,268	100.00	1,815,232	100.00	3,052,563	100.00
Ding Yuan International Investment Co.	2,762,049	100.00	2,872,431	100.00	2,698,922	100.00
FEDP (Holding) Ltd.	340,899	50.43	432,711	50.43	566,154	50.43
Fu Kwok Garment Manufacturing Co., Ltd.	193,322	99.99	179,746	99.99	167,884	99.99
Ding Ding Hotel Co., Ltd.	103,408	19.00	159,694	19.00	(1,897)	19.00
Far Eastern Textile Ltd.	<u>1,308</u>	100.00	<u>1,235</u>	100.00	<u>1,144</u>	100.00
	<u>\$ 204,854,308</u>		<u>\$ 197,683,576</u>		<u>\$ 188,627,780</u>	

(Concluded)

Investments in Ding Ding Hotel Co., Ltd. for the were accounted for by the equity method since the Company and its subsidiaries owned more than 20% of each investee's voting stock.

b. Investment in associates

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Value	% of Ownership	Carrying Value	% of Ownership	Carrying Value	% of Ownership
Listed companies						
Asia Cement Corp.	\$ 20,188,007	22.33	\$ 19,096,096	22.33	\$ 18,425,661	22.33
Far Eastern Department Stores Co., Ltd.	5,090,002	16.80	4,758,843	16.80	4,596,754	16.80
Oriental Union Chemical Corp.	1,504,072	9.17	1,554,643	9.17	1,485,361	9.17
Everest Textile Co., Ltd.	<u>1,508</u>	0.03	<u>1,417</u>	0.03	<u>1,334</u>	0.03
	<u>26,783,589</u>		<u>25,410,999</u>		<u>24,509,110</u>	
Unlisted companies						
Oriental Securities Investment Advisory Co., Ltd.	2,067,580	19.65	2,050,493	19.65	2,000,873	19.65
Pacific Liu tong Investment Corporation	<u>1,843,780</u>	16.83	<u>1,855,907</u>	16.83	<u>1,682,400</u>	16.83
	<u>3,911,360</u>		<u>3,906,400</u>		<u>3,683,273</u>	
	<u>\$ 30,694,949</u>		<u>\$ 29,317,399</u>		<u>\$ 28,192,383</u>	

The fair values of publicly traded investments accounted for using the equity method are NT\$38,319,260 thousand, NT\$38,014,461 thousand and NT\$36,708,620 thousand based on the closing prices of those investments as of December 31, 2014, December 31, 2013 and January 1, 2013.

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., and Pacific Liu Tong Investment Co. (PLT) - exceeded 20% of their respective outstanding common shares. Thus, related investments were accounted for by the equity method.

The summarized financial information of the Company's associates is as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Total assets	<u>\$ 67,141,268</u>	<u>\$ 436,605,909</u>	<u>\$ 411,333,675</u>
Total liabilities	<u>\$ 219,098,529</u>	<u>\$ 202,247,104</u>	<u>\$ 191,202,857</u>
		For the Year Ended December 31	
		2014	2013
Operating revenue		<u>\$ 147,452,009</u>	<u>\$ 141,945,901</u>
Net income		<u>\$ 14,627,131</u>	<u>\$ 18,162,427</u>
Other comprehensive income		<u>\$ 7,504,766</u>	<u>\$ 2,889,337</u>

The calculation of the investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investments were based on the associates' audited financial statements as of December 31, 2014 and 2013.

If an investment acquisition cost exceeds the fair value of identifiable net assets acquired, and the source of this excess cannot be identified, this excess should be recorded as goodwill. As of December 31, 2014, December 31, 2013 and January 1, 2013, the goodwill were amounted to NT\$99,821 thousands.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Marketable equity securities</u>			
Far Eastern International Bank Co.	<u>\$ 794,978</u>	<u>\$ 902,112</u>	<u>\$ 804,484</u>

13. HELD-TO-MATURITY FINANCIAL ASSETS

	<u>December 31, 2014</u>		<u>December 31, 2013</u>		<u>January 1, 2013</u>	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Domestic unlisted preference shares Han Tech Venture Capital Corp	<u>\$ -</u>	-	<u>\$ -</u>	-	<u>\$ 53,667</u>	3.73

Management believed that the above unlisted equity investments held by the Company had fair value that could be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

As of December 31, 2013, Han Tech Venture Capital Corp had a capital reduction and returned to the Company 1,728 thousand shares amounting to NT\$17,285 thousand. In addition, in August 2013, the Company sold the shares of Han Tech Venture Capital Corp for NT\$36,953 thousand and recognized a disposal gain of NT\$571 thousand.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Operating and Miscellaneous Equipment	Construction-in-progress and Prepayment for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2013	\$ 6,393,851	\$ 6,877,730	\$ 50,479,055	\$ 3,535,528	\$ 2,873,016	\$ 70,159,180
Additions	-	-	-	-	3,688,879	3,688,879
Disposals	-	(28,997)	(5,402,839)	(132,241)	-	(5,564,077)
Adjustments and reclassification	(13,437)	133,752	1,380,647	524,403	(2,043,329)	(17,964)
Balance at December 31, 2013	<u>\$ 6,380,414</u>	<u>\$ 6,982,485</u>	<u>\$ 46,456,863</u>	<u>\$ 3,927,690</u>	<u>\$ 4,518,566</u>	<u>\$ 68,266,018</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2013	\$ -	\$ (4,125,524)	\$ (42,838,638)	\$ (2,934,101)	\$ -	\$ (49,898,263)
Disposals	-	24,800	5,379,067	131,881	-	5,535,748
Depreciation expense	-	(163,209)	(1,152,084)	(296,121)	-	(1,611,414)
Adjustments and reclassification	-	4,774	281	(280)	-	4,775
Balance at December 31, 2013	<u>\$ -</u>	<u>\$ (4,259,159)</u>	<u>\$ (38,611,374)</u>	<u>\$ (3,098,621)</u>	<u>\$ -</u>	<u>\$ (45,969,154)</u>
<u>Cost</u>						
Balance at January 1, 2014	\$ 6,380,414	\$ 6,982,485	\$ 46,456,863	\$ 3,927,690	\$ 4,518,566	\$ 68,266,018
Additions	-	-	-	-	3,934,552	3,934,552
Disposals	-	(21,023)	(1,362,814)	(125,197)	-	(1,509,034)
Adjustments and reclassification	-	563,420	2,575,641	419,889	(3,421,923)	137,027
Balance at December 31, 2014	<u>\$ 6,380,414</u>	<u>\$ 7,524,882</u>	<u>\$ 47,669,690</u>	<u>\$ 4,222,382</u>	<u>\$ 5,031,195</u>	<u>\$ 70,828,563</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2014	\$ -	\$ (4,259,159)	\$ (38,611,374)	\$ (3,098,621)	\$ -	\$ (45,969,154)
Disposals	-	20,806	1,359,244	125,182	-	1,505,232
Depreciation expense	-	(167,685)	(1,304,318)	(323,067)	-	(1,795,070)
Adjustments and reclassification	-	(137,027)	134	(134)	-	(137,027)
Balance at December 31, 2014	<u>\$ -</u>	<u>\$ (4,543,065)</u>	<u>\$ (38,556,314)</u>	<u>\$ (3,296,640)</u>	<u>\$ -</u>	<u>\$ (46,396,019)</u>

The above items of property, plant and equipment were depreciated on a straight-line basis over the following estimated useful lives:

Building	3-55 years
Machinery and equipment	5-15 years
Operating and miscellaneous equipment	3-15 years

For the amount of property, plant and equipment that the Company pledged or mortgaged as collaterals for borrowings, please refer to Note 27.

As of December 31, 2014, December 31, 2013 and January 1, 2013, farmland was reclassified to property, plant and equipment amounting to NT\$238,430 thousand and to investment properties amounting to NT\$34,591 thousand, NT\$34,783 thousand and NT\$34,783 thousand. 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.

15. INVESTMENT PROPERTIES

	Completed Investment Properties
Balance at January 1, 2013	\$ 1,343,036
Transferred from property, plant and equipment	19,454
Adjustments and reclassifications	<u>66,510</u>
Balance at December 31, 2013	<u>\$ 1,429,000</u>
Balance at January 1, 2014	\$ 1,429,000
Adjustments and reclassifications	<u>26,418</u>
Balance at December 31, 2014	<u>\$ 1,455,418</u>

The investment properties of the Company were as follows:

A building and land located in Taoyuan in the Guanyin District were leased to the Company's subsidiary, Oriental Petrochemicals (Taiwan) Co., Ltd. (OPTC), for its operation. Under the "IFRSs Questions and Answers" issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.

The fair values of investment properties were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Independent valuation	<u>\$ 1,455,418</u>	<u>\$ 1,429,000</u>	<u>\$ 1,343,036</u>

The fair values of the investment properties as of December 31, 2013 and January 1, 2013 were based on the valuations carried out at these dates by an independent qualified professional valuator, Mr. Tsai, Chia-ho, from Debenham Tie Leung Real Estate Appraiser Office, a member of certified ROC real estate appraisals.

The fair value of investment properties was measured using the income approach. The significant assumptions used were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Expected future cash inflows	\$ 1,437,721	\$ 1,376,572	\$ 1,328,014
Expected future cash outflows	<u>(46,334)</u>	<u>(46,267)</u>	<u>(46,430)</u>
Expected future cash inflows, net	<u>\$ 1,391,387</u>	<u>\$ 1,330,305</u>	<u>\$ 1,281,584</u>
Discount rate	3.75%	3.82%	3.93%

All floors of the investment properties had been leased out under operating leases. The rental incomes generated for the years ended December 31, 2014 and 2013 were NT\$22,728 thousand and NT\$21,954 thousand, respectively.

The expected future cash inflows generated by investment properties referred to rental income, interest income on rental deposits, loss on vacancy rate of space and disposal value. The rental income was extrapolated using the comparative market rentals covering 10 years, excluding too-high and too-low values, taking into account the annual rental growth rate. However, when the investment properties had specific rental period, the rental income was extrapolated on that rental period with no more than 10 years. Loss on vacancy rate of space was extrapolated using the vacancy rates of the neighboring stores and factories, the interest income on rental deposits was extrapolated using 1.36%, the interest rate announced by the central bank for the one-year average deposit interest rate of five major banks, and the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows on investment property included expenditures such as land value taxes, house taxes, insurance premium, maintenance costs, replacement allowance and depreciation. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the local same class product, a reasonable rental income level and the selling price of investment properties taking into consideration the liquidity, potential risk, appreciation and the complexity of management; in addition, the discount rate should not be lower than the interest rate for two-year time deposits of Chunghwa Post Co., Ltd plus 0.75%.

16. SHORT-TERM BORROWINGS AND SHORT-TERM BILLS PAYABLE

Short-term Borrowings

	December 31, 2014	December 31, 2013	January 1, 2013
Credit loans	<u>\$ 2,229,422</u>	<u>\$ 6,260,388</u>	<u>\$ 6,116,442</u>
Interest rate	0.8%-0.98%	0.67479%- 1.3096%	0.7499%- 1.52%

17. PROVISION

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Current</u>			
Onerous contracts	<u>\$ 8,340</u>	<u>\$ 12,171</u>	<u>\$ 2,581</u>
			Onerous Contracts
Balance at January 1, 2013			\$ 2,581
Addition provisions recognized			<u>9,590</u>
Balance at December 31, 2013			<u>\$ 12,171</u>
Balance at January 1, 2014			\$ 12,171
Reductions arising from payments			<u>(3,831)</u>
Balance at December 31, 2014			<u>\$ 8,340</u>

18. LONG-TERM BORROWINGS

	December 31, 2014	December 31, 2013	January 1, 2013
Bank loans	<u>\$ 39,864,033</u>	<u>\$ 27,961,684</u>	<u>\$ 22,860,463</u>
Nonconvertible bonds	\$ 40,244,000	\$ 42,099,000	\$ 34,780,000
Discount of nonconvertible bonds	<u>(46,987)</u>	<u>(62,399)</u>	<u>(56,421)</u>
	40,197,013	42,036,601	34,723,579
Less: Current portion	<u>8,743,734</u>	<u>7,246,540</u>	<u>2,380,000</u>
	<u>\$ 31,453,279</u>	<u>\$ 34,790,061</u>	<u>\$ 32,343,579</u>

Bank Loans

The long-term loans are payable in New Taiwan Dollars, Japanese Yen and Euro. The foregoing loans are repayable at a lump sum on maturity with monthly interest payment. The Company had been allowed to make loans within the credit line limit until maturity. The Company's loans with revolving credit were due from February 2016 to December 2017, February 2015 to June 2017 and January 2014 to December 2015 as of December 31, 2014, December 31, 2013 and January 1 2013, respectively. The interest rates of the Company's revolving loan were 0.65%-1.85%, 0.8-1.67% and 0.916-1.5% for the years ended December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

Bonds

On June 20, 2008, the Company issued five-year unsecured bonds (the second tranche). The bonds had an aggregate face value of NT\$1,000,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.83% interest payable annually. On June 30, 2013, the Company redeemed its bonds.

On July 18, 2008, the Company issued five-year unsecured bonds (the third tranche). The bonds had an aggregate face value of NT\$1,200,000 thousand, with each unit having a face value of NT\$1,000 thousand. These bonds were repayable at the end of the third, fourth, and fifth years from the issuance date at 30%, 30% and 40%, respectively, of the total issued amounts, with 2.95% interest payable annually. On June 30, 2013, the Company redeemed NT\$720,000 thousand bonds.

On October 29, 2009, the Company issued unsecured bonds (the first tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the aggregate value at the end of the fourth and fifth years 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 first tranche) amounting to NT\$5,500,000 thousand at a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, 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, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, 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.

On May 27, 2011, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,800,000 thousand at a unit face value of NT\$1,000 thousand. The five-year bonds are repayable at 50% of the total amount the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.50% 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 29, 2011, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$2,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.55% 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 February 15, 2012, the Company issued five-year unsecured bonds (the third tranche) amounting to NT\$6,000,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.36% 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 June 7, 2012, the Company issued five-year unsecured bonds (the first tranche) amounting to NT\$3,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.35% 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 November 26, 2012, the Company issued five-year unsecured bonds (the second tranche) amounting to NT\$4,200,000 thousand at a unit face value of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.3% 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 May 16, 2013, the Company issued three-year unsecured bonds (the first tranche) amounting to (a) RMB500,000 thousand and (b) JPY5,000,000 thousand with unit face values of RMB1,000 thousand and JPY 10,000 thousand, respectively. These three-year bonds will be repaid in lump sum on maturity. The interest rate of (a) is 2.95% and that of (b) is defined as three month JPY LIBOR + 1.10%. The interest is calculated by the simple interest method (based on the outstanding balance) starting from the issuance date and is payable annually.

On August 28, 2013, the Company issued three-year and six-month unsecured bonds (second tranche) amounting to NT\$3,000,000 thousand, with a unit face value of NT\$1,000 thousand. These three-year and six-month bonds will be repaid in lump sum on maturity plus a 1.39% 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 December 23, 2013, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,800,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds will be repaid in lump sum on maturity plus a 1.45% 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 August 21, 2014, the Company issued five-year unsecured bonds (first tranche) amounting to NT\$3,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% 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 December 4, 2014, the Company issued five-year unsecured bonds (second tranche) amounting to NT\$2,200,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.47% 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.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan. Based on the LPA, the rate of monthly contributions by the Company to the employees' individual pension fund accounts is at 6% of monthly wages and salaries.

b. Defined benefit plans

The Company and its subsidiaries established in Republic of China have defined benefit plans under the Labor Standards Law, which provide benefits based on an employee's length of service and average monthly salary for the six months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations at valuation dates were as follows:

	Valuation at		
	December 31, 2014	December 31, 2013	January 1, 2013
Discount rate	2.00%	2.25%	1.75%
Expected return on plan assets	6.00%	6.00%	6.00%
Expected rates of salary increase	2.00%	2.00%	2.00%

The assessment of the overall expected rate of return was based on historical return trend and analyst's predictions for the market for the asset over the life of related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return.

The pension expenses for defined benefit plans recognized in profit or loss were included in:

	For the Year Ended December 31	
	2014	2013
Current service costs	\$ 73,289	\$ 86,749
Interest costs	117,491	98,778
Expected return on plan assets	(252,609)	(249,361)

(Continued)

	For the Year Ended December 31	
	2014	2013
Past service costs	\$ (22,449)	\$ (22,449)
Retirement benefit costs	<u>-</u>	<u>22,292</u>
	<u>\$ (84,278)</u>	<u>\$ (63,991)</u>
An analysis by function		
Operating costs	\$ (60,945)	\$ (46,580)
Marketing expenses	(6,447)	(5,121)
Administration expenses	(10,271)	(7,154)
Research and development expenses	<u>(6,615)</u>	<u>(5,136)</u>
	<u>\$ (84,278)</u>	<u>\$ (63,991)</u>
		(Concluded)

Actuarial gains and losses recognized in other comprehensive income (loss) for the years ended December 31, 2014 and 2013 were NT\$(310,167) thousand and NT\$50,446 thousand, respectively. The cumulative amounts of actuarial losses recognized in other comprehensive income as of December 31, 2014, December 31, 2013 and January 1, 2013 were NT\$738,588 thousand, NT\$428,421 thousand and NT\$478,867 thousand, respectively.

The amounts included in the consolidated balance sheet arising from the Company's obligation on its defined benefit plans were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Present value of funded defined benefit obligation	\$ 5,615,371	\$ 5,405,828	\$ 5,780,151
Fair value of plan assets	<u>(4,458,350)</u>	<u>(4,348,442)</u>	<u>(4,213,181)</u>
Deficit	1,157,021	1,057,386	1,566,970
Past service cost not yet recognized	<u>165,557</u>	<u>188,006</u>	<u>210,455</u>
Accrued pension costs	<u>\$ 1,322,578</u>	<u>\$ 1,245,392</u>	<u>\$ 1,777,425</u>

Movements of the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	\$ 5,405,828	\$ 5,780,151
Current service cost	73,289	86,749
Interest cost	117,491	98,778
Actuarial (gains) losses	221,686	(177,682)
Benefits paid	(202,923)	(404,460)
Other (Note)	<u>-</u>	<u>22,292</u>
Closing defined benefit obligation	<u>\$ 5,615,371</u>	<u>\$ 5,405,828</u>

Note: Effect retirement benefit cost.

Movements of the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	\$ 4,348,442	\$ 4,213,181
Expected return on plan assets	252,610	249,361
Actuarial losses (gains)	(152,009)	(116,904)
Contributions from the employer	210,826	406,785
Benefits paid	<u>(201,519)</u>	<u>(403,981)</u>
Closing fair value of plan assets	<u>\$ 4,458,350</u>	<u>\$ 4,348,442</u>

The following major categories of plan assets at the end of the reporting period for each category were disclosed on the basis of the information announced by the Labor Pension Fund Supervisory Committee:

	December 31, 2014	December 31, 2013	January 1, 2013
Equity instrument	93.59%	90.60%	86.86%
Other (Note)	<u>6.41%</u>	<u>9.40%</u>	<u>13.14%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: Deposit in other financial institutions and pension account in the Bank of Taiwan.

The Company chose to disclose the history of experience adjustments for each accounting period prospectively from the date of transition to IFRSs:

	December 31, 2014	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	<u>\$ 5,615,371</u>	<u>\$ 5,405,828</u>	<u>\$ 5,780,151</u>	<u>\$ 5,038,771</u>
Fair value of plan assets	<u>\$ (4,458,350)</u>	<u>\$ (4,348,442)</u>	<u>\$ (4,213,181)</u>	<u>\$ (3,830,633)</u>
Deficit	<u>\$ 1,157,021</u>	<u>\$ 1,057,386</u>	<u>\$ 1,566,970</u>	<u>\$ 1,208,138</u>
Experience adjustments on plan liabilities	<u>\$ 106,835</u>	<u>\$ 66,665</u>	<u>\$ 257,656</u>	<u>\$ -</u>
Experience adjustments on plan assets	<u>\$ 152,008</u>	<u>\$ (116,904)</u>	<u>\$ (147,155)</u>	<u>\$ -</u>

20. EQUITY

a. Share capital

Common shares

	December 31, 2014	December 31, 2013	January 1, 2013
Numbers of shares authorized (in thousands)	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
Shares authorized	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,247,917</u>	<u>5,145,017</u>	<u>5,044,134</u>
Shares issued	<u>\$ 52,479,168</u>	<u>\$ 51,450,165</u>	<u>\$ 50,441,338</u>

The shares issued had a par value of NT\$10 and have the rights of voting and receiving dividends.

b. Capital surplus

	December 31, 2014	December 31, 2013	January 1, 2013
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>			
Share issuance in excess of par value	\$ -	\$ 932,814	\$ 932,814
Difference between consideration and carrying amounts arising from disposal/acquisition subsidiaries	3,636,824	3,733,305	3,793,930
<u>May be used to offset a deficit only (2)</u>			
Arising from changes in percentage of ownership interest in subsidiaries	4,183	4,680	8,417
Treasury stock transaction	10,813	9,839	8,884
<u>May not be used for any purpose</u>			
Changes in equity-method associates capital surplus	<u>15,128</u>	<u>404</u>	<u>-</u>
	<u>\$ 3,666,948</u>	<u>\$ 4,681,042</u>	<u>\$ 4,744,045</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or may be transferred to share capital once a year within a certain percentage of the Company's capital surplus (limited to a certain percentage of the Company's paid-in capital and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, with these changes treated as equity transactions instead of actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries.

c. Retained earnings and dividend policy

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

	%
Dividends	60.0
Bonus for stockholders	33.0
Bonus for employees	4.0
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 to have a stable dividend distribution while taking into account the future economic condition, cash demands and taxation. The cash dividends should be at least 10% of total dividends declared, unless cash is required for investments, productivity expansion, any significant future capital expenditures or plans to improve financial structure.

The estimates of the bonuses to employees were NT\$270,860 thousand and NT\$287,678 thousand for the years ended December 31, 2014 and 2013, respectively, and those of the remunerations to directors and supervisors were NT\$203,145 thousand and NT\$215,759 thousand for the years ended December 31, 2014 and 2013, respectively. The bonus to employees and the remuneration are based on the Company's Article of Incorporation. If the actual amounts subsequently resolved by the stockholders differ from the estimates, the differences are recorded as a change in accounting estimate. The management of the Company approved the distribution of the employees' bonus in cash for the years ended December 31, 2014 and 2013. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

The Company appropriated and reversed special reserve in accordance with Rule No. 1010012865 issued by the FSC, Rule No. 10100147490 issued by the FSC and the directive entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs." Distributions can be made out of any subsequent reversal of the debit to other equity items. Far EastOne also appropriated and reversed special reserve in accordance with Rule No. 1030006415 issued by the FSC.

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

Except for non-ROC resident stockholders, all stockholders receiving the dividends are allowed a tax credit equal to their proportionate shares of the income tax paid by the Company.

The appropriations from the 2013 and 2012 earnings were approved in the stockholders' meetings on June 26, 2014 and June 25, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2013	For Year 2013	For Year 2013	For Year 2012
	Legal reserve	\$ 720,708	\$ 866,789	
Cash dividends	6,688,522	6,557,374	\$1.3	\$1.3
Stock dividends	<u>-</u>	<u>1,008,827</u>	-	0.2
	<u>\$ 7,409,230</u>	<u>\$ 8,432,990</u>		

In addition, in order to refine financial and capital structure, The Company's stockholders approved the distribution of shares amounting to NT\$1,029,003 thousand, with a par value of NT\$0.2, from the additional capital surplus - shares issuance in excess of par value in the stockholders' meetings on June 26, 2014.

The bonus to employees and the remuneration to directors and supervisors for 2013 and 2012, which were approved in the stockholders' meetings on June 26, 2014 and June 25, 2013, respectively, were as follows:

	For the Year Ended 2013		For the Year Ended 2012	
	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends
Bonus to employees	\$ 287,678	\$ -	\$ 325,428	\$ -
Remuneration of directors and supervisors	215,759	-	244,071	-

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the year ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China ("ROC GAAP"), and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards.

	For the Year Ended December 31			
	2013		2012	
	Bonus to Employee Bonus	Remuneration to Directors and Supervisors	Bonus to Employee Bonus	Remuneration to Directors and Supervisors
Amounts approved in stockholders' meetings	\$ 287,678	\$ 215,759	\$ 325,428	\$ 244,071
Amounts recognized in respective financial statements	<u>287,678</u>	<u>215,759</u>	<u>325,428</u>	<u>244,071</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014 and 2013. The total bonus to employees was paid in cash.

The appropriations and distribution of the 2014 earnings had been proposed by the board of directors on March 19, 2015. The appropriations and dividends per share were as follows:

	Appropriation and Distribution	Dividends Per Share (NT\$)
Legal reserve	\$ 1,103,342	
Special reserve	4,348,583	
Cash dividends	6,297,500	\$1.2

In order to refine company's financial and capital structures, the Company's board of directors resolved to issue share dividends from capital surplus of NT\$1,049,583 thousand of par value at NT\$0.2 in the board of director's meeting on March 19, 2015.

The proposed amount of the appropriation of the 2014 earnings, including the distribution of the bonus to employees and the remuneration to directors and supervisors, will be presented to the stockholders for their approval in their meeting on June 26, 2015.

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

d. Special reserves appropriated following the first-time adoption of IFRSs

The Company's special reserves appropriated following the first-time adoption of IFRSs were as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Special reserve	<u>\$ 22,275,153</u>	<u>\$ 22,275,153</u>	<u>\$ 22,287,929</u>

Information on the above special reserve appropriated or reversed on elimination of the original need to appropriate a special reserve is as follows:

	For the Year Ended December 31, 2013
Balance at January 1, 2013	\$ 22,287,929
Reversed on elimination of the original need to appropriate a special reserve	
Depreciation of investment properties	<u>(12,776)</u>
Balance at December 31, 2013	<u>\$ 22,275,153</u>

On the initial application of fair value model to investment properties, the Company appropriated a special reserve of NT\$80,462,245 thousand, the same amount as the net increase that arose from fair value measurement and was transferred to retained earnings.

e. Other equity items

The changes in other equity items are as follow:

	Exchange Differences on Translating Operations	Unrealized Gain on Financial Instruments	Cash Flow Hedges	Unrealized Revaluation Increments	Total
Balance at January 1, 2013	\$ (2,534,967)	\$ 5,038,679	\$ (73,287)	\$ -	\$ 2,430,425
Effect of the retrospective application of an accounting change and financial statement restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2013 as restated	(2,534,967)	5,038,679	(73,287)	-	2,430,425
Unrealized gain on available-for-sale financial assets	-	97,628	-	-	97,628
Revaluation gain	-	-	-	4,928	4,928
Share of profit of associates accounted for using equity method	<u>2,826,163</u>	<u>(663,575)</u>	<u>(45,076)</u>	<u>3,233</u>	<u>2,120,745</u>
Balance at December 31, 2013	291,196	4,472,732	(118,363)	8,161	4,653,726
Unrealized loss on available-for-sale financial assets	-	(107,134)	-	-	(107,134)
Share of profit of associates accounted for using equity method	<u>2,580,664</u>	<u>(735,946)</u>	<u>(54,688)</u>	<u>(504,446)</u>	<u>2,294,476</u>
Balance at December 31, 2014	<u>\$ 2,871,860</u>	<u>\$ 3,629,652</u>	<u>\$ (173,051)</u>	<u>\$ 512,607</u>	<u>\$ 6,841,068</u>

f. Treasury shares

The Company's shares held by its subsidiary, Yuan Ding Co., Ltd. (Yuan Ding), at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2014</u>			
Yuan Ding	764	<u>\$ 25,063</u>	<u>\$ 23,992</u>
<u>December 31, 2013</u>			
Yuan Ding	749	<u>\$ 25,063</u>	<u>\$ 25,769</u>
<u>January 1, 2013</u>			
Yuan Ding	734	<u>\$ 25,063</u>	<u>\$ 24,309</u>

The Company consolidated its subsidiary, Yuan Ding, on December 28, 2011. As of December 31, 2011, the Company's shares held by Yuan Ding had a carrying value of NT\$25,063 thousand.

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

21. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Basic earnings per share		
Basic earnings per share	<u>\$ 2.25</u>	<u>\$ 2.69</u>
Diluted earnings per share		
Diluted earnings per share	<u>\$ 2.24</u>	<u>\$ 2.69</u>

The earnings and weighted average number of common shares outstanding that were used in the computation of earnings per share were as follows:

Net Profit for the Period

	<u>For the Year Ended December 31</u>	
	<u>2014</u>	<u>2013</u>
Profit for the period attributable to owners of the Company	<u>\$ 11,033,421</u>	<u>\$ 13,215,754</u>

Weighted Average Number of Common Shares Outstanding

	Unit: In Thousand Shares	
	For the Year Ended December 31	
	2014	2013
Weighted average number of common shares used in the computation of basic earnings per share	4,906,317	4,904,448
Effect of dilutive potential common shares:		
Bonus issue to employee	<u>11,999</u>	<u>14,230</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>4,918,316</u>	<u>4,918,678</u>

In calculating the weighted average number of share outstanding for consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

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 shares, and if the resulting potential shares would have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of the diluted EPS. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of the diluted EPS until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The Company calculated basic EPS with the weighted average number of outstanding shares in the current period. Based on the calculation, for the years ended December 31, 2014 and 2013, the Company's EPS was NT\$2.1 and NT\$2.52, respectively.

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest expense

Capitalized interests on properties were NT\$65,568 thousand and NT\$40,324 thousand in the years ended December 31, 2014 and 2013, respectively; and the capitalization rates were from 1.23% to 1.35% and from 1.27% to 1.35% and for the years ended December 31, 2014 and 2013, respectively.

b. Depreciation and amortization

	For the Year Ended December 31	
	2014	2013
Property, plant and equipment	\$ 1,795,070	\$ 1,610,693
Intangible assets	<u>12,692</u>	<u>9,223</u>
	<u>\$ 1,807,762</u>	<u>\$ 1,619,916</u>

(Continued)

	For the Year Ended December 31	
	2014	2013
An analysis of deprecation by function		
Operating costs	\$ 1,596,940	\$ 1,466,083
Operating expenses	125,699	118,091
Other expense	69,753	24,129
Expenses shared by other related parties	<u>2,678</u>	<u>2,390</u>
	<u>\$ 1,795,070</u>	<u>\$ 1,610,693</u>
An analysis of amortization by function		
Operating costs	\$ 3,189	\$ 1,774
Operating expenses	<u>9,503</u>	<u>7,449</u>
	<u>\$ 12,692</u>	<u>\$ 9,223</u>

(Concluded)

c. Employee benefit expense

	For the Year Ended December 31	
	2014	2013
Post-employment benefits		
Defined contribution plans	\$ 105,561	\$ 100,574
Defined benefit plans	<u>(84,278)</u>	<u>(63,991)</u>
	<u>21,283</u>	<u>36,583</u>
Other employee benefits		
Salary	4,143,265	3,969,189
Insurance	328,902	318,167
Other	<u>174,969</u>	<u>139,967</u>
	<u>4,647,136</u>	<u>4,427,323</u>
Total employee benefit expense	<u>\$ 4,668,419</u>	<u>\$ 4,463,906</u>
Analysis of employee benefit expense by function		
Operating costs	\$ 3,287,260	\$ 3,122,115
Operating expenses	<u>1,381,159</u>	<u>1,341,791</u>
	<u>\$ 4,668,419</u>	<u>\$ 4,463,906</u>

The Company had 5,129, 4,911 and 4,906 number of employees as of December 31, 2014, December 31, 2013 and January 1, 2013, respectively.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
Current tax	\$ -	\$ -
Deferred tax	105,000	28,704
Prior year's adjustment	<u>-</u>	<u>44,767</u>
Income tax recognized in profit or loss	<u>\$ 105,000</u>	<u>\$ 61,551</u>

A reconciliation of accounting profit and current income tax expenses was as follows:

	For the Year Ended December 31	
	2014	2013
Profit before tax from continuing operations	<u>\$ 11,138,421</u>	<u>\$ 13,277,305</u>
Income tax expense at the 17% statutory rate	\$ 1,893,532	\$ 2,257,142
Tax effect of adjusting items	<u>(1,893,532)</u>	<u>(2,257,142)</u>
Current income tax expense	-	-
Deferred income tax expense	105,000	16,784
Adjustment for prior year's tax	<u>-</u>	<u>44,767</u>
Income tax expense recognized in profit or loss	<u>\$ 105,000</u>	<u>\$ 61,551</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2014	2013
<u>Deferred tax</u>		
Actuarial gains and losses on defined benefit plan	\$ 63,528	\$ (10,332)
Revaluation gains	<u>-</u>	<u>(616)</u>
Income tax recognized in other comprehensive income	<u>\$ 63,528</u>	<u>\$ (10,948)</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensiv e Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Inventory write-off	\$ 25,203	\$ (3,502)	\$ -	\$ 21,701
Onerous contract	1,009	(568)	-	441
Impairment loss	122,285	(49,661)	-	72,624
Defined benefit obligation	126,072	(104,972)	63,528	84,628
Others	<u>16,493</u>	<u>(5,965)</u>	<u>-</u>	<u>10,528</u>
	<u>\$ 291,062</u>	<u>\$ (164,668)</u>	<u>\$ 63,528</u>	<u>\$ 189,922</u>
<u>Deferred tax liabilities</u>				
Share of profit of associates accounted for using equity method				
	\$ 478,538	\$ (109,106)	\$ -	\$ 369,432
Unrealized foreign exchange gain				
	2,251	43,266	-	45,517
Provision of land value incremental tax				
	1,533,302	11,806	-	1,545,108
Investment properties	<u>31,801</u>	<u>(5,634)</u>	<u>-</u>	<u>26,167</u>
	<u>\$ 2,045,892</u>	<u>\$ (59,668)</u>	<u>\$ -</u>	<u>\$ 1,986,224</u>

For the year ended December 31, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensiv e Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Inventory write-off	\$ 20,753	\$ 4,450	\$ -	\$ 25,203
Onerous contract	196	813	-	1,009
Unrealized foreign exchange loss				
	13,386	(13,386)	-	-
Impairment loss	115,221	7,064	-	122,285
Defined benefit obligation	155,874	(19,470)	(10,332)	126,072
Others	15,111	1,382	-	16,493
Investment credits	<u>24,369</u>	<u>(24,369)</u>	<u>-</u>	<u>-</u>
	<u>\$ 344,910</u>	<u>\$ (43,516)</u>	<u>\$ (10,332)</u>	<u>\$ 291,062</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Share of profit of associates accounted for using equity method	\$ 495,601	\$ (17,063)	\$ -	\$ 478,538
Unrealized foreign exchange gain	-	2,251	-	2,251
Provision of land value incremental tax	1,532,884	43	375	1,533,302
Investment properties	<u>43,523</u>	<u>(11,963)</u>	<u>241</u>	<u>31,801</u>
	<u>\$ 2,072,008</u>	<u>\$ (26,732)</u>	<u>\$ 616</u>	<u>\$ 2,045,892</u> (Concluded)

d. Items for which no deferred tax assets have been recognized

	December 31, 2014	December 31, 2013	January 1, 2012
Investment credits			
Purchase of machinery and equipment	\$ -	\$ -	\$ 408
Research and development	-	-	28,617
Personnel training expenditure	<u>-</u>	<u>-</u>	<u>1,156</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,181</u>
Deductible temporary differences	<u>\$ 2,472,545</u>	<u>\$ 1,799,347</u>	<u>\$ 2,335,318</u>

e. Integrated income tax

	December 31, 2014	December 31, 2013	January 1, 2012
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	<u>\$ -</u>	<u>\$ 191,505</u>	<u>\$ 191,505</u>
Balance of imputation credits accounts (ICA)	<u>\$ 922,151</u>	<u>\$ 549,339</u>	<u>\$ 259,904</u>

The creditable ratio for distribution of earnings of 2014 and 2013 was 5.36% (estimate) and 13.90%, respectively.

f. Income tax assessments

The tax authorities completed the review of and cleared the 2008 income tax return of the Company as of December 31, 2014.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, the management of the Company considered the financial assets and financial liabilities recognized in the financial statements as having carrying amounts that approximate their fair values or as having fair values that cannot be reliably measured.

	<u>December 31, 2014</u>		<u>December 31, 2013</u>		<u>January 1, 2013</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial liabilities</u>						
Financial liabilities measured at amortized						
Bonds payable	\$ 40,197,013	\$ 40,344,673	\$ 42,036,601	\$ 42,192,247	\$ 34,723,579	\$ 35,608,757

2) Fair value measurements recognized in the balance sheets

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss (FVTPL)				
Guarantee of cotton futures contracts	\$ -	\$ -	\$ 41,450	\$ 41,450
Forward exchange contracts	-	-	6,721	6,721
Combined exchange options	-	-	38,884	38,884
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,055</u>	<u>\$ 87,055</u>
Available-for-sale financial assets				
Marketable equity securities	<u>\$ 794,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 794,978</u>

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Guarantee of cotton futures contracts	\$ -	\$ -	\$ 26,010	\$ 26,010
Forward exchange contracts	-	-	16,194	16,194
Combined exchange options	-	-	4,312	4,312
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,516</u>	<u>\$ 46,516</u>
Available-for-sale financial assets				
Marketable equity securities	<u>\$ 902,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 902,112</u>
Financial liabilities at FVTPL				
Option	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 272</u>

January 1, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Guarantee of cotton futures contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,345</u>	<u>\$ 25,345</u>
Available-for-sale financial assets				
Marketable equity securities	<u>\$ 804,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,484</u>
Financial liabilities at fair value through profit or loss (FVTPL)				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619</u>	<u>\$ 619</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2014 and 2013.

3) Reconciliation of Level 3 fair value measurements of financial assets

December 31, 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading
Balance at January 1, 2014	\$ 46,244
Total gains	
In profit or loss	<u>40,811</u>
Balance at December 31, 2014	<u>\$ 87,055</u>

December 31, 2013

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading
Balance at January 1, 2013	\$ 24,726
Total gains	
In profit or loss	<u>21,518</u>
Balance at December 31, 2013	<u>\$ 46,244</u>

4) Valuation techniques and assumptions applied to measure fair value

The fair values of financial assets and financial liabilities are determined as follows:

- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied. The estimates and assumptions used by the Company are consistent with those that market participants use in setting prices for financial instruments.
- b) The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Company are consistent with those that market participants use in setting prices for financial instruments.
- c) The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

b. Categories of financial instruments

	December 31, 2014	December 31, 2013	January 1, 2013
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 87,055	\$ 46,516	\$ 25,345
Loans and receivables (Note 1)	23,823,823	23,256,512	14,537,551
Available-for-sale financial assets (Note 2)	794,978	902,112	858,151
<u>Financial liabilities</u>			
FVTPL			
Held for trading	-	272	619
Amortized cost (Note 3)	89,446,453	85,013,309	71,872,890

Note 1: The balances included loans and receivables measured at amortized cost, which comprised cash and cash equivalents, bond investments with no active market, notes and accounts receivable (including those from related parties), other receivables (including those from related parties), other financial assets, and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.

Note 2 The balances included the carrying amounts of available-for-sale financial assets and financial assets carried at cost.

Note 3 The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, notes and accounts payables and other payables (including those to related parties), payables to suppliers of machinery and equipment, provisions, bonds payable, long-term borrowings and guarantee deposits.

c. Financial risk management objectives and policies

The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the nonoperating activities of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in exchange rates (see (1) below) and interest rates (see (2) below).

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Company to exchange rate risk. Exchange rate exposures were managed within approved policy parameters through forward exchange contracts.

The carrying amounts of the Company's significant foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were disclosed on Note 30.

Sensitivity analysis

The Company was mainly exposed to U.S. dollars.

The following table details the Company's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollar. The 5% sensitivity rate is used when foreign currency risk is reported internally to key management personnel and represents management's assessment of the reasonably possible changes in exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and the translation of these items at the end of the reporting period was adjusted for a 5% change in exchange rates. A positive number below indicates an increase in pretax profit and other equity associated with New Taiwan dollars that strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there

would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	December 31	
	2014	2013
5% change in profit or loss		
USD	<u>\$ (321,389)</u>	<u>\$ 61,495</u>

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. It managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31, 2014	December 31, 2013	January 1, 2013
Fair value risk			
Financial assets	\$ 5,956,063	\$ 5,679,327	\$ 2,060,558
Financial liabilities	71,174,676	63,410,275	62,454,567
Cash flow risk			
Financial assets	558,873	3,049,594	1,876,720
Financial liabilities	11,115,792	12,848,398	1,245,917

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the Company's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rate, their fair value will change as the market interest rates change. For the financial assets and financial liabilities with floating interest rate, their effective interest rates will change as the market interest rates change.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Company's financial assets with fixed interest rate would have decreased by NT\$14,853 thousand and NT\$14,163 thousand, respectively, and the cash flows on the Company's financial assets with floating interest rate would have increased by NT\$1,397 thousand and NT\$7,624 thousand, respectively.

For the years ended December 31, 2014 and 2013, had interest rates been 25 basis points higher/lower and all other variables had been held constant, the fair value of the Company's financial liabilities with fixed interest rate would have decreased by NT\$177,493 thousand and NT\$158,130 thousand, respectively, and the cash flows on the Company's financial liabilities with floating interest rate would have increased by NT\$27,789 thousand and NT\$32,121 thousand, respectively.

c) Other price risks

The Company was exposed to equity price risk because of its investments in domestic quoted stocks and mutual funds.

Sensitivity analysis

The following sensitivity analysis was based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% lower, the fair value of held-for-trading and available-for-sale financial assets as of December 31, 2014 and 2013 would have decreased by NT\$39,749 thousand and NT\$45,106 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counter-parties will default on its contractual obligations, resulting in a financial loss to the Company. As of the end of a reporting period, the Company's maximum exposure to credit risk that will cause the Company a financial loss due to (a) the counter-parties' failure to discharge their obligations and (b) financial guarantees provided by the Company could arise from:

- a) The carrying amounts of the recognized financial assets as stated in the balance sheets; and
- b) The amounts of contingent liabilities in relation to financial guarantees issued by the Company.

The Company had a policy of dealing with only creditworthy counter-parties and obtaining sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults.

The Company used other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties were continually monitored.

3) Liquidity risk

The Company managed liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitored the use of bank borrowings and ensured compliance with loan covenants.

The maturity dates of financial liabilities (except financial liabilities - current, i.e., with maturities of less than one year) were as follows:

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2014</u>				
Long-term borrowings	\$ 25,530,000	\$ 14,334,033	\$ -	\$ 39,864,033
Bonds payable	<u>13,594,000</u>	<u>9,700,000</u>	<u>8,200,000</u>	<u>31,494,000</u>
	<u>\$ 39,124,000</u>	<u>\$ 24,034,033</u>	<u>\$ 8,200,000</u>	<u>\$ 71,358,033</u>

(Continued)

	1-2 Years	2-3 Years	Over 3 Years	Total
<u>December 31, 2013</u>				
Long-term borrowings	\$ 25,061,684	\$ 900,000	\$ 2,000,000	\$ 27,961,684
Bonds payable	<u>5,750,000</u>	<u>9,899,000</u>	<u>19,200,000</u>	<u>34,849,000</u>
	<u>\$ 30,811,684</u>	<u>\$ 10,799,000</u>	<u>\$ 21,200,000</u>	<u>\$ 62,810,684</u>
<u>January 1, 2013</u>				
Long-term borrowings	\$ 18,860,463	\$ 4,000,000	\$ -	\$ 22,860,463
Bonds payable	<u>1,500,000</u>	<u>11,500,000</u>	<u>19,400,000</u>	<u>32,400,000</u>
	<u>\$ 20,360,463</u>	<u>\$ 15,500,000</u>	<u>\$ 19,400,000</u>	<u>\$ 55,260,463</u>

(Concluded)

26. RELATED-PARTY TRANSACTIONS

The Company had significant transactions with related parties. Besides the transactions mentioned in the other notes, the transactions for the years ended December 31, 2014 and 2013 and the related balances as of the balance sheet dates are summarized in the accompanying Schedules A and B.

27. ASSETS PLEDGED OR MORTGAGED

In addition to those disclosed in the other notes, the following assets had been pledged or mortgaged as collaterals for short-term borrowings, short-term bills payable, tariff duties, and long-term borrowings; as construction warranties; as guarantees for related parties; and as administrative tax remedies for meeting requirements for certain projects.

	December 31, 2014	December 31, 2013	January 1, 2012
Other financial assets - current			
Pledged time deposits	\$ 48,205	\$ 34,381	\$ 34,381
Investment accounted for using the equity method	535,290	516,465	508,299
Property, plant and equipment, net	6,565,260	6,404,034	7,005,719
Investment properties	<u>194,111</u>	<u>138,637</u>	<u>105,716</u>
	<u>\$ 7,342,866</u>	<u>\$ 7,093,517</u>	<u>\$ 7,654,115</u>

28. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Significant commitments and contingencies of the Company as of December 31, 2014:

- a. Issued but unused letters of credit aggregated approximately NT\$1,033,103 thousand.
- b. Of (a) unpaid building construction and equipment installation contracts amounting to approximately NT\$250,226 thousand.

- c. There were undelivered cotton contracts amounting to NT\$546,898 thousand and have been recognized NT\$8,340 thousand on purchasing contract payable (accounted as provisions) as of December 31, 2014.
- d. Endorsements and guarantees provided to the related parties are shown in Schedule D (attached).
- e. 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 was the survivor company after the merger. Under a 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. For its disposal of its investment in Mobitai, the Company recognized a gain of NT\$31,814 thousand. However, the Company regarded Mobitai’s purchase price as too low and raised an objection to Mobitai. Afterwards, the Company filed a lawsuit against TYIT. On November 14, 2014, the court ruled against the Company and this case was closed.
- f. 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. or PLT, an equity-method investee of the Company). 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 the Taiwan High Court. Chang later raised an appeal to the Supreme Court, but the decision of the original criminal cases made by Taiwan High Court was revoked by the Supreme Court on March 25, 2010. Under the Article 510 of The Code of Criminal Procedures, the Supreme Court remanded the criminal and the incidental civil suit to the Taiwan High Court. As of March 19, 2015, the lawsuit was pending before the Taipei High Court.
- g. 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 (THPO), the Department of Commerce (DOC) decided to nullify PLT’s registrations of the amendments of its Articles of Incorporation, the PLT registrations of the elected and appointed members of its Board of Directors and Supervisors as well as registrations of several tranches of capital increases given to PLT 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 February 24, 2010, FEDS filed an administrative appeal with the DOC 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 appeal had no merit because FEDS was not a party to whom an administrative disposition was issued nor was it an interested party at stake. Thus, on June 15, 2010, referencing Article 4-1 of the Administrative Procedure Law, FEDS filed a suit against the DOC with the Taipei High Administrative Court (THAC). On November 29, 2012, the THAC (Court Reference Number: Year 2010 Letter Su No. 1258 verdict) ruled in favor of FEDS, and the capital increase registrations referencing letter Shang No. 09901000210 nullified by DOC was invalidated and the subsequent rejection of an administrative review was revoked. However, the DOC did not conform to the THAC’s decision and filed a lawsuit with the Supreme Administrative Court on December 25, 2012. As of May 9, 2013, the Supreme Administrative Court issued its final and non-appealable decision, which rejected DOC’s appeal and ruled that the nullification by DOC of capital increase registrations and other relevant registrations in DOC’s referencing letter Shang No. 09901000210 was invalid and ordered DOC to reinstate the registration. Thus, DOC reinstated the nullified capital increase registrations and relevant registrations in conformity with the Court’s decision as of September 18, 2013. Further, as of June 18, 2014, PLT reelected the directors and supervisors and DOC approved the amendment registrations on July 15, 2014.

Heng-lung Lee and Ming-Chiung Chang filed a lawsuit to counter the Supreme Administrative Court's (SAC) decision, declaring that the application of improper regulations invalidated this decision. However, on September 6, 2013, the Taipei High Administrative Court rejected this lawsuit (Court Reference Number: Year 2013 Letter Pan No. 569 verdict). In addition, Ming-Chiung Chang filed a separate lawsuit to counter the same SAC decision, claiming that the verdict was invalidated by the omission of evidences that may affect the final SAC decision. The lawsuit was filed with the THAC. However, THAC rejected this lawsuit (Court Reference Number: Year 2013 Letter Zai No. 94 verdict). Ming-Chiung Chang did not agree with the THAC's decision and filed a lawsuit with the Supreme Administrative Court on February 19, 2014. On June 20, 2014, the SAC (Court Reference Number: Year 2014 Letter Zai No. 845 verdict) rejected this lawsuit.

The percentage ownership of PLT held by the Company and its subsidiary reached 39.68%. Based on the local GAAP, this investment was accounted for by the equity method.

29. SUBSEQUENT EVENTS

- a. On February 6, 2014, the Company issued the five-year unsecured bonds (third tranche) amounting to NT\$2,600,000 thousand, with a unit face of NT\$1,000 thousand. These five-year bonds are repayable at 50% of the total amount at the end of the fourth year and the other 50% at the end of the fifth year of bond issuance, with a 1.38% 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.
- b. The board of directors of the Company decided to issue unsecured bonds on March 19, 2015. The bonds will have an aggregate face value of not more than NT\$8,000,000 thousand (or the equivalent value in another currency), a par value of NT\$1,000 thousand and a term of less than 10 years.

30. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated foreign currencies were as follows:

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 311,279	31.6	\$ 9,836,416
<u>Financial liabilities</u>			
Monetary items			
USD	107,528	31.7	3,408,638

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 265,453	29.74	\$ 7,894,572
<u>Financial liabilities</u>			
Monetary items			
USD	305,780	29.84	9,124,475

January 1, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount (NT\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 265,711	28.985	\$ 7,701,633
<u>Financial liabilities</u>			
Monetary items			
USD	273,931	29.085	7,967,283

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided to others: Schedule C (attached)
- 2) Endorsement/guarantee provided: Schedule D (attached)
- 3) Marketable securities and investments in share of stock held: Schedule E (attached)
- 4) Securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the capital stock: Schedule F (attached)
- 5) Acquisition of individual real states at costs of at least NT\$300 million or 20% of the capital stock:
None
- 6) Disposal of individual real states at prices of at least NT\$300 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 G (attached)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the capital stock:
Schedule H (attached)

- 9) Names, locations, and related information of investees on which the Company exercises significant influence: Schedule I (attached)
 - 10) Derivative financial transactions: Note 7
- b. 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 J and J-1 (attached)
 - 2) Significant direct or indirect transactions with the investee company, prices, payment terms, and unrealized gain or loss: Schedules J and J-1 (attached)

FAR EASTERN NEW CENTURY CORPORATION

**RELATED-PARTY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31 2014 AND 2013
(In Thousands of New Taiwan Dollars)**

	Notes	For the Year Ended December 31			
		2014		2013	
		Amount	%	Amount	%
Sales					
Subsidiaries		\$ 2,571,405	4	\$ 2,696,908	4
Related parties		387,200	1	901,344	2
Others		<u>366,689</u>	<u>1</u>	<u>380,078</u>	<u>1</u>
		<u>\$ 3,325,294</u>	<u>6</u>	<u>\$ 3,978,330</u>	<u>7</u>
Operating cost and expense					
Purchase					
Subsidiaries		\$ 9,264,108	22	\$ 12,340,506	29
Related parties		1,298,697	3	163,862	-
Others		<u>349,289</u>	<u>1</u>	<u>260,837</u>	<u>1</u>
		<u>\$ 10,912,094</u>	<u>26</u>	<u>\$ 12,765,205</u>	<u>30</u>
Manufacturing overhead - processing fee					
Subsidiaries		<u>\$ 1,682,936</u>	<u>65</u>	<u>\$ 1,559,126</u>	<u>65</u>
Contract costs					
Subsidiaries		\$ 26,058	9	\$ 15,820	5
Related parties		14,049	5	13,841	5
Others		<u>127,326</u>	<u>43</u>	<u>124,624</u>	<u>42</u>
		<u>\$ 167,433</u>	<u>57</u>	<u>\$ 154,285</u>	<u>52</u>
Computer processing expense					
Subsidiaries	c.	\$ 1,641	1	\$ 396	1
Others		<u>67,856</u>	<u>55</u>	<u>67,435</u>	<u>63</u>
		<u>\$ 69,497</u>	<u>56</u>	<u>\$ 67,831</u>	<u>64</u>
Rental expense					
Subsidiaries	d.	\$ 185,116	85	\$ 185,312	85
Others		<u>16,976</u>	<u>8</u>	<u>16,268</u>	<u>7</u>
		<u>\$ 202,092</u>	<u>93</u>	<u>\$ 201,580</u>	<u>92</u>

(Continued)

	Notes	For the Year Ended December 31			
		2014		2013	
		Amount	%	Amount	%
Non-operating revenue					
Rental revenue					
Subsidiaries		\$ 17,004	74	\$ 16,055	73
Others		<u>5,593</u>	<u>24</u>	<u>5,551</u>	<u>25</u>
		<u>\$ 148,164</u>	<u>98</u>	<u>\$ 21,606</u>	<u>98</u>
Other revenue - commission revenue					
Subsidiaries		<u>\$ 148,164</u>	<u>44</u>	<u>\$ 163,291</u>	<u>28</u>
Nonoperating expenses					
Other expenses - endorsement/guarantee expense					
Subsidiaries		<u>\$ 12,728</u>	<u>6</u>	<u>\$ 18,877</u>	<u>4</u>

Notes:

- The terms of sales to and purchases from the related parties were based on agreements.
- The Company had donated NT\$1,050 thousand to Far Eastern Memorial Foundation as of December 31, 2013.
- As of December 31, 2014, the Company rented the office building and factories from Yuan Ding Co., Ltd. and Far Eastern Resource Development Co., Ltd. and rental expense were paid by monthly and quarterly. All the terms of lease contract had been agreed upon by the lessor and the tenants.
- The Company had revenue incurred from renting out factories and land in Xinpu, Guanyin, Neili and Hukou to Yuan Ze University, Far Eastone, Oriental Resources Development Ltd, Oriental Petrochemical Corp and YDT Technology International Co., Ltd. Rent was received or paid quarterly or monthly, and the amount of rent was based on market conditions in nearby locations.
- Compensation of key management personnel:

	For the Year Ended December 31	
	2014	2013
Short-term employee benefits	\$ 350,857	\$ 332,152
Post-employment benefits (Note)	<u>(3,167)</u>	<u>(1,368)</u>
	<u>\$ 347,690</u>	<u>\$ 330,784</u>

Note: The post-employment benefits were gains for the years ended December 31, 2014 and 2013 based on the results of the actuarial valuations made in accordance with IAS 19 "Employee Benefits".

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**RELATED-PARTY TRANSACTIONS
AS OF DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)**

Notes	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Notes and accounts receivables						
Subsidiaries	\$ 660,643	8	\$ 964,869	11	\$ 610,738	6
Related parties	13,982	-	10,209	-	134,224	1
Others	<u>49,828</u>	<u>1</u>	<u>85,333</u>	<u>1</u>	<u>44,804</u>	<u>-</u>
	<u>\$ 724,453</u>	<u>9</u>	<u>\$ 1,060,411</u>	<u>12</u>	<u>\$ 789,766</u>	<u>7</u>
Other receivables						
Subsidiaries	\$ 809,607	17	\$ 448,052	9	\$ 269,876	80
Related parties	44,373	1	38,451	1	33,666	10
Others	<u>15,010</u>	<u>-</u>	<u>15,982</u>	<u>-</u>	<u>34,652</u>	<u>10</u>
	<u>\$ 868,990</u>	<u>18</u>	<u>\$ 502,485</u>	<u>10</u>	<u>\$ 338,194</u>	<u>100</u>
Refundable deposits						
Subsidiaries	\$ 34,318	56	\$ 34,318	55	\$ 33,887	50
Others	<u>8,260</u>	<u>13</u>	<u>8,260</u>	<u>13</u>	<u>8,260</u>	<u>12</u>
	<u>\$ 42,578</u>	<u>69</u>	<u>\$ 42,578</u>	<u>68</u>	<u>\$ 42,147</u>	<u>62</u>
Accounts payable						
Subsidiaries	\$ 627,996	84	\$ 927,123	98	\$ 922,286	99
Related parties	93,030	12	17,649	2	3,872	-
Others	<u>27,434</u>	<u>4</u>	<u>3,403</u>	<u>-</u>	<u>7,819</u>	<u>1</u>
	<u>\$ 748,460</u>	<u>100</u>	<u>\$ 948,175</u>	<u>100</u>	<u>\$ 933,977</u>	<u>100</u>
Other payables						
Subsidiaries	\$ 409,161	11	\$ 319,783	9	\$ 408,911	11
Related parties	2,708	-	3,512	-	4,143	-
Others	<u>21,049</u>	<u>1</u>	<u>27,186</u>	<u>1</u>	<u>35,340</u>	<u>1</u>
	<u>\$ 432,918</u>	<u>12</u>	<u>\$ 350,481</u>	<u>10</u>	<u>\$ 448,394</u>	<u>12</u>

(Continued)

	Notes	December 31, 2014		December 31, 2013		January 1, 2013	
		Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Deferred income							
Sale of securities							
Subsidiaries	a., b.	\$ 33,419	93	\$ 33,467	66	\$ 38,522	69
Others	c.	2,579	7	2,579	5	2,579	5
Sale of land							
Subsidiaries	d.	-	-	14,749	29	14,749	26
		<u>\$ 35,998</u>	<u>100</u>	<u>\$ 50,795</u>	<u>100</u>	<u>\$ 55,850</u>	<u>100</u>

Financing to related parties

Loans to related parties (recognized as other payables - affiliates)

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Investors that have significant influence over the subsidiaries	<u>\$ 3,872,250</u>	<u>82</u>	<u>\$ 3,899,000</u>	<u>90</u>	<u>\$ -</u>	<u>-</u>

Note:

- In 1994, the Company sold the following shares to YDI and recognized deferred incomes on these sales: Yu Yuan Investment Co., Ltd.'s shares for NT\$30,256 thousand; Nan Shan Life Insurance Co., Ltd.'s shares for NT\$216 thousand; and Hantech Venture Capital Co., Ltd.'s shares for NT\$4,973 thousand. In 2013, the Company reversed NT\$4,973 thousand as gain on sale of investment when YDI sold Nan Shan Life Insurance Co., Ltd.'s shares to a third party.
- The deferred income was made by selling the stock of NCIC to YCIC in 2010 (dissolved on its merger with Far EasTone Telecommunication Co., Ltd. on March 1, 2011). The amortization is according to the difference of NCIC's net assets between fair value and book value and durable service life on the selling date
- 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 and deferred income was realized in 2014.
- In 2014, the Company sold machinery and equipment to Oriental Resources Development Ltd. for NT\$1,795 thousand, for a gain of NT\$1,029 thousand. As of December 31, 2014, a portion of the receivables on this sale, amounting to NT\$20 thousand, had been received. In 2013, the Company sold machinery and equipment to Pet Far Eastern (M) Sdn. Bhd, for NT\$9 thousand, at a loss of NT\$103 thousand. In 2011, the Company sold machinery and equipment to Far Eastern Fibertech Co., Ltd., Far Eastern Industries (Shanghai) Ltd. and Oriental Resources Development Ltd., for NT\$142 thousand, NT\$923 thousand, and NT\$283 thousand, respectively, for gains of NT\$142 thousand, NT\$422 thousand and NT\$19 thousand, respectively. As of December 31, 2013, all the receivables on these sales had been received.

(Continued)

- f. In 2014, the Company bought machinery and equipment from YDT Technology International Co., Ltd., Far Eastern Technical Consultants Co., Ltd. and Far Eastern Geant Company Ltd. for NT\$5,115 thousand, NT\$280 thousand and NT\$30 thousand, respectively. As of December 31, 2014, the payables on these purchases had been paid. In 2013, the Company bought machinery and equipment from YDT Technology International Co. and NCIC for NT\$1,917 thousand, and NT\$1,395 thousand, respectively. As of December 31, 2013, the payables on these purchases had been paid.
- g. The terms of sales to and purchases from the related parties were based on agreements.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Far Eastern New Century Corporation	Far Eastern Polychem Industries Ltd.	Receivables from affiliates	Yes	\$ 2,037,080	\$ 1,886,175	\$ 1,886,175	1.6021-3.35	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,975,021	\$ 99,750,215	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
		PET Far Eastern (Holding) Ltd.	Receivables from affiliates	Yes	1,986,075	1,986,075	1,986,075	3.35	2	-	For revolving fund	-	Promissory note	-	9,975,021	99,750,215	Amounts allowed for ending period (Note B); maximum amounts allowed for the period (Note E).
1	Far EasTone Telecommunications Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	-	-	1.63-1.64	2	-	For revolving fund	-	-	-	7,272,673	36,363,366	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
2	Yuan Ding Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Ding Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	200,000	200,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Oriental Resources Development Ltd.	Receivables from affiliates	Yes	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Far Eastern Resources Development Co.	Receivables from affiliates	Yes	500,000	500,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Oriental Petrochemical (Taiwan) Co., Ltd.	Receivables from affiliates	Yes	750,000	750,000	-	-	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Yuan Tong Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	394,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		An Ho Garment Co., Ltd.	Receivables from affiliates	Yes	400,000	400,000	400,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	545,000	545,000	545,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).
		Kai Yuan International Investment Co., Ltd.	Receivables from affiliates	Yes	800,000	800,000	700,000	1.75-1.86	2	-	For revolving fund	-	Promissory note	-	4,169,192	20,845,961	Amounts allowed for ending period (Note C); maximum amounts allowed for the period (Note E).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note	
													Item	Value				
4	Yuan Tong Investment Co., Ltd.	Far Eastern Resources Development Co.	Receivables from affiliates	Yes	\$ 500,000	\$ 500,000	\$ -	1.45	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 827,043	\$ 4,135,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).	
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	155,000	155,000	155,000	1.15-1.54	2	-	For revolving fund	-	Promissory note	-	827,043	4,135,216	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).	
5	Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Yangzhou) Ltd.	Receivables from related parties	Yes	4,494,300	-	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	2,088,900	2,088,900	-	-	1	9,308,190	-	For revolving fund	-	Promissory note	-	7,746,340	7,746,340	Amounts allowed for ending period (Note R); maximum amounts allowed for the period (Note L).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	221,550	221,550	-	-	2	-	For revolving fund	-	Promissory note	-	4,426,480	4,426,480	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Far Eastern Ishizuka Green Pet	Receivables from related parties	Yes	424,320	424,320	304,980	1.17857	2	-	For revolving fund	-	Promissory note	-	4,426,480	4,426,480	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,107,750	1,107,750	810,240	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Far Eastern Industries (Shanghai) Ltd.	Receivables from related parties	Yes	3,101,700	3,101,700	2,342,100	-	2	-	For revolving fund	-	Promissory note	-	5,533,100	9,959,580	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
7	Far Eastern Investment (Holding) Ltd.	Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	316,500	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		PET Far Eastern (Holding) Ltd.	Receivables from related parties	Yes	791,250	474,750	-	1.348	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	791,250	727,950	-	-	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).	
		FEDP (Holding) Ltd.	Receivables from related parties	Yes	316,500	158,250	47,475	1.3268	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	
		Worldwide Polychem (HK) Ltd.	Receivables from related parties	Yes	316,500	316,500	82,290	-	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Apparel (Vietnam) Ltd.	Receivables from related parties	Yes	\$ 379,800	\$ 379,800	\$ 232,944	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 4,529,888	\$ 7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	1,139,400	474,750	250,985	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		PET Far Eastern (M) Sdn. Bhd.	Receivables from related parties	Yes	316,500	316,500	252,523	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,407,910	3,407,910	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Polychem Industries Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Holding) Ltd.	Receivables from related parties	Yes	474,750	474,750	474,750	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Polytex (Holding) Ltd.	Receivables from related parties	Yes	2,057,250	1,993,950	1,993,950	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Textile (Holding) Ltd.	Receivables from related parties	Yes	2,373,750	2,373,750	2,357,292	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	4,529,888	7,667,799	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
8	PET Far Eastern (Holding) Ltd.	Tong Da Air Industry (Yangzhou) Co., Ltd.	Receivables from related parties	Yes	1,582,500	1,582,500	-	-	2	-	For revolving fund	-	Promissory note	-	2,864,156	2,864,156	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	791,250	791,250	484,245	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	3,580,195	6,444,352	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Receivables from related parties	Yes	1,329,300	1,044,450	1,034,955	-	2	-	For revolving fund	-	Promissory note	-	2,864,156	2,864,156	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
9	Kai Yuan International Investment Co., Ltd.	Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	400,000	100,000	-	1.48-1.54	2	-	For revolving fund	-	Promissory note	-	518,245	2,591,227	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
10	Far Eastern Polytex (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	-	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Wuhan Far Eastern New Material Ltd.	Receivables from related parties	Yes	379,800	284,850	158,250	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern New Century (China) Investment Ltd.	Receivables from related parties	Yes	4,114,500	4,114,500	1,975,974	-	2	-	For revolving fund	-	Promissory note	-	4,349,819	7,829,675	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Receivables from affiliates	Yes	\$ 50,000	\$ 50,000	\$ -	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,644,017	\$ 4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Technical Consultants Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		FET Consulting Engineers Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Far Eastern Electronic Commerce Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Hotel Co., Ltd.	Receivables from affiliates	Yes	300,000	300,000	-	-	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Ding Ding Integrated Marketing Services Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	-	1.2510-1.3817	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	Receivables from affiliates	Yes	506,400	506,400	189,900	1.32-1.5	2	-	For revolving fund	-	Promissory note	-	1,644,017	4,110,044	Amounts allowed for ending period (Note I); maximum amounts allowed for the period (Note K).
13	Ding Yuan International Investment Co., Ltd.	Far Eastern Apparel Co., Ltd.	Receivables from affiliates	Yes	50,000	50,000	-	-	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Da Ju Fiber Co., Ltd.	Receivables from affiliates	Yes	100,000	100,000	100,000	1.18-1.23	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Yue Ding Industry Co., Ltd.	Receivables from affiliates	Yes	140,000	140,000	140,000	1.17-1.21	2	-	For revolving fund	-	Promissory note	-	277,726	1,388,630	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
15	FEDP (Holding) Ltd.	Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	158,250	158,250	-	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	337,993	608,387	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Suzhou) Ltd.	Receivables from related parties	Yes	601,350	411,450	411,450	-	2	-	For revolving fund	-	Promissory note	-	337,993	608,387	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
20	Oriental Textile (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Receivables from related parties	Yes	189,900	189,900	-	-	2	-	For revolving fund	-	Promissory note	-	3,421,735	6,159,122	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Sino Belgium (Holding) Ltd.	Receivables from related parties	Yes	253,200	253,200	-	-	2	-	For revolving fund	-	Promissory note	-	2,737,388	2,737,388	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
		Oriental Industries (Suzhou) Ltd.	Receivables from related parties	Yes	1,519,200	1,519,200	158,250	-	1	2,667,114	-	Promissory note	-	2,667,114	4,790,428	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L).	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Industries (WuXi) Ltd.	Receivables from related parties	Yes	\$ 2,054,085	\$ 2,054,085	\$ 221,550	-	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 3,421,735	\$ 6,159,122	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Industries (Suzhou) Ltd.	Receivables from related parties	Yes	2,848,500	2,848,500	2,848,500	-	2	-	For revolving fund	-	Promissory note	-	3,421,735	6,159,122	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
21	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	633,000	633,000	-	-	1	1,114,118	-	-	Promissory note	-	1,114,118	1,759,417	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note L).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Receivables from related parties	Yes	949,500	949,500	341,820	-	2	-	For revolving fund	-	Promissory note	-	1,256,726	2,262,107	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Apparel (Suzhou) Ltd.	Receivables from related parties	Yes	949,500	949,500	569,700	-	2	-	For revolving fund	-	Promissory note	-	1,256,726	2,262,107	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
26	FETG Investment Antilles N.V.	Waldorf Services B.V.	Receivables from related parties	Yes	31,650	-	-	-	2	-	For revolving fund	-	Promissory note	-	594,708	1,070,475	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
30	Far Eastern Industries (Shanghai) Ltd.	Martens Beers Trading (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	35,648	-	-	-	2	-	For revolving fund	-	Promissory note	-	4,475,284	8,055,511	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	101,850	101,850	-	-	2	-	For revolving fund	-	Promissory note	-	895,057	1,342,585	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note H).
31	Far Eastern Industries (Yangzhou) Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	509,250	509,250	509,250	3	2	-	For revolving fund	-	Promissory note	-	628,311	628,311	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).
34	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	-	2.94076-3.36870	2	-	For revolving fund	-	Promissory note	-	2,055,651	4,568,114	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	-	-	3.02205-3.375	2	-	For revolving fund	-	Promissory note	-	2,055,651	4,568,114	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
36	Waldorf Services B.V.	Chuang Yuan Co., Ltd.	Other receivables	No	316,500	-	-	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Malaysia Garment Manufactures Pte. Ltd.	Receivables from related parties	Yes	158,250	-	-	-	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Oriental Textile (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Far Eastern Polychem Industries Ltd.	Receivables from related parties	Yes	\$ 316,500	\$ 316,500	\$ 316,500	1.3268	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 9,975,021	\$ 29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
		Far Eastern Investment (Holding) Ltd.	Receivables from related parties	Yes	316,500	316,500	316,500	1.3268-1.3480	2	-	For revolving fund	-	Promissory note	-	9,975,021	29,925,064	Amounts allowed for ending period (Note O); maximum amounts allowed for the period (Note P).
41	Oriental Petrochemical (Shanghai) Corp.	Wuhan Far Eastern New Material Ltd.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	4,031,975	7,257,554	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
		Far Eastern Industries (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	101,850	101,850	-	-	2	-	For revolving fund	-	Promissory note	-	4,031,975	7,257,554	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
43	Far Eastern Industries (WuXi) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	763,875	-	-	-	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	-	-	3.6	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,527,750	1,527,750	177,275	3.19353-3.34148	2	-	For revolving fund	-	Promissory note	-	3,002,360	6,671,911	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
44	Oriental Industries (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	509,250	-	2.56054-3.375	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	Yes	1,527,750	1,527,750	-	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	38,316	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	455,779	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	874,392	3.57332	2	-	For revolving fund	-	Promissory note	-	3,782,853	8,406,340	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
45	Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	509,250	-	-	2	-	For revolving fund	-	Promissory note	-	392,189	871,532	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	763,875	-	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	392,189	871,532	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
46	Wuhan Far Eastern New Material Ltd.	Oriental Petrochemical (Shanghai) Corp.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	409,769	409,769	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note J).

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Maximum Amounts Allowed for the Period	Amounts Allowed for Ending Period	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
47	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	\$ 305,550	\$ -	\$ -	3.57332-3.78230	2	\$ -	For revolving fund	\$ -	Promissory note	\$ -	\$ 1,207,633	\$ 2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Sino Belgium (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	407,400	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	509,250	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Industries (WuXi) Ltd.	Other receivables - loans to affiliates	Yes	560,175	-	-	3.57332-3.78230	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	1,018,500	1,018,500	1,006,558	2.94076-3.73354	2	-	For revolving fund	-	Promissory note	-	1,207,633	2,683,628	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
49	Far Eastern New Century (China) Investment Ltd.	Yuan Ding Enterprise (Shanghai) Ltd.	Other receivables - loans to affiliates	Yes	168,053	-	-	-	2	-	For revolving fund	-	Promissory note	-	1,201,956	2,163,521	Amounts allowed for ending period (Note K); maximum amounts allowed for the period (Note M).
51	Sino Belgium (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	50,925	50,925	-	-	2	-	For revolving fund	-	Promissory note	-	132,468	294,374	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
		Far Eastern Apparel (Suzhou) Ltd.	Other receivables - loans to affiliates	Yes	152,775	-	-	3.02883-3.375	2	-	For revolving fund	-	Promissory note	-	132,468	294,374	Amounts allowed for ending period (Note M); maximum amounts allowed for the period (Note N).
55	YDT Technology International Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	150,000	150,000	150,000	1.2271-1.3939	2	-	For revolving fund	-	Promissory note	-	204,195	255,243	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
57	FET Consulting Engineers Co., Ltd.	Yuan Ding Company Ltd.	Receivables from affiliates	Yes	220,000	220,000	220,000	1.2271-1.3939	2	-	For revolving fund	-	Promissory note	-	148,535	185,669	Amounts allowed for ending period (Note J); maximum amounts allowed for the period (Note K).
64	New Century InfoComm Tech Co., Ltd.	Q-Ware Communication Co., Ltd.	Receivables from affiliates	Yes	250,000	250,000	241,000	1.64	2	-	For revolving fund	-	Promissory note	-	2,385,499	11,927,493	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	2,200,000	2,200,000	1,100,000	1.14	2	-	For revolving fund	-	Promissory note	-	2,385,499	11,927,493	Amounts allowed for ending period (Note G); maximum amounts allowed for the period (Note E).
		Far EasTone Telecommunications Co., Ltd.	Receivables from affiliates	Yes	3,300,000	3,300,000	3,300,000	1.14	1	4,174,933	-	-	Promissory note	-	4,174,933	11,927,493	Amounts allowed for ending period (Note Q); maximum amounts allowed for the period (Note K).

(Continued)

- Notes: A. Reasons for financing are as follows:
1. Business relationship.
 2. For short-term financing.
- B. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- C. The limit is equal to 10% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- D. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- E. The limit is equal to 50% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- F. The limit is equal to 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- G. The limit is equal to 10% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- H. The limit is equal to 15% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- I. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- J. The limit is equal to 20% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- K. The limit is equal to 50% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- L. The limit is equal to 70% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- M. The limit is equal to 90% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- N. The limit is equal to 200% of the net value of the financier (based on audited financial statements) as of December 31, 2014.
- O. The limit is equal to 5% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- P. The limit is equal to 15% of the net value of FENC (based on audited financial statements) as of December 31, 2014.
- Q. The limit is equal to business transaction amount.
- R. The limit is at the lower of business transaction amount and 5% of the net value of the financier (based on audited financial statements) as of December 31, 2014.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
0	Far Eastern New Century Corporation	Yuan Ding Investment Co., Ltd.	(Note A)	\$ 99,750,215	\$ 3,247,600	\$ 2,274,750	\$ 300,000	\$ -	1.14	\$ 199,500,429	Yes	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
1	Far EasTone Telecommunicatio ns Co., Ltd.	KGEx.com Co., Ltd.	(Note A)	36,363,366	45,000	45,000	5,994	-	0.06	72,726,731	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
2	Yuan Ding Investment Co., Ltd.	FEDP (Holding) Ltd	(Note C)	20,845,961	303,500	-	-	-	-	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Apparel Co., Ltd.	(Note A)	20,845,961	130,000	130,000	38	-	0.31	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Oriental Resources Development Ltd.	(Note A)	20,845,961	200,000	200,000	100,000	-	0.48	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Da Ju Fiber Co., Ltd.	(Note B)	20,845,961	394,000	394,000	120,000	-	0.95	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		PET Far Eastern (Holding) Ltd.	(Note C)	19,950,043	1,091,925	1,091,925	487,011	-	2.62	19,950,043	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).
		Far Eastern Apparel (Holding) Ltd.	(Note A)	20,845,961	1,821,000	1,582,500	259,159	-	3.80	41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Polychem Industries Ltd.	(Note C)	19,950,043	2,731,500	2,215,500	-	-	5.31	19,950,043	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note J); maximum amounts allowed for the period (Note L).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
		Oriental Textile (Holding) Ltd.	(Note A)	\$ 20,845,961	\$ 2,848,500	\$ 2,848,500	\$ 264,590	\$ -	6.83	\$ 41,691,921	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern New Century Corporation	(Note D)	20,845,961	300,000	300,000	-	-	0.72	41,691,921	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	20,845,961	309,200	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Far Eastern Industries (WuXi) Ltd.	(Note A)	20,845,961	618,400	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Oriental Industries (Suzhou) Ltd.	(Note A)	20,845,961	620,474	-	-	-	-	41,691,921	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
3	Far Eastern Resources Development Co.	Far Eastern New Century Corporation	(Note D)	12,799,122	6,271,448	6,271,448	2,640,000	6,271,448	3.14	25,598,243	-	Yes	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
8	PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	99,750,215	4,374,880	4,114,500	2,009,775	-	2.06	199,500,429	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).
11	Yuan Ding Company Ltd.	Ding Ding Hotel Co., Ltd.	(Note A)	4,110,044	803,000	803,000	348,000	50,000	0.40	8,220,087	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
		Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	4,110,044	63,300	63,300	15,825	-	0.03	8,220,087	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note F); maximum amounts allowed for the period (Note G).
12	Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	33,076,713	1,179,200	300,000	200,000	-	2.72	33,076,713	-	-	-	Limits on each counter-party's endorsement/guarantee amounts (Note K); maximum amounts allowed for the period (Note K).

(Continued)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Counter-party's Endorsement/ Guarantee Amounts	Maximum Amounts Allowed for the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note M)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note O)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note O)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note O)	Note
		Name	Relationship											
30	Far Eastern Industries (Shanghai) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note C)	\$ 8,950,568	\$ 407,400	\$ -	\$ -	\$ -	-	\$ 17,901,136	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note G); maximum amounts allowed for the period (Note E).
40	Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note C)	99,750,215	1,136,775	1,111,313	-	-	2.67	199,500,429	-	-	Yes	Limits on each counter-party's endorsement/guarantee amounts (Note I); maximum amounts allowed for the period (Note H).

- Notes:
- A. Parent company's direct or indirect subsidiary.
 - B. Equity-method investee.
 - C. The guarantee provider and counter-party have the same ultimate parent company.
 - D. Parent company of the investee.
 - E. 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, 2014.
 - F. 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, 2014.
 - G. The amount of the collateral/guarantee is equal to the net value of the guarantor (based on audited financial statements) as of December 31, 2014.
 - H. The amount of the collateral/guarantee is equal to the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.
 - I. The amount of the collateral/guarantee is equal to 50% of the net value of the ultimate parent company (based on audited financial statements) as of December 31, 2014.
 - J. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 50% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.
 - K. 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, 2014.
 - L. The amount of the collateral/guarantee is at the lower of 10% of the net value of the ultimate parent company (based on audited financial statements) and 10% of the net value of Yuan Ding Investment Co., Ltd. (based on audited financial statements) as of December 31, 2014.
 - M. The ratio of accumulated endorsement/guarantee to net equity in latest financial statements is calculated in accordance with Regulations Governing Loaning of Funds and Marketing of Endorsements/Guarantees by Public Companies.
 - N. The tariff guarantee maximum amounts allowed for a subsidiary in Mainland China for the period and the actual appropriation as of period end are as follows: (1) Far Eastern Industries (WuXi) Ltd: RMB11,349 thousand (NT\$57,795 thousand), the actual remittance was this same amount. (2) Far Eastern Apparel (Suzhou) Ltd.: RMB1,250 thousand (NT\$6,366 thousand), the actual remittance was this same amount.
 - O. There will be a "Yes" if the situation meets any with endorsement/guarantee given by parent on behalf of subsidiaries, endorsement/guarantee given by subsidiaries on behalf of parent and endorsement/guarantee given on behalf of companies in Mainland China.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

MARKETABLE SECURITIES AND INVESTMENTS IN SHARES OF STOCK HELD
DECEMBER 31, 2014

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Far Eastern New Century Corporation	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	750,511	\$ 20,188,007	22.33	\$ 29,269,929	19,900 thousand shares pledged or mortgaged as collaterals for loans
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	241,770	5,090,002	16.80	6,817,914	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	81,216	1,504,072	9.17	2,229,379	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	129	1,508	0.03	2,038	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	140,278	2,067,580	19.65	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	135,000	1,843,780	16.83	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,822,822	41,067,513	99.40	-	
	Far Eastern Resources Development Co.	(Note A)	Investments accounted for using the equity method	557,354	96,565,010	100.00	-	
	Far Eastern Polytex (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	124	8,753,563	100.00	-	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	830,815	8,116,141	73.04	-	
	Yuan Tong Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	705,147	7,932,131	100.00	-	
	Kai Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	302,843	5,182,313	100.00	-	
	Far Eastern Investment (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1,700	8,281,047	100.00	-	
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	333	6,621,648	90.54	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,032,195	6,665,722	75.56	-	
	Far Eastern Construction Co., Ltd.	(Note A)	Investments accounted for using the equity method	198,791	7,097,316	65.11	-	
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	186,929	3,365,650	37.13	-	
	An Ho Garment Co., Ltd.	(Note A)	Investments accounted for using the equity method	66,346	1,805,268	100.00	-	
	Ding Yuan International Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	205,000	2,762,049	100.00	-	
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	244	340,899	50.43	-	
Fu Kwok Garment Manufacturing Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,999	193,322	99.99	-		
Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,772	103,408	19.00	-		
Far Eastern Textile Ltd.	(Note A)	Investments accounted for using the equity method	100	1,308	100.00	-		
Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	75,712	794,978	2.65	794,978		
Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	11,045	454,258	0.33	430,755	43,145 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	82,169	1,727,200	9.28	2,255,539	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	7,307	209,634	0.51	206,057	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	118,869	1,127,366	25.23	1,878,130	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,066,658	23,742,197	32.73	77,866,034	
	Far Eastern Polychem Industries Ltd.	(Note A)	Investments accounted for using the equity method	306,644	2,995,772	26.96	-	
	Far Eastern Apparel (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	111	2,565,031	100.00	-	
	Da Ju Fiber Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,081	1,281,699	41.86	-	
	Far Eastern Apparel Co., Ltd.	(Note A)	Investments accounted for using the equity method	24,736	368,392	100.00	-	
	Yuan Faun Ltd.	(Note A)	Investments accounted for using the equity method	5,000	121,298	100.00	-	
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	3,671	71,112	45.50	-	
	Yuan Ding Leasing Corp.	(Note A)	Investments accounted for using the equity method	36,706	428,360	46.20	-	
	Far Eastern Fibertech Co., Ltd.	(Note A)	Investments accounted for using the equity method	88,317	1,032,067	100.00	-	
	Oriental Resources Development Ltd.	(Note A)	Investments accounted for using the equity method	34,242	338,458	70.00	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	86,615	1,600,532	35.00	-	
Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,052	291,836	29.80	-		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	185,247	\$ 2,836,995	25.96	\$ -	78,125 thousand shares pledged or mortgaged as collaterals for loans 16,500 thousand shares pledged or mortgaged as collaterals for loans
	Yuan Ding Company Ltd.	(Note A)	Investments accounted for using the equity method	64,759	1,197,121	12.86	-	
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	75,268	1,181,183	16.87	-	
	Oriental Textile (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	89	7,009,140	100.00	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	119,653	1,547,871	14.92	-	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	98,198	964,085	18.96	-	
	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	1,490	22,710	1.00	-	
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note A)	Investments accounted for using the equity method	70,982	459,551	5.20	-	
	Chung Nan Textile Co., Ltd.	-	Financial assets carried at cost - non-current	2,985	81,405	5.27	-	
	Taiwan Stock Exchange Corp.	-	Financial assets carried at cost - non-current	1,004	22,493	0.16	-	
	Universal Venture Capital Investment Corp.	-	Financial assets carried at cost - non-current	1,400	14,000	1.16	-	
	Overseas Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,000	10,000	1.11	-	
	China Investment and Development Co., Ltd.	-	Financial assets carried at cost - non-current	1,287	8,250	0.80	-	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	-	
	Dah Chung Bills Finance Corp.	-	Financial assets carried at cost - non-current	2,165	30,669	0.50	-	
	U-Ming Marine Transport Corporation	(Note B)	Available-for-sale financial assets - non-current	5,389	268,911	0.63	268,911	
	Far Eastern International Bank	(Note C)	Available-for-sale financial assets - non-current	103,003	1,081,534	3.61	1,081,534	
	Financial assets under asset management contracts (Note F)							
	TA CHEN	-	Financial assets at fair value through profit or loss - current	480	13,224	-	13,224	
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss - current	150	13,185	-	13,185	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	12,690	-	12,690	
	Merry Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	90	10,035	-	10,035	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	55	25,410	-	25,410	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	500	25,350	-	25,350	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	1,100	22,605	-	22,605	
	Novatek Microelectronics Corp.	-	Financial assets at fair value through profit or loss - current	80	14,240	-	14,240	
	Kinsus Interconnect Technology Corp.	-	Financial assets at fair value through profit or loss - current	50	5,275	-	5,275	
	Boardtek Electronics Cor.	-	Financial assets at fair value through profit or loss - current	250	10,938	-	10,938	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	200	14,300	-	14,300	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	60	6,540	-	6,540	
	Ginko International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10	3,370	-	3,370	
	PAIHO	-	Financial assets at fair value through profit or loss - current	120	5,136	-	5,136	
Far Eastern Investment (Holding) Ltd.	FETG Investment Autilles N.V.	(Note A)	Investments accounted for using the equity method	6	1,189,407	100.00	-	
	Filsyn Corporation	(Note A)	Investments accounted for using the equity method	45,066	-	21.85	-	
	PET Far Eastern (M) Sdn. Bhd.	(Note A)	Investments accounted for using the equity method	Common stock 5,000 Preferred stock 3,000	203,573	50.00	-	
	Com2B	(Note A)	Investments accounted for using the equity method	9,000	14,420	20.00	-	
	Far Eastern Apparel (Vietnam) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H) 252,377	252,377	100.00	-	
	Worldwide Polychem (HK) Ltd.	(Note A)	Investments accounted for using the equity method	2,700	96,279	100.00	-	
	Opas Fund Segregated Portfolio Company	(Note A)	Investments accounted for using the equity method	-	1,646	34.00	-	
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	13,222	511,946	0.39	515,658	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,663	73,002	0.19	75,097	
	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,226	36,969	0.90	66,771	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	24,581	664,248	2.78	674,748	
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	920	41,614	0.03	67,160	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note	
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)		
Kai Yuan International Investment Co., Ltd.	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,180	\$ 307,483	13.20	\$ -	15,000 thousand shares pledged or mortgaged as collaterals for loans	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	76,539	803,663	2.67	803,663		
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	20,207	772,043	0.60	788,073		
	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	34,149	1,153,922	1.05	2,492,877		23,800 thousand shares pledged or mortgaged as collaterals for loans
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	35,524	832,482	4.01	975,134		
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	20,672	598,667	1.44	582,950		
	Kowloon Cement Corp.	(Note A)	Investments accounted for using the equity method	1,127	448,282	49.00	-		
	Far Eastern International Leasing Corp.	(Note A)	Investments accounted for using the equity method	74,970	1,181,223	16.80	-		
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-		
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	92,922	975,681	3.25	975,681		
U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - non-current	819	40,868	0.10	40,868			
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	8,026,854	87.64	-		
	PET Far Eastern (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	698,377	9.46	-		
	FEDP (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	240	335,087	49.57	-		
	Far Eastern Industries (Yangzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,570,777	100.00	-		
	Far Eastern Ishizuka Green Pet Corporation	(Note A)	Investments accounted for using the equity method	120	135,910	80.00	-		
	Bank of Chungqing	-	Available-for-sale financial assets - non-current	8,787	214,801	0.32	214,801		
	Nippon Parison Co., Ltd.	-	Financial assets carried at cost - non-current	4	69,135	10.00	-		
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	(Note A)	Investments accounted for using the equity method	147,413	2,065,732	98.95	-		
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	17,727	627,920	0.53	691,353		
	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	1,590	79,331	0.19	79,331		
Far Eastern Apparel (Holding) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	516,065	38.46	-		
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,284,054	100.00	-		
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	5	96	0.01	-		
Far Eastern General Contractor Co., Ltd.	U-Ming Marine Transport Corporation	(Note E)	Available-for-sale financial assets - current	746	37,250	0.09	37,250		
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	7,572	46,917	2.72	-		
	Ya-Li Precast Prestressed Concrete Industries Corp.	-	Financial assets carried at cost - non-current	3,106	25,142	16.03	-		
	Far Eastern Technical Consultants Co, Ltd.	(Note A)	Investments accounted for using the equity method	450	4,272	9.00	-		
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	30,488	330,021	-	330,021		
	Deutsche Far Eastern DWS Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	871	10,005	-	10,005		
	Mirae Asset Solomon Money Market Fund	-	Financial assets at fair value through profit or loss - current	12,102	150,000	-	150,000		
FETG Investment Antilles N.V.	Waldorf Services B.V.	(Note A)	Investments accounted for using the equity method	2	1,187,271	100.00	-		
Waldorf Services B.V.	Cemtex Apparel Inc.	(Note A)	Other liabilities - other	90	(11,627)	50.00	-		
	Malaysia Garment Manufactures Pte. Ltd.	(Note A)	Investments accounted for using the equity method	30	65,794	37.92	-		
	Far Eastern International Garments	(Note A)	Other liabilities - other	59	(12,531)	41.00	-		
	Albert & Orient Glycol Ltd.	-	Financial assets carried at cost - current	-	-	25.00	-		
	Filsyn Corporation	-	Financial assets carried at cost - non-current	20,513	-	9.95	-		
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	40,818	1,087,829	1.25	2,979,714	22,750 thousand shares pledged or mortgaged as collaterals for loans	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	6,094	262,487	0.18	237,666		
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	11,160	291,148	1.26	306,342		
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	370	11,732	0.03	10,434		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Yuan Faun Ltd.	Oriental Securities Corp.	(Note A)	Investments accounted for using the equity method	5,890	\$ 91,212	0.83	\$ -	34,100 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,084	266,676	15.66	-	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	9,681	127,600	1.21	-	
	Yuan Ding Investment Co., Ltd.	(Note A)	Investments accounted for using the equity method	5,502	167,742	0.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	19,060	200,125	0.67	200,125	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	(Note A)	Investments accounted for using the equity method	745	12,604	55.19	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	3,865	42,407	0.14	42,407	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - non-current	3,504	28,519	3.56	-	
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	520	19,853	0.02	37,960	
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	100,237	2,837,687	3.08	7,317,301	
Yuan Tong Investment Co., Ltd.	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	39,619	1,288,621	2.75	1,117,256	
	Oriental Union Chemical Corp.	(Note A)	Investments accounted for using the equity method	41,161	1,577,874	4.65	1,129,869	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	28,579	1,193,962	0.85	1,114,581	
	Pacific Liu Tong Investment Co., Ltd. (Note G)	(Note A)	Investments accounted for using the equity method	18,000	226,538	2.24	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	77,257	328,155	11.98	-	
	Liquid Air Far East Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	23	-	-	
	Sino Belgium (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	35	107,600	93.55	-	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note A)	Investments accounted for using the equity method	1	31	-	-	
	Deutsche Far Eastern Global BioInnovation Fund	-	Available-for-sale financial assets - current	5,000	55,550	-	55,550	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	18,418	193,392	0.64	193,392	
	Ding Shen Investment Co., Ltd.	-	Financial assets carried at cost - non-current	39,600	396,000	18.00	-	
	Bockhold N.V. - stock	-	Financial assets carried at cost - non-current	1	108,533	12.51	-	
	Bockhold N.V. - conversion option embedded into convertible bonds	-	Financial assets carried at cost - non-current	-	6,948	-	-	
	Bockhold N.V. - convertible bonds	-	Bond investments with no active market - current	-	182,583	-	-	
	Bockhold N.V. - convertible bonds	-	Bond investments with no active market - non-current	-	37,491	-	-	
	Financial assets under asset management contracts (Note F)	-	-	-	-	-	-	
	GREATWALL ENT	-	Financial assets at fair value through profit or loss - current	351	9,670	-	9,670	
	HON HAI	-	Financial assets at fair value through profit or loss - current	219	19,250	-	19,250	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	202	28,482	-	28,482	
	Merry Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	57	6,356	-	6,356	
	MediaTek Inc.	-	Financial assets at fair value through profit or loss - current	60	27,720	-	27,720	
	FuBon Financial	-	Financial assets at fair value through profit or loss - current	342	17,339	-	17,339	
	CTBC Financial	-	Financial assets at fair value through profit or loss - current	1,479	30,393	-	30,393	
	Novatek Microelectronics Corp.	-	Financial assets at fair value through profit or loss - current	95	16,910	-	16,910	
	Kinsus Interconnect Technology Corp.	-	Financial assets at fair value through profit or loss - current	58	6,119	-	6,119	
	Sercomm Corp.	-	Financial assets at fair value through profit or loss - current	142	10,153	-	10,153	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss - current	59	6,431	-	6,431	
	Taiwan Paiho Limited	-	Financial assets at fair value through profit or loss - current	78	3,338	-	3,338	
Boardtek Electronics Cor.	-	Financial assets at fair value through profit or loss - current	154	6,738	-	6,738		
Ginko International Co., Ltd.	-	Financial assets at fair value through profit or loss - current	10	3,370	-	3,370		
Far Eastern Apparel (Suzhou) Ltd.	An Ho Garment (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	50,248	100.00	-	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	4,303,336	53.24	-	
	Far Eastern Union Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	1,974,612	50.00	-	
	Tong Da Air Industry (Yangzhou) Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,048,327	50.00	-	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	3,335,942	100.00	-	
	Oriental Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	4,203,183	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
FEDP (Holding) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	\$ 435,766	100.00	\$ -	
Far Eastern Polytex (Holding) Ltd.	Wuhan Far Eastern New Material Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,024,422	100.00	-	
	Far Eastern Apparel (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	825,752	61.54	-	
	Far Eastern New Century (China) Investment Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	2,324,218	100.00	-	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note A)	Investments accounted for using the equity method	(Note H)	4,468,806	60.00	-	
Far Eastern New Century (China) Investment Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	1,138,046	12.36	-	
	Shanghai Yuan Zi Information Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	67,776	100.00	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note A)	Investments accounted for using the equity method	(Note H)	586,819	8.11	-	
	Yuan Ding Enterprise (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	539,805	100.00	-	
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	147,187	100.00	-	
	Martens Beers Trading (Shanghai) Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	55,692	100.00	-	
Oriental Petrochemical (Shanghai) Corp.	Shanghai Far Eastern Petrochemical Logistic Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	126,360	100.00	-	
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	(Note A)	Investments accounted for using the equity method	13,992	467,219	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	9,833	119,481	60.00	-	
	Far Eastern Technical Consultants Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,550	46,367	91.00	-	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	-	8,078	17.70	-	
	Ding Ding Hotel Co., Ltd.	(Note A)	Investments accounted for using the equity method	64,502	337,219	61.99	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	23,913	12,866	53.08	-	
	FET Consulting Engineers Co., Ltd.	(Note A)	Investments accounted for using the equity method	85,000	382,286	100.00	-	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	5,329	218,349	0.16	207,831	
	Far Eastone Telecommunications Co., Ltd.	(Note A)	Investments accounted for using the equity method	4,164	113,111	0.13	303,972	
	Yu Yuan Investment Co.	(Note A)	Investments accounted for using the equity method	129,637	2,060,049	25.02	-	104,000 thousand shares pledged or mortgaged as collaterals for loans
	Yue Ming Corp.	(Note A)	Investments accounted for using the equity method	81	757	1.00	-	
	Yue Ding Industry Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,000	43,735	2.59	-	
	FEDS Asia Pacific Development Co., Ltd.	(Note A)	Investments accounted for using the equity method	10,500	128,195	5.00	-	10,236 thousand shares pledged or mortgaged as collaterals for loans
Far Eastern Electronic Toll Collection Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	96,312	403,667	14.93	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	30,000	270,810	20.00	-	
	Far Eastern New Century Corporation	(Note J)	Financial assets at fair value through profit or loss - current	764	23,992	0.01	23,992	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	7,205	75,654	0.25	75,654	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	79	38	0.18	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	22,515	201,214	15.01	-	
	Pacific SOGO Department Stores	-	Financial assets carried at cost - non-current	1	10	-	-	
Far Eastern Electronic Commerce Co., Ltd.	Deutsche Far Eastern DWS Security Fund	-	Financial assets at fair value through profit or loss - current	12,235	140,541	-	140,541	
	Yuantai Foreign Trade	-	Financial assets carried at cost - non-current	480	4,800	4.00	-	
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	(Note A)	Other liabilities - other	(Note H)	(110,281)	100.00	-	
YDC (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note H)	(950)	0.85	-	
	Speedy (Shanghai) Digital Tech. Co., Ltd.	(Note A)	Investments accounted for using the equity method	(Note H)	44,911	100.00	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
DDIM (Virgin Islands) Ltd.	Yuan Ding Integrated Information Service (Shanghai) Inc.	(Note A)	Other liabilities - other	(Note H)	\$ 110,965	99.15	\$ -	
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	(Note A)	Investments accounted for using the equity method	793	6,961	0.17	12,529	
	Far Eastern Department Stores Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,764	98,796	0.19	77,945	
	Asia Cement Corporation	(Note A)	Investments accounted for using the equity method	61	2,473	-	2,379	
	YDC (Virgin Islands) Ltd.	(Note A)	Investments accounted for using the equity method	1	37,560	82.30	-	
	Far Eastern International Bank	(Note D)	Available-for-sale financial assets - non-current	2,534	26,604	0.09	26,604	
	Oriental Securities Investment Consultant Co., Ltd.	-	Financial assets carried at cost - non-current	1	10	-	-	
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,100,000	26,239,882	100.00	-	
	Arcoa Communication Co., Ltd.	(Note A)	Investments accounted for using the equity method	82,762	1,312,989	61.63	-	
	KGEx.com Co., Ltd.	(Note A)	Investments accounted for using the equity method	112,391	891,631	99.99	-	
	Hiiir Digital Marketing Co., Ltd.	(Note A)	Investments accounted for using the equity method	53,726	412,743	89.54	-	
	Yuan Cing Co., Ltd.	(Note A)	Investments accounted for using the equity method	19,350	126,617	99.99	-	
	E.World (Holdings) Ltd.	(Note A)	Investments accounted for using the equity method	6,015	99,467	85.92	-	
	Far EasTron Holding Ltd.	(Note A)	Investments accounted for using the equity method	4,487	27,048	100.00	-	
	Far Eastern Info Service (Holding) Ltd.	(Note A)	Investments accounted for using the equity method	1	5,768	100.00	-	
	O-music Co., Ltd.	(Note A)	Other liabilities - other	2,500	(30)	50.00	-	
	Q-Ware Communication Co., Ltd.	(Note A)	Other liabilities - other	33,983	(63,123)	81.46	-	
	Far Eastern Electronic Toll Collection Co., Ltd.	(Note A)	Investments accounted for using the equity method	254,240	696,803	39.42	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	6,691	4,304	14.85	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,458	30,182	15.00	-	
	iScreen Corporation	(Note A)	Investments accounted for using the equity method	4,000	16,526	40.00	-	
	Yuan Hsin Digital Payment Co., Ltd.	(Note A)	Investments accounted for using the equity method	45,000	402,160	30.00	-	
	Alliance Digital Technology Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,000	21,917	13.33	-	
	AppWorks Venture Co., Ltd.	-	Financial assets carried at cost - non-current	15,000	150,000	19.43	-	
	Opas Fund Segregated Portfolio Tranche D	-	Available-for-sale financial assets - current	5	181,853	-	181,853	
New Century InfoComm Tech Co., Ltd.	New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	80,000	632,736	100.00	-	
	Information Security Service Digital United Co., Ltd.	(Note A)	Investments accounted for using the equity method	14,878	102,490	100.00	-	
	Digital United (Cayman) Ltd.	(Note A)	Investments accounted for using the equity method	4,320	40,087	100.00	-	
	Simple InfoComm Co., Ltd.	(Note A)	Investments accounted for using the equity method	3,400	20,904	100.00	-	
	Ding Ding Integrated Marketing Services Co., Ltd.	(Note A)	Investments accounted for using the equity method	819	10,061	5.00	-	
	Far Eastern Electronic Commerce Co., Ltd.	(Note A)	Investments accounted for using the equity method	2,392	1,539	5.31	-	
	Opas Fund Segregated Portfolio Tranche B	-	Available-for-sale financial assets - current	11,499	519,568	-	519,568	
	DFE DWS Global BioInnovation	-	Available-for-sale financial assets - current	5,000	55,550	-	55,550	
	Kaohsiung Rapid Transit Co., Ltd.	-	Financial assets carried at cost - non-current	8,858	50,000	3.18	-	
	Bank Pro E-service Technology Co., Ltd.	-	Financial assets carried at cost - non-current	450	4,500	3.33	-	
Arcoa Communication Co., Ltd.	Data Express Infotech Co., Ltd.	(Note A)	Investments accounted for using the equity method	12,866	198,519	70.00	-	
	THI Consultants, Inc.	-	Financial assets carried at cost - non-current	1,214	12,190	18.32	-	
	Taiwan Star Telecom Corporation Limited (Vibo Telecom Inc. originally)	-	Financial assets carried at cost - non-current	8	-	-	-	
	Chunghwa Int'l Communication Network Co., Ltd.	-	Financial assets carried at cost - non-current	1,252	-	3.98	-	
	Web Point Co., Ltd.	-	Financial assets carried at cost - non-current	161	1,618	0.63	-	
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	(Note A)	Investments accounted for using the equity method	-	225	100.00	-	
	Far Eastern New Diligent Co., Ltd.	(Note A)	Investments accounted for using the equity method	-	125,605	100.00	-	
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	(Note A)	Investments accounted for using the equity method	-	49,782	100.00	-	
	Home Master Technology Ltd.	(Note A)	Other liabilities - other	-	(2,937)	99.99	-	
	Jing Yuan Technology Ltd.	(Note A)	Investments accounted for using the equity method	-	-	-	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares or Units (All Common Shares Unless Stated Otherwise) (Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value (Note I)	
Digital United (Cayman) Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	\$ 18,641	100.00	\$ -	
Far Eastern Tech-Info Ltd. (Shanghai)	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	133,338	2.12	-	
Far Eastern New Diligent Co., Ltd.	Far Eastern New Century Information Technology (Beijing) Limited	(Note A)	Investments accounted for using the equity method	-	27,731	76.92	-	
	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	82,294	58.33	-	
Far Eastern Info Service (Holding) Ltd.	Far Eastern Tech-Info Ltd. (Shanghai)	(Note A)	Investments accounted for using the equity method	-	58,781	41.67	-	

- Notes:
- A. Equity-method investee.
 - B. Investor company and investee have the same chairman.
 - C. The vice chairman of investee is the chairman of FENC.
 - D. The chairman of FENC is the vice chairman of the investee company.
 - E. The chairman of the investee is FENC's chairman.
 - F. Financial assets under asset management contracts and the financial assets can be sold in the open market by the investee, Oriental Securities Corp.
 - G. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
 - H. A private company.
 - I. The fair value of financial assets measured at cost and unlisted equity investments held by the Company was not disclosed due to it can not be reliably measured.
 - J. Parent company.
 - K. Relevant information about investment of subsidiaries, affiliates and joint venture. Please refer Schedule I.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Investment Income under the Equity Method	Ending Balance		
					Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Amount	Shares (Thousands)/ Thousand Units	Price	Book Value		Disposal Gain	Shares (Thousands)/ Thousand Units	Amount
Far Eastern New Century Corporation	Far Eastern Polytex (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	116	\$ 8,320,143	8	\$ 482,900	-	\$ -	\$ -	\$ -	\$ (49,480)	124	\$ 8,753,563
	PET Far Eastern (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	264	5,785,936	69	1,566,047	-	-	-	-	(730,335)	333	6,621,648
	Oriental Petrochemical (Taiwan) Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	881,078	6,565,878	151,117	1,511,163	-	-	-	-	(1,411,319)	1,032,195	6,665,722
Yuan Tong Investment Co., Ltd.	Sino Belgium (Holding) Ltd.	Equity-method investments	Cash capital increase	(Note A)	30	30,320	5	317,650	-	-	-	-	(240,370)	35	107,600
PET Far Eastern (Holding) Ltd.	Far Eastern Union Petrochemical (Yangzhou) Corporation	Equity-method investments	Cash capital increase	(Note B)	-	1,405,970	-	545,558	-	-	-	-	23,084	-	1,974,612
	Tong Da Air Industry (Yangzhou) Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	-	-	-	1,020,489	-	-	-	-	27,838	-	1,048,327
Far Eastern Polytex (Holding) Ltd.	Far Eastern New Century (China) Investment Ltd.	Equity-method investments	Cash capital increase	(Note A)	-	2,118,100	-	502,400	-	-	-	-	(296,282)	-	2,324,218
Sino Belgium (Holding) Ltd.	Sino Belgium (Suzhou) Ltd.	Equity-method investments	Cash capital increase	(Note A)	-	65,281	-	317,400	-	-	-	-	(235,494)	-	147,187
Far Eastern General Contractor Co., Ltd.	CTBC Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	26,274	344,000	26,274	344,707	344,000	707	-	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	58,293	630,000	27,805	300,034	300,000	34	-	30,488	330,000
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	30,780	381,000	18,678	231,027	231,000	27	-	12,102	150,000
	Paradigm Pion Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	2,838	32,052	24,667	280,000	27,505	312,083	312,052	31	-	-	-
	Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	9,993	117,172	23,568	277,000	33,561	394,211	394,172	39	-	-	-
Far EasTone Telecommunications Co., Ltd.	Yuan Hsin Digital Payment Co., Ltd.	Equity-method investments	Cash capital increase	(Note B)	9,000	78,330	36,000	360,000	-	-	-	-	(36,170)	45,000	402,160
	Hiiiir Digital Marketing Co., Ltd.	Equity-method investments	Cash capital increase	(Note A)	8,000	59,580	45,726	457,260	-	-	-	-	(104,097)	53,726	412,743

Notes: A. Subsidiary.
B. Equity-method.
C. Subsidiaries of Far Eastern New Century

FAR EASTERN NEW CENTURY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total		
Far Eastern New Century Corporation	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Sales	\$ (578,741)	(1)	Based on contract	\$ -	-	\$ -	-	\$ 92,908	1		
	Far Eastern Industries (WuXi) Ltd.	(Note D)	Sales	(364,969)	(1)	Based on contract	-	-	-	-	57,627	1		
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note D)	Purchase	8,536,321	16	Based on contract	-	-	-	-	(590,773)	(18)		
	Oriental Resources Development Ltd.	(Note D)	Purchase	333,428	1	Based on contract	-	-	-	-	(34,169)	(1)		
	Worldwide Polychem (HK) Ltd.	(Note D)	Sales	(1,280,300)	(2)	Based on contract	-	-	-	-	338,479	4		
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	315,515	1	Based on contract	-	-	-	-	-	-		
	Everest Textile Co., Ltd.	(Note A)	Sales	(387,200)	(1)	Based on contract	-	-	14,413	4	-	-		
	Oriental Union Chemical Corp.	(Note A)	Purchase	1,240,272	2	Based on contract	-	-	-	-	(92,016)	(3)		
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note F)	Sales	(362,237)	(1)	Based on contract	-	-	-	-	49,828	1		
	Pet Far Eastern (M) Sdn. Bhd.	(Note D)	Sales	(174,353)	-	Based on contract	-	-	-	-	75,659	1		
	Fu-Da Transport Corporation	(Note J)	Purchase	140,800	-	Based on contract	-	-	-	-	(21,391)	(1)		
	Fu-Ming Transport Corporate	(Note J)	Purchase	107,685	-	Based on contract	-	-	-	-	(4,466)	-		
	Far Eastern Apparel (Holding) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note D)	Purchase	1,622,357	100	Based on contract	-	-	-	-	(245,046)	(98)	
	Far Eastern Apparel (Suzhou) Ltd.	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Purchase	304,407	9	Based on contract	-	-	-	-	(68,437)	(12)	
An Ho Garment (Suzhou) Ltd.		(Note D)	Purchase	346,930	10	Based on contract	-	-	-	-	(118,510)	(21)		
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel (Holding) Ltd.	(Note C)	Sales	(1,622,357)	(56)	Based on contract	-	-	-	-	245,046	43		
	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	Sales	(304,407)	(10)	Based on contract	-	-	-	-	68,437	12		
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	182,397	5	Based on contract	-	-	-	-	(34,325)	(9)		
	Far Eastern Industries (WuXi) Ltd.	(Note E)	Purchase	112,656	3	Based on contract	-	-	-	-	(36,186)	(10)		
	Far Eastern New Century Corporation	(Note C)	Sales	(315,515)	(11)	Based on contract	-	-	-	-	-	-		
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Industries (Yangzhou) Ltd.	(Note E)	Sales	(322,307)	(1)	Based on contract	-	-	-	-	-	-		
	Far Eastern New Century Corporation	(Note C)	Purchase	578,741	2	Based on contract	-	-	-	-	(92,908)	(3)		
	Far Eastern Polychem Industries Ltd.	(Note C)	Sales	(8,565,718)	(32)	Based on contract	-	-	-	-	107,897	6		
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	6,706,840	26	Based on contract	-	-	(1,146,631)	(92)	(523,767)	(16)		
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(864,602)	(3)	Based on contract	-	-	-	-	257,773	14		
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	208,591	1	Based on contract	-	-	-	-	(72,986)	(2)		
	Worldwide Polychem (HK) Ltd.	(Note E)	Sales	(712,858)	(3)	Based on contract	-	-	-	-	343,423	19		
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Sales	(182,397)	(1)	Based on contract	-	-	-	-	34,325	2		
Far Eastern Industries (WuXi) Ltd.	Far Eastern New Century Corporation	(Note C)	Purchase	364,969	10	Based on contract	-	-	-	-	(57,627)	(23)		
	Far Eastern Dyeing & Finishing (Suzhou) Ltd.	(Note E)	Sales	(112,656)	(3)	Based on contract	-	-	-	-	36,186	9		
	Oriental Textile (Holding) Ltd.	(Note C)	Sales	(734,713)	(20)	Based on contract	-	-	-	-	145,925	37		
Far Eastern Industries (Suzhou) Ltd.	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Purchase	596,623	15	Based on contract	-	-	-	-	-	-		
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	1,223,381	32	Based on contract	-	-	(410,850)	(100)	(176,492)	(82)		
	Oriental Petrochemical (Taiwan) Co., Ltd.	(Note E)	Purchase	493,686	13	Based on contract	-	-	-	-	-	-		
	Oriental Industries (Suzhou) Ltd.	(Note E)	Sales	(3,277,648)	(88)	Based on contract	-	-	651,943	98	268,909	96		

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total	
Far Eastern Polychem Industries Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note D)	Purchase	\$ 8,565,718	93	Based on contract	\$ -	-	\$ -	-	\$ (107,897)	(72)	
	Pet Far Eastern (M) Sdn. Bhd.	(Note E)	Sales	(1,277,281)	(13)	Based on contract	-	-	-	-	338,827	43	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(363,231)	(4)	Based on contract	-	-	-	-	75,587	10	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Purchase	558,750	6	Based on contract	-	-	-	-	(72,635)	(49)	
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	322,307	98	Based on contract	-	-	-	-	-	-	
	Wuhan Far Eastern New Material Ltd.	(Note E)	Sales	(323,483)	(100)	Based on contract	-	-	-	-	55,790	100	
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(596,623)	(100)	Based on contract	-	-	-	-	-	-	
	Oriental Petrochemical (Shanghai) Corp.	(Note E)	Purchase	591,337	100	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sales	(6,706,840)	(33)	Based on contract	-	-	1,146,631	38	523,767	55	
	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(1,223,381)	(6)	Based on contract	-	-	410,850	14	176,792	19	
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	(Note E)	Sales	(591,337)	(3)	Based on contract	-	-	-	-	-	-	
	PET Far Eastern (Holding) Ltd.	(Note C)	Purchase	622,354	3	Based on contract	-	-	-	-	-	-	
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Sales	(493,686)	(3)	Based on contract	-	-	-	-	-	-	
	Far Eastern New Century Corporation	(Note C)	Sales	(8,536,321)	(50)	Based on contract	-	-	-	-	590,773	47	
Oriental Resources Development Ltd.	Far Eastern New Century Corporation	(Note C)	Sales	(333,428)	(54)	Based on contract	-	-	-	-	36,335	65	
	Freudenberg Far Eastern Spunweb Co., Ltd.	(Note H)	Sales	(127,039)	(20)	Based on contract	-	-	-	-	19,242	35	
Oriental Industries (Suzhou) Ltd.	Far Eastern Industries (Suzhou) Ltd.	(Note E)	Purchase	3,277,648	45	Based on contract	-	-	(651,943)	(100)	(268,909)	(58)	
	Oriental Textile (Holding) Ltd.	(Note C)	Sales	(8,536,321)	(42)	Based on contract	-	-	-	-	555,508	42	
Oriental Textile (Holding) Ltd.	Far Eastern Industries (WuXi) Ltd.	(Note D)	Purchase	734,713	17	Based on contract	-	-	-	-	(145,925)	(20)	
	Oriental Industries (Suzhou) Ltd.	(Note D)	Purchase	3,463,732	82	Based on contract	-	-	-	-	(555,508)	(78)	
Fu Kwok Garment Manufacturing Co., Ltd.	Worldwide Polychem (HK) Ltd.	(Note E)	Sales	(217,349)	(10)	Based on contract	-	-	-	-	141,605	76	
PET Far Eastern (Holding) Ltd.	Oriental Petrochemical (Shanghai) Corp.	(Note D)	Sales	(622,354)	(100)	Based on contract	-	-	-	-	-	-	
Pet Far Eastern (M) Sdn. Bhd.	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	1,227,281	71	Based on contract	-	-	-	-	(338,827)	(69)	
	Far Eastern New Century Corporation	(Note C)	Purchase	174,353	10	Based on contract	-	-	-	-	(75,659)	(15)	
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note C)	Sales	(346,930)	(100)	Based on contract	-	-	-	-	118,510	100	
Wuhan Far Eastern New Material Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	864,602	45	Based on contract	-	-	-	-	(257,773)	(58)	
	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Sales	(208,591)	(10)	Based on contract	-	-	-	-	72,986	29	
	Far Eastern Polychem Industries Ltd.	(Note E)	Sales	(558,750)	(27)	Based on contract	-	-	-	-	72,635	29	
	Far Eastern Polychem Industries Ltd.	(Note E)	Purchase	363,231	19	Based on contract	-	-	-	-	(75,587)	(17)	
	Far Eastern Industries (Yangzhou) Ltd.	(Note C)	Purchase	323,483	17	Based on contract	-	-	-	-	(55,790)	(13)	
Worldwide Polychem (HK) Ltd.	Far Eastern Industries (Shanghai) Ltd.	(Note E)	Purchase	712,858	32	Based on contract	-	-	-	-	(343,423)	(36)	
	Fu Kwok Garment Manufacturing Co., Ltd.	(Note E)	Purchase	217,349	10	Based on contract	-	-	-	-	(141,605)	(15)	
	Far Eastern New Century Corporation	(Note C)	Purchase	1,280,300	58	Based on contract	-	-	-	-	(338,479)	(35)	
Far Eastern Electronic Toll Collection Co., Ltd.	YDT Technology International Co., Ltd.	(Note E)	Cost of construction	373,533	18	Based on contract	-	-	-	-	(15,593)	(24)	
YDT Technology International Co., Ltd.	Far Eastern Electronic Toll Collection Co., Ltd.	(Note E)	Construction revenue	(373,533)	(81)	Based on contract	-	-	-	-	15,593	39	
Far Eastern General Contractor Co., Ltd.	Ya Tung Ready-mixed Concrete Corp.	(Note J)	Purchase	778,253	15	Based on contract	-	-	(24,167)	(13)	(166,074)	(15)	
	Far Eastern Department Stores Co., Ltd.	(Note H)	Construction revenue	(318,146)	(6)	Based on contract	-	-	-	-	2,653	1	
	Far Eastern Memorial Hospital	(Note I)	Construction revenue	(132,691)	(3)	Based on contract	-	-	-	-	27,919	14	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes Payable or Receivable		Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Ending Balance	% to Total		
Far Eastern Fibertech Co., Ltd.	Everest Textile Co., Ltd.	(Note H)	Sales	\$ (273,558)	(13)	Based on contract	\$ -	-	\$ -	-	\$ 20,923	15		
Yuan Cheng Human Resources Consultant Corp.	Far EasTone Telecommunications Co., Ltd.	(Note E)	Other operating revenue	(110,616)	(30)	Based on contract	-	-	-	-	1,787	44		
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	Cost of telecommunications services, marketing expenses and cost of sales	16,280,192	27	Based on agreement	-	-	-	-	(1,559,477)	(10)		
			Operating revenues	(375,151)	-	Based on agreement	-	-	-	-	188,938	3		
	New Century InfoComrn Co., Ltd.	(Note D)	Operating revenues	(1,069,831)	(1)	Based on agreement	-	-	-	-	1,888	-		
			Cost of telecommunications services	3,105,102	7	Based on agreement	-	-	-	-	(424,725)	(3)		
	KGEx.com. Co., Ltd.	(Note D)	Operating revenues	(148,423)	-	Based on agreement	-	-	-	-	25,226	-		
			Hiiiir Inc.	(Note D)	Service fee	117,130	1	Based on agreement	-	-	-	(23,006)	-	
			Omusic., Ltd.	(Note D)	Cost of telecommunications services	158,353	-	Based on agreement	-	-	-	(37,543)	-	
	DataExpress Infotech Co., Ltd.	(Note D)	Operating revenues	(128,870)	-	Based on agreement	-	-	-	-	14,469	-		
			Far Cheng Human Resource Consultant Corp.	(Note E)	Service fee	109,517	1	Based on agreement	-	-	-	(9,159)	-	
New Century InfoComrn Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenues	(3,105,102)	(23)	Based on agreement	-	-	-	-	424,725	30		
			Cost of telecommunications services	1,069,831	12	Based on agreement	-	-	-	-	(1,888)	-		
	KGEx.com. Co., Ltd.	(Note E)	Cost of telecommunications services	106,557	1	Based on agreement	-	-	-	-	(35,209)	(5)		
	Sino Lead Enterprise Limited	(Note D)	Cost of telecommunications services	108,666	1	Based on agreement	-	-	-	-	(23,291)	(3)		
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenues	(16,280,192)	(78)	Based on agreement	-	-	-	-	1,559,477	95		
			Cost of sales and cost of telecommunication services	375,151	2	Based on agreement	-	-	-	-	(188,938)	(13)		
Home Master Technology Ltd.	Home Master Technology Ltd.	(Note E)	Operating revenues	(143,358)	(1)	Based on agreement	-	-	-	-	35,551	2		
KGEx.com. Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of telecommunications services	148,423	20	Based on agreement	-	-	-	-	(25,226)	(41)		
	New Century InfoComrn Co., Ltd.	(Note E)	Operating revenues	(106,557)	(18)	Based on agreement	-	-	-	-	35,209	32		
Hiiiir Inc.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Service revenues	(117,130)	(39)	Based on agreement	-	-	-	-	23,006	31		
Omusic., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Operating revenues	(158,353)	(99)	Based on agreement	-	-	-	-	37,543	99		
DataExpress Infotech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note C)	Cost of sales and cost of telecommunication services	128,870	5	Based on agreement	-	-	-	-	(14,469)	(4)		
Home Master Technology Ltd.	ARCOA Communication Co., Ltd.	(Note E)	Cost of sales	143,358	59	Based on agreement	-	-	-	-	(35,551)	(82)		
Sino Lead Enterprise Limited	New Century InfoComrn Co., Ltd.	(Note C)	Operating revenues	(108,666)	(100)	Based on agreement	-	-	-	-	23,291	77		

Notes: A. Equity-method investee.

B. All interconnect revenues, costs and collection of international direct dial revenue between Far EasTone and NCIC were settled at net amounts and were included in accounts payable - related parties.

C. Parent company.

D. Subsidiary.

E. Same ultimate parent company.

F. Equity-method investee equity-method of FENC's subsidiary.

(Continued)

- G. The receivables collected by Far Eastone for NCIC.
- H. Equity-method investee equity-method of FENC.
- I. The chairman of the company is the chairman of FENC.
- J. The chairman of the ultimate parent company is the chairman of FENC.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

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

FOR THE YEAR ENDED DECEMBER 31, 2014

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
Far Eastern New Century Corporation	Worldwide Polychem (HK) Ltd.	(Note D)	\$ 338,479	2.43	\$ -	-	\$ 198,772	\$ -
Far Eastern Industries (Shanghai) Ltd.	Far Eastern Polychem Industries Ltd.	(Note E)	107,897	11.42	-	-	107,897	-
	Wuhan Far Eastern New Material Ltd.	(Note C)	257,773	2.43	-	-	164,960	-
	Worldwide Polychem (HK) Ltd.	(Note C)	343,423	2.96	-	-	135,388	-
Far Eastern Industries (WuXi) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	145,925	5.92	-	-	135,729	-
Far Eastern Industries (Suzhou) Ltd.	Oriental Industries (Suzhou) Ltd.	(Note C)	920,852	3.87	-	-	920,852	-
Far Eastern Polychem Industries Ltd.	Pet Far Eastern (M) Sdn. Bhd.	(Note C)	338,827	3.49	-	-	231,874	-
Far Eastern Apparel (Vietnam) Ltd.	Far Eastern New Century Corporation	(Note E)	111,910	11.38	-	-	71,978	-
Oriental Petrochemical (Shanghai) Corp.	Far Eastern Industries (Shanghai) Ltd.	(Note C)	1,670,398	3.82	-	-	619,203	-
	Far Eastern Industries (Suzhou) Ltd.	(Note C)	587,342	3.27	-	-	343,040	-
Oriental Petrochemical (Taiwan) Co., Ltd.	Far Eastern New Century Corporation	(Note E)	590,773	12.09	-	-	572,313	-
Oriental Industries (Suzhou) Ltd.	Oriental Textile (Holding) Ltd.	(Note E)	555,508	6.80	-	-	555,508	-
FuKwok Garment Manufacturing Co., Ltd.	Worldwide Polychem (HK) Ltd.	(Note C)	141,605	3.07	-	-	132,940	-
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern Apparel Holding Ltd.	(Note E)	245,046	8.75	-	-	228,551	-
An Ho Garment (Suzhou) Ltd.	Far Eastern Apparel (Suzhou) Ltd.	(Note E)	118,510	3.01	-	-	84,914	-
Far EasTone Telecommunications Co., Ltd.	ARCOA Communication Co., Ltd.	(Note D)	190,948	11.79	-	-	159,888	-
	New Century InfoComm Tech Co., Ltd.	(Note D)	185,093	(Note B)	-	-	93,208	-
New Century InfoComm Tech Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	5,183,228	(Note G)	-	-	721,621	-
	Q-ware Communications Co., Ltd.	(Note C)	242,125	(Note F)	-	-	3,793	-
ARCOA Communication Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	(Note E)	1,559,477	12.17	-	-	1,527,612	-

(Continued)

Notes: A. For the receivables from the financing to affiliates, please refer to Schedule D.

B. The turnover rate was not calculated because the receivables of Far Eastone were the payment made for NCIC's daily operating expenditures and the management service charges to NCIC.

C. Same ultimate parent company.

D. Subsidiary.

E. Parent company.

F. The turnover rate was not calculated because the expenses of Pet Far Eastern (Holding) Ltd. were the payments made for its subsidiary, Far Eastern Polychem Industries Ltd.

G. The turnover rate was not calculated because revenues and the costs due from the Internet hook-up and international phone call services between Far Eastone and NCIC were paid (received) at net amounts, which were recognized under accounts payable to affiliates.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes	
				December 31, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value				
Far Eastern New Century Corporation	Asia Cement Corporation	Taiwan	Cement production	\$ 2,652,282	\$ 2,652,282	750,511	22	\$ 20,188,007	\$ 9,362,665	\$ 1,558,325	Gain or loss recognized under the treasury stock method, (Note A)	
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,254,158	1,254,158	241,770	17	5,090,002	1,503,897	252,655	(Note A)	
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,176,211	1,176,211	81,216	9	1,504,072	145,933	13,382	(Note A)	
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	1,689	1,689	129	0	1,508	373,953	112	(Note A)	
	Oriental Securities Corp.	Taiwan	Broker	159,823	159,823	140,278	20	2,067,580	326,643	64,185	(Note A)	
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	810,000	810,000	135,000	17	1,843,780	792,682	133,408	(Note A)	
	Yuan Ding Investment Co., Ltd.	Taiwan	Investment	100,041	100,041	1,822,822	99	41,067,513	5,565,824	5,506,388	Including write off and reversed by sidestream transactions \$(24,694), (Note B)	
	Far Eastern Resources Development Co.	Taiwan	Real estate leasing and development service	14,931,733	14,931,733	557,354	100	96,565,010	4,439,772	4,439,772	(Note B)	
	Far Eastern Polytex (Holding) Ltd.	Bermuda	Investment	7,678,309	7,195,409	124	100	8,753,563	(231,191)	(231,191)	(Note B)	
	Far Eastern Polychem Industries Ltd.	Bermuda	Investment	7,318,312	7,318,312	830,815	73	8,116,141	(15,679)	(11,452)	(Note B)	
	Yuan Tong Investment Co., Ltd.	Taiwan	Investment	5,850,000	5,850,000	705,147	100	7,932,131	188,635	188,770	Including write off and reversed by upstream and sidestream transaction \$135, (Note B)	
	Kai Yuan International Investment Co., Ltd.	Taiwan	Investment	999,993	999,993	302,843	100	5,182,313	253,238	253,238	(Note B)	
	Far Eastern Investment (Holding) Ltd.	Bermuda	Investment	5,833,333	5,833,333	1,700	100	8,281,047	868,440	868,440	(Note B)	
	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	5,811,250	4,245,203	333	91	6,621,648	(1,056,971)	(942,181)	Including amortised cost of discounts\$9,727, (Note B)	
	Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	9,408,804	7,897,641	1,032,195	76	6,665,722	(1,817,730)	(1,409,260)	Including write off and reversed by upstream transactions \$20,035, (Note B)	
	Far Eastern Construction Co., Ltd.	Taiwan	Real estate construction and selling	143,450	143,450	198,791	65	7,097,316	365,100	239,454	(Note B)	
	Yuan Ding Company Ltd.	Taiwan	Real estate construction and selling	857,511	857,511	186,929	37	3,365,650	506,751	106,102	Including write off by sidestream transactions \$(82,352), (Note B)	
	An Ho Garment Co., Ltd.	Taiwan	Investment	1,023	1,023	66,346	100	1,805,268	199,503	199,429	Including write off and reversed by sidestream transactions \$(74), (Note B)	
	Ding Yuan International Investment Co., Ltd.	Taiwan	Investment	2,000,062	2,000,062	205,000	100	2,762,049	105,147	105,147	(Note B)	
	FEDP (Holding) Ltd.	Bermuda	Investment	676,315	676,315	244	50	340,899	(197,420)	(99,559)	(Note B)	
	Fu Kwok Garment Manufacturing Co., Ltd.	Taiwan	Real Garment production	9,129	9,129	3,999	100	193,322	17,824	17,824	(Note B)	
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	393,651	393,651	19,772	19	103,408	(295,419)	(56,130)	(Note B)	
	Far Eastern Textile Ltd.	Taiwan	Chemical fiber production	1,000	1,000	100	100	1,308	72	72	(Note B)	
	Yuan Ding Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	316,556	263,935	11,045	0	454,258	9,362,665	-	(Note A)
		Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,321,883	1,041,479	82,169	9	1,727,200	145,933	-	(Note A)
		Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	169,831	123,123	7,307	1	209,634	1,503,897	-	(Note A)
Everest Textile Co., Ltd.		Taiwan	Chemical fiber production	470,103	470,103	118,869	25	1,127,366	373,953	-	(Note A)	
Far EastTone Telecommunications Co., Ltd.		Taiwan	Telecommunications	2,723,598	2,723,598	1,066,658	33	23,742,197	11,484,149	-	(Note B)	
Far Eastern Polychem Industries Ltd.		Bermuda	Investment	1,392,692	1,392,692	306,644	27	2,995,772	(15,679)	-	(Note B)	
Far Eastern Apparel (Holding) Ltd.		Bermuda	Sale of textile, garments, and clothing	2,179,442	2,179,442	111	100	2,565,031	174,926	-	(Note B)	
Da Ju Fiber Co., Ltd.		Taiwan	Sale of polychemical products	263,790	263,790	23,081	42	1,281,699	243,515	-	(Note A)	
Far Eastern Apparel Co., Ltd.		Taiwan	ale of textile, garments, and clothing	287,984	287,984	24,736	100	368,392	10,839	-	(Note B)	
Yuan Faun Ltd.		Taiwan	PET bottle production and selling	51,671	51,671	5,000	100	121,298	2,280	-	(Note B)	
Yue Ming Corp.		Taiwan	Trading	97,852	97,852	3,671	46	71,112	1,521	-	(Note A)	
Yuan Ding Leasing Corp.		Taiwan	Real estate construction and selling	319,380	319,380	36,706	46	428,360	16,816	-	(Note A)	
Far Eastern Fibertech Co., Ltd.		Taiwan	Nylon production	585,000	585,000	88,317	100	1,032,067	110,271	-	(Note B)	
Oriental Resources Development Ltd.		Taiwan	Waste recycling and processing	338,188	338,188	34,242	70	338,458	2,255	-	(Note B)	
Liquid Air Far East Co., Ltd.		Taiwan	Industrial gas production and selling	504,806	504,806	86,615	35	1,600,532	970,650	-	(Note A)	
Freudenberg Far Eastern Spunweb Co., Ltd.		Taiwan	Production of nonwoven industrial fabrics	144,786	144,786	13,052	30	291,836	321,322	-	(Note A)	
Oriental Securities Corp.		Taiwan	Broker	255,424	255,424	185,247	26	2,836,995	326,643	-	(Note A)	
Yuan Ding Company Ltd.		Taiwan	Real estate construction and selling	188,846	188,846	64,759	13	1,197,121	506,751	-	(Note B)	
Far Eastern International Leasing Corp.		Taiwan	Leasing	1,012,057	1,012,057	75,268	17	1,181,183	132,017	-	(Note A)	
Oriental Textile (Holding) Ltd.		Bermuda	Investment	5,842,331	5,842,331	89	100	7,009,140	337,532	-	(Note B)	
Pacific Liu Tong Investment Co., Ltd. (Note E)		Taiwan	Investment	796,491	796,491	119,653	15	1,547,871	792,682	-	(Note A)	
Yu Yuan Investment Co.		Taiwan	Investment	673,704	673,704	98,198	19	964,085	1,539,457	-	(Note A)	
Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	14,682	14,682	1,490	1	22,710	152,905	-	(Note B)		
Oriental Petrochemical (Taiwan) Co., Ltd.	Taiwan	Petrochemical materials production	311,759	207,839	70,982	5	459,551	(1,817,730)	-	(Note B)		

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Far Eastern Investment (Holding) Ltd.	FETG Investment Antilles N.V.	Netherlands Antilles	Investment	US\$ 6	US\$ 6	6	100	\$ 1,189,407	\$ 553,456	\$ -	(Note B)
	Filsyn Corporation	Philippines	Polychemical products	PESO 225,324	PESO 225,324	45,066	22	-	(12,796)	-	(Note A)
	PET Far Eastern (M) Sdn. Bhd.	Malaysia	Bottle production	MYR 8,000	MYR 8,000	-	50	203,573	89,625	-	(Notes B and C)
	Com2B	Cayman Islands	E-business	US\$ 3,375	US\$ 3,375	9,000	20	14,450	(11,172)	-	(Note A)
	Far Eastern Apparel (Vietnam) Ltd.	Vietnam	Clothing production	US\$ 9,000	US\$ 9,000	-	100	252,377	(32,756)	-	(Notes B and D)
	Worldwide Polychem (HK) Ltd.	Hong Kong	Polyester production	US\$ 3,500	US\$ 3,500	2,700	100	96,279	(365)	-	(Note B)
	Opas Fund Segregated Portfolio Company	Cayman Islands	Investment	US\$ 51	US\$ 51	-	34	1,646	25	-	(Note A)
Ding Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	375,512	375,512	13,222	0	511,946	9,362,665	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	54,812	53,506	2,663	0	73,002	1,503,897	-	(Note A)
	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	70,428	149,480	4,226	1	36,969	373,953	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	596,353	387,687	24,581	3	664,248	145,933	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	38,457	38,457	920	0	41,614	11,484,149	-	(Note B)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2	226,538	792,682	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	95,624	95,624	10,180	13	307,483	127,510	-	(Note A)
Kai Yuan International Investment Co., Ltd.	Asia Cement Corporation	Taiwan	Cement production	483,448	483,448	20,207	1	772,043	9,362,665	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	793,702	793,702	34,149	1	1,153,922	11,484,149	-	(Note B)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	816,803	526,597	35,524	4	832,482	145,933	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	519,473	519,473	20,672	1	598,667	1,503,897	-	(Note A)
	Kowloon Cement Corp.	Hong Kong	Cement production	226,896	226,896	1,127	49	448,282	48,472	-	(Note A)
	Far Eastern International Leasing Corp.	Taiwan	Leasing	1,026,489	1,026,489	74,970	17	1,181,223	132,017	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2	226,538	792,682	-	(Note A)
Far Eastern Polychem Industries Ltd.	PET Far Eastern (Holding) Ltd.	Bermuda	Investment	US\$ 17,622	US\$ 17,622	35	9	698,377	(1,056,971)	-	(Note B)
	FEDP (Holding) Ltd.	Bermuda	Investment	US\$ 29,240	US\$ 29,240	240	50	335,087	(197,420)	-	(Note B)
	Far Eastern Ishizuka Green Pet Corporation	Japan	PET bottle production and selling	JPY 1,200,000	JPY 1,200,000	120	80	135,910	(199,122)	-	(Note B)
Far Eastern Construction Co., Ltd.	Far Eastern General Contractor Co., Ltd.	Taiwan	Real estate construction	271,587	271,587	147,413	99	2,065,732	152,905	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	216,959	216,959	17,727	1	627,920	9,362,665	-	(Note A)
Far Eastern Apparel Co., Ltd.	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	29	29	5	0	96	127,510	-	(Note A)
Far Eastern General Contractor Co., Ltd.	Far Eastern Technical Consultants Co, Ltd.	Taiwan	Real estate development business consulting and management	3,864	3,864	450	9	4,272	(3,734)	-	(Note B)
FETG Investment Antilles N.V.	Waldorf Services B.V.	Netherlands	Investment	US\$ 19	US\$ 19	2	100	1,187,271	553,565	-	(Note B)
Waldorf Services B.V.	Cemtex Apparel Inc.	Philippines	Clothing O.E.M.	PESO 9,000	PESO 9,000	90	50	(11,627)	(9)	-	(Note A)
	Malaysia Garment Manufactures Pte. Ltd.	Singapore	Garment production	SGD 3,000	SGD 3,000	30	38	65,794	12,540	-	(Note A)
	Far Eastern International Garments	Philippines	Garment production	US\$ 290	US\$ 290	59	41	(12,531)	(394)	-	(Note A)
An Ho Garment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	748,158	748,158	40,818	1	1,087,829	11,484,149	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	206,551	206,551	6,094	0	262,487	9,362,665	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	286,049	4,814	11,160	1	291,148	145,933	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	10,483	10,483	370	0	11,732	1,503,897	-	(Note A)
	Oriental Securities Corp.	Taiwan	Broker	95,103	95,103	5,890	1	91,212	326,643	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	111,997	111,997	12,084	16	266,676	127,510	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	67,285	67,285	9,681	1	127,600	792,682	-	(Note A)
Yuan Ding Investment Co., Ltd.	Taiwan	Investment	148,994	148,994	5,502	0	167,742	5,565,824	-	(Note B)	
Yuan Faun Ltd.	Yuan Cheng Human Resources Consultant Corp.	Taiwan	Personnel recruitment	7,214	7,304	745	55	12,604	4,568	-	(Note B)
Fu Kwok Garment Manufacturing Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	19,663	19,663	520	0	19,853	11,484,149	-	(Note B)
Yuan Tong Investment Co., Ltd.	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	2,246,035	2,246,035	100,237	3	2,837,687	11,484,149	-	(Note B)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	1,159,521	1,159,521	39,619	3	1,288,621	1,503,897	-	(Note A)
	Oriental Union Chemical Corp.	Taiwan	Petrochemical materials production	1,511,986	1,350,827	41,161	5	1,577,874	145,933	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	888,648	888,648	28,579	1	1,193,962	9,362,665	-	(Note A)
	Pacific Liu Tong Investment Co., Ltd. (Note E)	Taiwan	Investment	90,000	90,000	18,000	2	226,538	792,682	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	787,104	787,104	77,257	12	328,155	(340,884)	-	(Note B)
	Liquid Air Far East Co., Ltd.	Taiwan	Industrial gas production and selling	20	20	1	-	23	970,650	-	(Note A)
	Sino Belgium (Holding) Ltd.	Bermuda	Investment	2,191,960	1,874,310	35	94	107,600	(272,324)	-	(Note B)
	Freudenberg Far Eastern Spunweb Co., Ltd.	Taiwan	Production of nonwoven industrial fabrics	34	34	1	-	31	321,322	-	(Note A)

(Continued)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Notes
				December 31, 2014	December 31, 2013	Shares (Thousands)	Percentage of Ownership	Carrying Value			
Yuan Ding Company Ltd.	YDT Technology International Co., Ltd.	Taiwan	Electronic material and relevant by-product sale	\$ 100,000	\$ 100,000	13,992	100	\$ 467,219	\$ 229,617	\$ -	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	240,000	240,000	9,833	60	119,481	26,118	-	(Note B)
	Far Eastern Technical Consultants Co, Ltd.	Taiwan	Real estate development business consulting and management	45,182	45,182	4,550	91	46,367	(3,734)	-	(Note B)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 200	US\$ 200	-	18	8,078	1,118	-	(Note B)
	Ding Ding Hotel Co., Ltd.	Taiwan	Hotel	645,021	645,021	64,502	62	337,219	(295,419)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	239,130	239,130	23,913	53	12,866	(140,294)	-	(Note B)
	FET Consulting Engineers Co., Ltd.	Taiwan	Business consulting	822,701	822,701	85,000	100	382,286	(182,782)	-	(Note B)
	Asia Cement Corporation	Taiwan	Cement production	136,037	136,037	5,329	0	218,349	9,362,665	-	(Note A)
	Far EasTone Telecommunications Co., Ltd.	Taiwan	Telecommunications	100,412	100,412	4,164	0	113,111	11,484,149	-	(Note B)
	Yu Yuan Investment Co.	Taiwan	Investment	411,187	411,187	129,637	25	2,060,049	1,539,457	-	(Note A)
	Yue Ming Corp.	Taiwan	Trading	787	787	81	1	757	1,521	-	(Note A)
	Yue Ding Industry Co., Ltd.	Taiwan	Department store operations	22,676	22,676	2,000	3	43,735	127,510	-	(Note A)
	FEDS Asia Pacific Development Co., Ltd.	Taiwan	Department store operations	100,000	100,000	10,500	5	128,195	157,149	-	(Note A)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	977,650	977,650	96,312	15	403,667	(340,884)	-	(Note B)
Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	300,000	60,000	30,000	20	270,810	(108,833)	-	(Note B)	
Ding Ding Integrated Marketing Services Co., Ltd.	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	745	745	79	0	38	(140,294)	-	(Note B)
	Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	225,150	45,030	22,515	15	201,214	(108,833)	-	(Note B)
FET Consulting Engineers Co., Ltd.	DDIM (Virgin Islands) Ltd.	British Virgin Islands	Investment	384,970	384,970	-	100	(110,281)	(187,814)	-	(Note B)
YDT Technology International Co., Ltd.	Everest Textile Co., Ltd.	Taiwan	Chemical fiber production	16,173	16,173	793	0	6,961	373,953	-	(Note A)
	Far Eastern Department Stores Co., Ltd.	Taiwan	Department store operations	51,673	51,673	2,764	0	98,796	1,503,897	-	(Note A)
	Asia Cement Corporation	Taiwan	Cement production	862	862	61	-	2,473	9,362,665	-	(Note A)
	YDC (Virgin Islands) Ltd.	British Virgin Islands	Investment	US\$ 930	US\$ 930	1	82	37,560	1,118	-	(Note B)
Far EasTone Telecommunications Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Taiwan	Type I & II telecommunications services	22,249,283	22,249,283	2,100,000	100	26,239,882	2,430,726	-	(Note B)
	ARCOA Communication Co., Ltd.	Taiwan	Type II telecommunications services, sales of communications products and office equipment	1,305,802	1,295,035	82,762	62	1,312,989	264,533	-	(Note B)
	KGEx.com Co., Ltd.	Taiwan	Type II telecommunications services	2,540,442	2,540,442	112,391	100	891,631	36,405	-	(Note B)
	Far Eastern Info Service (Holding) Ltd.	Bermuda	Investment	92,616	92,616	1	100	5,768	(21,775)	-	(Note B)
	Yuan Cing Co., Ltd.	Taiwan	Call center services	101,371	101,371	19,350	100	126,617	15,254	-	(Note B)
	E. World (Holdings) Ltd.	Cayman Islands	Investment	82,883	82,883	6,015	86	99,467	7,308	-	(Note B)
	Far EasTron Holding Ltd.	Cayman Islands	Investment	150,000	150,000	4,487	100	27,048	1,458	-	(Note B)
	O-music Co., Ltd.	Taiwan	Electronic information providing services	25,000	25,000	2,500	50	(30)	244	-	(Note B)
	Hiiir Digital Marketing Co., Ltd.	Taiwan	Electronic information providing services	537,260	80,000	53,726	90	412,743	(114,397)	-	(Note B)
	Q-Ware Communication Co., Ltd.	Taiwan	Type II telecommunications services	832,038	832,038	33,983	81	(63,123)	(41,513)	-	(Note B)
	Far Eastern Electronic Toll Collection Co., Ltd.	Taiwan	Electronic toll collection service	2,542,396	2,542,396	254,240	39	696,803	(340,884)	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	80,893	80,893	6,691	15	4,304	(140,294)	-	(Note B)
	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	60,000	60,000	2,458	15	30,182	26,118	-	(Note B)
	iScreen Corporation	Taiwan	Information services	100,000	100,000	4,000	40	16,526	2,307	-	(Note A)
Yuan Hsin Digital Payment Co., Ltd.	Taiwan	Other financing and supporting services	450,000	90,000	45,000	30	402,160	(108,833)	-	(Note B)	
Alliance Digital Technology Co., Ltd.	Taiwan	Electronic information providing services	30,000	30,000	3,000	13	21,917	(54,157)	-	(Note A)	
ARCOA Communication Co., Ltd.	Data Express Infotech Co., Ltd.	Taiwan	Sale of communications products	141,750	141,750	12,866	70	198,519	30,565	-	(Note B)
New Century InfoComm Tech Co., Ltd.	Ding Ding Integrated Marketing Services Co., Ltd.	Taiwan	Marketing	20,000	20,000	819	5	10,061	26,118	-	(Note B)
	Far Eastern Electronic Commerce Co., Ltd.	Taiwan	Electronic information providing services	28,922	28,922	2,392	5	1,539	(140,294)	-	(Note B)
	New Diligent Co., Ltd.	Taiwan	Investment	800,000	800,000	80,000	100	632,736	(39,093)	-	(Note B)
	Information Security Service Digital United Co., Ltd.	Taiwan	Security and monitoring service via Internet	148,777	148,777	14,878	100	102,490	4,070	-	(Note B)
	Digital United (Cayman) Ltd.	Cayman Islands	Investment	132,406	132,406	4,320	100	40,087	(11,565)	-	(Note B)
	Simple InfoComm Co., Ltd.	Taiwan	Type II telecommunications services	34,000	34,000	3,400	100	20,904	17	-	(Note B)
New Diligent Co., Ltd.	Sino Lead Enterprise Limited	Hong Kong	Telecommunication services	125	125	-	100	225	(91)	-	(Note B)
	Far Eastern New Diligent Co., Ltd.	British Virgin Islands	Investment	133,048	133,048	-	100	125,605	(44,509)	-	(Note B)
Data Express Infotech Co., Ltd.	Linkwell Tech. Ltd.	Taiwan	Sale of communications products	10,000	10,000	-	100	49,782	5,880	-	(Note B)
	Home Master Technology Ltd.	Taiwan	Sale of communications products	9,999	9,999	-	100	(2,937)	(15,825)	-	(Note B)
	Jing Yuan Technology Ltd.	Taiwan	Data processing service	-	10,000	-	-	-	(20)	-	(Note B)

(Continued)

- Notes:
- A. Equity-method investee.
 - B. Subsidiary.
 - C. Included 5,000 thousand common shares and 3,000 thousand preferred shares.
 - D. A private company.
 - E. The investor opened a trust account in Shanghai Bank in Taipei on September 26, 2002 to acquire the ownership of Pacific Liu Tung Investment Co., Ltd.
 - F. Shares in thousands.
 - G. Investment in mainland china, please refer to Schedule J.
 - H. Under the “IFRSs Questions and Answers” issued by Taiwan Stock Exchange Corp. (TWSE), the Company recognized these items as investment properties in its stand-alone financial statements and reclassified them to property, plant and equipment in the consolidated financial statements. The Company used the equity method and share of the profit or loss of associates to adjust the differences between the investment property amounts presented in the stand-alone and consolidated financial statements.
 - I. The share value of FENC shares held by Yuan Ding Company Ltd. and the shares of Yuan Ding Company Ltd. were adjusted resulting from investment properties are subsequently measured by the fair value.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2014 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2014	Note
					Outflow	Inflow							
Far Eastern Industries (Shanghai) Ltd.	Manufacture and distribution of PET staple, PET filament, polyester top, PET performs, draw textured yarn, spinning yarn, knit fabrics, woven fabrics, knit garments and woven garments.	\$ 9,575,934	2	\$ 3,700,967	\$ -	\$ -	\$ 3,700,967	\$ 216,878	100.00	\$ 216,878	\$ 9,164,900	\$ 853,493	Notes D and E
Far Eastern Apparel (Suzhou) Ltd.	Manufacture and distribution of knit garments, woven garments, non-knit garments, and nonwoven garments and accessories.	1,041,809	2	1,010,901	-	-	1,010,901	14,445	100.00	14,445	1,341,805	233,172	Notes F and G
Far Eastern Industries (WuXi) Ltd.	Manufacture and distribution of combed cotton yarn, 60/40 poly/cotton blended yarn, 65/35 poly/cotton blended yarn, spun yarn, woven fabrics, greige woven fabrics, print woven fabrics, piece dyed woven fabrics and bleached woven fabrics.	2,451,889	2	2,018,430	-	-	2,018,430	(42,847)	100.00	(42,847)	3,335,942	246,378	Notes H and I
Oriental Petrochemical (Shanghai) Corp.	Manufacture and distribution of PTA and its by-products.	7,648,271	2	2,976,148	-	-	2,976,148	(1,787,402)	61.35	(1,096,571)	4,890,155	1,064,005	Note J
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Manufacture and distribution of weaving, dyeing and finishing of novelty fabrics, high-value engineered textiles industrial woven fabrics and scraps.	1,880,523	2	1,342,854	-	-	1,342,854	141,145	100.00	141,145	2,284,054	92,719	Notes H and S
Far Eastern Industries (Suzhou) Ltd.	Manufacture and distribution of polyester chips, partially oriented yarn, fully oriented yarn, and polyester yarn.	2,008,328	2	1,765,319	-	-	1,765,319	(224,229)	100.00	(224,229)	435,766	-	Note K
Wuhan Far Eastern New Material Ltd.	Manufacture and distribution of PET chips, PET performs and garments and its by-products	871,060	2	724,110	-	-	724,110	40,791	100.00	40,791	1,024,422	-	
Oriental Industries (Suzhou) Ltd.	Manufacture and distribution of PET performs and high-value engineered textiles industrial woven fabrics and scraps	4,261,641	2	3,656,977	-	-	3,656,977	384,180	100.00	384,180	4,203,183	-	Note H
Far Eastern New Century (China) Investment Ltd.	Investment	2,396,946	2	1,606,525	482,900	-	2,089,425	(5,730)	100.00	(5,730)	2,324,218	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2014 (Note C)	Accumulated Repatriation of Investment Income as of December 31, 2014	Note
					Outflow	Inflow							
Sino Belgium (Suzhou) Ltd.	Brewery	\$ 1,941,048	2	\$ 1,446,552	\$ 317,400	\$ -	\$ 1,763,952	\$ (224,229)	100.00	\$ (224,229)	\$ 147,187	\$ -	Note L
Martens Beers Trading (Shanghai) Ltd.	Brewery	368,219	2	200,473	-	-	200,473	(10,022)	100.00	(10,022)	55,692	-	Note L
Far Eastern Yihua Petrochemical (Yangzhou) Corporation	PA and its by-product production and sale	7,401,191	2	4,181,323	-	-	4,181,323	2,339	60.00	1,403	4,468,806	-	
Far Eastern Industries (Yangzhou) Ltd.	PA and its by-product production	1,573,085	2	1,436,190	-	-	1,436,190	12,452	100.00	12,452	1,570,777	-	
Far Eastern Union Petrochemical (Yangzhou) Corporation	PA and its by-product production	4,156,043	2	1,417,350	545,558	-	1,962,908	(121,983)	50.00	(60,992)	1,974,612	-	
Shanghai Yuan Zi Information Co., Ltd.	Software development, equipment maintenance and consulting	64,726	3	-	-	-	-	112	100.00	112	67,776	-	
Shanghai Far Eastern Petrochemical Logistic Ltd.	Transportation	96,758	3	-	-	-	-	7,377	100.00	7,377	126,360	-	
An Ho Garment (Suzhou) Ltd.	Garment production	5,093	3	-	-	-	-	(4,564)	100.00	(4,564)	50,247	-	
Yuan Ding Enterprise (Shanghai) Ltd.	Software development	539,805	3	-	-	-	-	(159,351)	100.00	(159,351)	539,805	-	
Tong Da air Industry (Yangzhou) Co., Ltd.	Liquid oxygen, oxygen, nitrogen and hydrogen warehousing	2,095,432	2	-	1,020,489	-	1,020,489	(1,177)	50.00	(589)	1,048,327	-	
Yuan Ding Integrated Information Service (Shanghai) Inc.	Computer software and internet software design and development	410,726	2	240,330	-	-	240,330	(189,376)	100.00	(189,376)	(111,914)	-	Note M
Speedy (Shanghai) Digital Tech. Co., Ltd.	Intelligent control equipment and security monitoring products and services	33,301	2	24,220	-	-	24,220	3,044	100.00	3,044	44,911	-	Note N
Far Eastern Tech-info Ltd. (Shanghai)	Computer software, data processing and provision of network information	189,900	2	92,616	110,775	-	203,391	(4,402)	100.00	(4,402)	160,357	-	Note O
Digital United Information Technologies (Shanghai) Ltd.	Research and design of computer system	98,115	2	98,115	-	-	98,115	(12,542)	100.00	(12,542)	18,641	-	Note P
Far Eastern New Century Information Technology (Beijing) Limited	Electronic information providing services	164,580	2	126,600	-	-	126,600	(55,801)	79.04	(44,104)	180,354	-	Note R
New Diligence Corporation (Shanghai)	Consulting services, supporting services, and wholesale of machinery and equipment	35,670	1	35,670	-	-	35,670	-	-	-	-	-	Notes Q and R

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Far Eastern New Century Co., Ltd. (Note T and U)	\$ 19,458,065	\$ 25,073,813	\$ -

(Continued)

- Notes: A. Investment type as follows:
1. The Group made the investment directly.
 2. The Group made the investment through a company registered in a third region. The companies registered in a third region are Far Eastern Polychem Industries Ltd., PET Far Eastern (Holding) Ltd., Oriental Textile (Holding) Ltd., FEDP (Holding) Ltd., Far Eastern Polytex (Holding) Ltd., Sino Belgium (Holding) Ltd., YDC (Virgin Islands) Ltd., DDIM (Virgin Islands) Ltd., Far Eastern Info Service (Holding) Ltd., Digital United (Cayman) Ltd. and Far Eastern New Diligent Company Ltd.
 3. Other.
- B. Recognition of gains/losses was based on the following three information:
1. Financial statements of these companies, which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm: Far Eastern Industries (Shanghai) Ltd., Sino Belgium (Suzhou) Limited, Far Eastern Apparel (Suzhou) Ltd., Oriental Petrochemical (Shanghai) Corp., Far Eastern Spinning Weaving and Dyeing (Suzhou) Ltd., Far Eastern Industries (Suzhou) Ltd., Wuhan Far Eastern New Material Ltd., Far Eastern Industries (WuXi) Ltd. and Oriental Industries (Suzhou) Ltd.
 2. Financial statements of these companies, which were audited by the parent company's accounting firm: Far Eastern Tech-info Ltd. (Shanghai), Digital United Information Technology (Shanghai) Co., Ltd., New Diligence Tech-info (Shanghai) Ltd. and Far Eastern New Century Information Technology (Beijing) Limited.
 3. Others: Far Eastern New Century (China) Investment Ltd., Martens Beers Trading (Shanghai) Ltd., Yuan Ding Integrated Information Service (Shanghai) Inc., Speedy (Shanghai) Digital Tech. Co., Ltd., Far Eastern Yihua Petrochemical (Yangzhou) Corporation, Far Eastern Industries (Yangzhou) Ltd., Far Eastern Union Petrochemical (Yangzhou) Corporation., Shanghai Yuan Zi Information Co., Ltd., Shanghai Far Eastern Petrochemical Logistic Ltd., An Ho Garment (Suzhou) Ltd. and Yuan Ding Enterprise (Shanghai) Ltd.
- C. The ending balance of investment recognized by parent company.
- D. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$3,700,967 thousand which NT\$3,134,807 thousand where from the Company and the other was from Yuan Ding Investment Co., Ltd.
- E. As of December 31, 2014, the remitted amount of profit of investment was the total cash dividend of Far Eastern Polychem Industries Ltd received by FENC and Yuan Ding Investment Co., Ltd.
- F. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,010,901 thousand which NT\$509,725 thousand was remitted by FENC the other was by Yuan Ding Investment Co., Ltd.
- G. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Apparel (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Polytex (Holding) Ltd. and Far Eastern Apparel (Holding) Ltd.
- H. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by Yuan Ding Investment Co., Ltd.
- I. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Industries (WuXi) Ltd. remitted through an FENC subsidiaries, Oriental Textile (Holding) Ltd.
- J. As of December 31, 2014, the profit of investment was cash dividend paid by Oriental Petrochemical (Shanghai) Corp. remitted through an FENC subsidiaries, PET Far Eastern (Holding) Ltd. and Far Eastern Polytex (Holding) Ltd.
- K. As of December 31, 2014, the accumulated outflow of investment from Taiwan was NT\$1,765,319 thousand which NT\$1,099,293 thousand was remitted by FENC, and the other was by subsidiaries, Yuan Ding Investment Co., Ltd. and Yuan Tong Investment Corporation.
- L. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Yuan Tong Investment Corporation.
- M. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd. and FET Consulting Engineers Co., Ltd.
- N. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, YDT Technology International Co., Ltd.
- O. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, Far EasTone Telecommunications Co., Ltd.
- P. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Century InfoComm Tech Co., Ltd.
- Q. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73,000, the investment registered with the Investment Commission of the MOEA, and wrote off this same amount.
- R. As of December 31, 2014, the accumulated outflow of investment from Taiwan was remitted by an FENC subsidiary, New Diligent Co., Ltd.
- S. As of December 31, 2014, the profit of investment was cash dividend paid by Far Eastern Dyeing & Finishing (Suzhou) Ltd. remitted through an FENC subsidiaries, Far Eastern Apparel (Holding) Ltd.
- T. Investment amounts authorized by Investment Commission, MOEA were included by US\$778,755 thousand, RMB77,000 thousand and RMB6,695 thousand which was the original investment from Far Eastern Polytex (Holding) Ltd. and approved by Investment Commission under the Ministry of Economic Affairs.
- U. Based on MOEA Approval Letter No. 10001153440, there is no cap on the amount of the Company's investment.

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

**INVESTMENT IN MAINLAND CHINA - INVESTMENT TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014
(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 (US\$)	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 Apparel (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	1996.10.16	No. 85016219	Far Eastern Apparel (Holding) Ltd.	10,000	10,000			
	Yuan Ding Investment Co., Ltd.	2003.10.30	No. 092033299	Far Eastern Apparel (Holding) Ltd.	5,000	5,000			
	Far Eastern New Century Corporation	2006.05.23	No. 09500112650	Far Eastern Polytex (Holding) Ltd.	11,000	11,000			
	Far Eastern New Century Corporation	2008.03.31	No. 09700038490	Far Eastern Polytex (Holding) Ltd.	5,000	5,000			
Far Eastern Industries (WuXi) Ltd.	Yuan Ding Investment Co., Ltd.	2002.06.21	No. 091011903	Oriental Textile (Holding) Ltd.	19,960	19,960			
	Yuan Ding Investment Co., Ltd.	2005.11.03	No. 094024169	Oriental Textile (Holding) Ltd.	40,000	40,000			
Oriental Petrochemical (Shanghai) Corp.	Far Eastern New Century Corporation	2009.11.17	No. 09800408170 (Note B)	Far Eastern Polychem Industries Ltd.	1,228				1,228
	Yuan Ding Investment Co., Ltd.	2009.11.17	No. 09800408160 (Note C)	PET Far Eastern (Holding) Ltd. Far Eastern Polychem Industries Ltd.	6,592				6,592
	Far Eastern New Century Corporation	2008.06.27	No. 09700163430	PET Far Eastern (Holding) Ltd. PET Far Eastern (Holding) Ltd.	49,500	49,500			

(Continued)

Investee Company	Authorized by Investment Commission, MOEA				Investment Type				
	Investor Company	Date	MOEA Approval Letter No.	Through Investor Company in Third Area	Investment Amount (US\$)	Investor Company's Own Capital	Investor Company in Third Area Using Dividends Received from Investee (US\$)	Financed from Financial Institutions in Third Area (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Far Eastern Dyeing & Finishing (Suzhou) Ltd.	Far Eastern New Century Corporation	2008.04.18	No. 09700045500	Far Eastern Polychem Industries Ltd. PET Far Eastern (Holding) Ltd.	\$ 4,800 2,936 (Note F)	\$ 4,800			
	Far Eastern New Century Corporation	2009.12.25	No. 09800456740	PET Far Eastern (Holding) Ltd.	41,171	41,171			
	Yuan Ding Investment Co., Ltd.	2003.10.31	No. 092033525	Far Eastern Apparel (Holding) Ltd.	20,000	20,000			
	Yuan Ding Investment Co., Ltd.	2008.10.13	No. 09700348610	Far Eastern Apparel (Holding) Ltd.	30,000	30,000			
	Far Eastern Industries (Suzhou) Ltd.	Yuan Ding Investment Co., Ltd.	2002.11.26	No. 091035216	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	9,352			\$ 9,352
	Far Eastern New Century Corporation	2004.10.11	No. 093025506	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	1,569			\$ 1,569	
	Far Eastern New Century Corporation	2004.10.14	No. 093030298	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	713				713
	Far Eastern New Century Corporation	2010.10.12	No. 09900403430 (Note H)	FEDP (Holding) Ltd.	5,288	5,288			
	Far Eastern New Century Corporation	2006.11.01	No. 09500287850	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,524	4,524			
	Far Eastern New Century Corporation	2008.04.18	No. 09700045510	Far Eastern Polychem Industries Ltd. FEDP (Holding) Ltd.	4,800 754 (Note G)	4,800			
Oriental Industries (Suzhou) Ltd.	Far Eastern New Century Corporation	2010.12.29	No. 09900470520 (Note I)	FEDP (Holding) Ltd.	18,224	18,224			
	Yuan Ding Investment Co., Ltd.	2005.08.01	No. 094015006	Oriental Textile (Holding) Ltd.	19,800	19,800			
	Yuan Ding Investment Co., Ltd.	2006.02.09	No. 094037416	Oriental Textile (Holding) Ltd.	30,200	30,200			
	Yuan Ding Investment Co., Ltd.	2007.10.02	No. 09600280400	Oriental Textile (Holding) Ltd.	23,000	23,000			
	Yuan Ding Investment Co., Ltd.	2008.09.01	No. 09700172130	Oriental Textile (Holding) Ltd.	32,500	32,500			
	Yuan Ding Investment Co., Ltd.	2013.04.29	No. 10200127470	Oriental Textile (Holding) Ltd.	8,000	8,000			
Wuhan Far Eastern New Material Ltd.	Yuan Ding Investment Co., Ltd.	2014.09.11	No. 10300223190 (Note T)	Oriental Textile (Holding) Ltd.	43,000	43,000			
	Far Eastern New Century Corporation	2006.05.19	No. 09500090070	Far Eastern Polytex (Holding) Ltd.	12,000	12,000			
	Far Eastern New Century Corporation	2009.06.29	No. 09800135640	Far Eastern Polytex (Holding) Ltd.	10,000	10,000			
Far Eastern New Century (China) Investment Ltd. (Note A)	Far Eastern New Century Corporation	2010.12.21	No. 09900470530	Far Eastern Polytex (Holding) Ltd.	RMB 6,695				RMB 6,695
	Far Eastern New Century Corporation	2006.08.01	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
Sino Belgium (Suzhou) Ltd.	Far Eastern New Century Corporation	2007.08.02	No. 09500124430	Far Eastern Polytex (Holding) Ltd.	48,000	48,000			
	Yuan Tong Investment Co., Ltd.	2007.08.02	No. 09600248620	Sino Belgium (Holding) Ltd.	18,000	18,000			
	Yuan Tong Investment Co., Ltd.	2008.02.21	No. 09600451060	Sino Belgium (Holding) Ltd.	12,000	12,000			

(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 (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)	
Martens Beers Trading (Shanghai) Ltd.	Yuan Tong Investment Co., Ltd.	2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd. Bockhold N.V Martens HK Ltd.	\$ 16,000 38	\$ 16,000 38				
	Yuan Tong Investment Co., Ltd.	2014.12.19	No. 10300249370 (Note S)	Sino Belgium (Holding) Ltd.	10,000	10,000				
	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.	3,800 4,304	3,800			\$ 4,304	
		2011.10.27	No. 10000446910 (Note L)	Sino Belgium (Holding) Ltd. Sino Belgium (Holding) Ltd.	1,500	1,500				
		2013.11.28	No. 10200451570 (Note N)	Bockhold N.V Martens HK Ltd. Sino Belgium (Holding) Ltd.	282 1,100	282 1,100				
		2014.12.19	No. 10300249370 (Note S)	Sino Belgium (Holding) Ltd.	1,000	1,000				
	Far Eastern Tech-Info Ltd. (Shanghai)	Far EastTone Telecommunications Co., Ltd.	2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Limited	2,500	2,500			
	Far Eastern Yihua Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2011.06.23	No. 10000021360 (Note J)	Far Eastern Polytex (Holding) Ltd.	166,000	166,000			
Far Eastern Industries (Yangzhou) Ltd.	Far Eastern New Century Corporation	2012.03.30	No. 10100043080	Far Eastern Polychem Industries Ltd.	49,000	49,000				
Far Eastern Union Petrochemical (Yangzhou) Corporation	Far Eastern New Century Corporation	2012.08.31	No. 10100115020 (Note M)	PET Far Eastern (Holding) Ltd.	100,000	100,000				
Yuan Ding Enterprise (Shanghai) Ltd.	Far Eastern New Century Corporation	2013.11.08	No. 10200399280	Far Eastern Polytex (Holding) Ltd.	1,000	1,000				
	Far Eastern New Century Corporation	2014.01.28	No. 10200399290 (Note R)	Far Eastern New Century (China) Investment Ltd. Far Eastern Polytex (Holding) Ltd. Far Eastern New Century (China) Investment Ltd.	82,340	82,340				
Far Eastern E-Resource (Yangzhou) Ltd.	Far Eastern New Century Corporation	2013.12.26	No. 10200417560 (Note O)	Far Eastern Polytex (Holding) Ltd.	RMB 77,000	RMB 77,000				

(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 (US\$)	Investor Company in Third Area Using Its Own Capital to Invest (US\$)
Tong Da air Industry (Yangzhou) Co., Ltd.	Far Eastern New Century Corporation	2014.01.28	No. 10300203670 (Note Q)	PET Far Eastern (Holding) Ltd.	\$ 33,500	\$ 33,500			
Yuan Ding Integrated Information Service (Shanghai) Inc.	YDT Technology International Co., Ltd.	2011.10.19	No. 10000429550	YDC (Virgin Islands) Ltd.	110	110			
	FET Consulting Engineers Co., Ltd.	2011.11.03	No. 10000439470	DDIM (Virgin Islands) Ltd.	8,100	8,100			
Speedy (Shanghai) Digital Tech. Co., Ltd.	YDT Technology International Co., Ltd.	2004.02.11	No. 093003471	YDC (Virgin Islands) Ltd.	300	300			
Far Eastern Tech-Info Ltd. (Shanghai)	Far EasTone Telecommunications Co., Ltd.	2005.02.05	No. 094003122	YDC (Virgin Islands) Ltd.	500	500			
		2004.08.26	No. 093018811	Far Eastern Info Service (Holding) Ltd.	2,500	2,500			
	New Diligent Co., Ltd.	2014.01.29	No. 10300022990	Far Eastern New Diligent Company Ltd.	3,500	3,500			
Digital United Information Technologies (Shanghai) Co., Ltd.	New Century InfoComm Tech Co., Ltd.	2002.10.07	No. 091041498	Digital United (Cayman) Ltd.	3,100				\$ 3,100
	New Century InfoComm Tech Co., Ltd.	2013.08.09	No. 10200302730	Digital United (Cayman) Ltd.	1,000	1,000			
New Diligence Corporation (Shanghai)	New Diligent Co., Ltd.	2007.08.08	No. 09600261870	New Diligent Co., Ltd. (Note P)	1,127	1,127			
Far Eastern New Century Information Technology (Beijing) Limited	New Diligent Co., Ltd.	2012.11.19	No. 10100496420	Far Eastern New Diligent Company Ltd.	4,000	4,000			

Notes: A. Far Eastern New Century (China) Investment Ltd. invested US\$30,000 thousand in Far Eastern Industries (Shanghai) Ltd. and US\$16,000 thousand in Oriental Petrochemical (Shanghai) Ltd.

B. Document No. 092035971 has been canceled and replaced with document No. 09800408170.

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

D. The approved amount of US\$12,000 thousand as stated in document No. 09800283970 dated September 18, 2009 had been changed to US\$11,500 thousand while awaiting the completion of the-review process on April 19, 2010.

E. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industry (Shanghai) Ltd. increased.

F. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Oriental Petrochemical (Shanghai) Ltd. increased.

G. The shares offered for the privatization of FEPI had antilutative effects; thus, FEPI's ownership of and amount invested in Far Eastern Industries (Suzhou) Ltd. increased.

H. Under the original investment scheme, the investment in Far Eastern Industry (Suzhou) Ltd. was made indirectly though Far Eastern Polytex (Holding) Ltd. and FEDP (Holding) Ltd under the approval stated in Letter No. 09600059830 of the Ministry of Economic Affairs (MOEA). After a scheme modification, this investment was made indirectly only though FEDP (Holding) Ltd. under the MOEA's approval (Letter No. 09900403430).

(Continued)

- I. After obtaining MOEA approval (No. 09900470520), FENC received from FEDP (Holding) Ltd the equity of Yuan Tong Investment Co., Ltd. amounting US\$18,224 thousand. (MOEA approval No. 09600243260).
- J. After obtaining MOEA approval (No. 10000021360), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd., indirectly invest US\$166,000 thousand in Far Eastern Yihua Petrochemical (Yangzhou) Corporation. As of December 31, 2014, FENC paid US\$139,400 thousand in this indirect investment.
- K. After obtaining the MOEA's approval (Letter No. 10000380580), FENC made its subsidiary, Far Eastern Polychem Industries Ltd. indirectly invest RMB136,000 thousand in Far Eastern Industries (Shanghai) Ltd. However, as of December 31, 2013, FEPI had remitted this indirect investment of RMB136,000 thousand back to Taiwan and the prior approval of the MOEA had been obtained on August 8, 2013.
- L. After obtaining MOEA approval (No. 10000446910), FENC made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$17,820 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$17,500 thousand as its indirect investment.
- M. After obtaining MOEA approval (No. 10100115020), FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest US\$100,000 thousand in Far Eastern Union Petrochemical (Yangzhou) Ltd. As of December 31, 2014, FENC remitted US\$66,000 thousand to this indirect investment.
- N. After obtaining MOEA approval (No. 10200451570), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd., indirectly invest US\$1,100 thousand in Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,065 thousand to this indirect investment.
- O. After obtaining MOEA approval (No. 10200417560), FENC made its subsidiary, Far Eastern Polytex (Holding) Ltd. indirectly invest RMB77,000 thousand in Far Eastern E-Resource (Yangzhou) Ltd. As of November 11, 2014, board of directors had canceled this indirect investment.
- P. On June 27, 2012, New Diligence Corporation (Shanghai) remitted back to Taiwan US\$73 thousand, the investment registered with the MOEA's Investment Commission, which then canceled this amount.
- Q. FENC reduced invest amount to US\$33,500 after replacing document No. 10300203670 with document No. 10200478110. FENC made its subsidiary, PET Far Eastern (Holding) Ltd., indirectly invest Tong Da Air Industry (Yangzhou) Co., Ltd.
- R. After obtaining MOEA approval (No. 10200399290), FENC made it subsidiary, Far Eastern Polytex (Holding) Ltd. and Far Eastern New Century (China) Investment Ltd., indirectly invest US\$82,340 thousand in Yuan Ding Enterprise (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$16,625 thousand as its indirect investment.
- S. After obtaining MOEA approval (No. 10300249370), FENC's subsidiary Yuan Tong Investment Co., Ltd. made its subsidiary, Sino Belgium (Holding) Ltd. indirectly invest US\$11,000 thousand in Sino Belgium (Suzhou) Limited and Martens Beers Trading (Shanghai) Ltd. As of December 31, 2014, FENC remitted US\$1,000 thousand to this indirect investment.
- T. After replacing document No. 10300223190 with document No. 10300140570, FENC's subsidiary Yuan Ding Investment Co., Ltd. made its subsidiary, Oriental Textile (Holding) Ltd., indirectly invest US\$43,000 thousand or equal amount currency of RMB in Oriental Industries (Suzhou) Ltd. As of December 31, 2014, FENC has yet to make any remittance to this indirect investment.

(Concluded)